



**GOVERNMENT OF TELANGANA
STATE AUDIT DEPARTMENT**

**CONSOLIDATED AUDIT AND REVIEW REPORT
ON THE ACCOUNTS OF
PANCHAYAT RAJ INSTITUTIONS
MUNICIPAL CORPORATIONS
MUNICIPAL COUNCILS
AGRICULTURAL MARKET COMMITTEES AND
ZILLA GRANDHALAYA SAMSTHAS
FOR THE YEAR 2019-20**

**DIRECTOR OF STATE AUDIT
TELANGANA, HYDERABAD.**

**GOVERNMENT OF TELANGANA
STATE AUDIT DEPARTMENT**

**CONSOLIDATED AUDIT AND REVIEW
REPORT ON THE ACCOUNTS OF
PANCHAYAT RAJ INSTITUTIONS,
MUNICIPAL CORPORATIONS,
MUNICIPAL COUNCILS,
AGRICULTURAL MARKET COMMITTEES
AND ZILLA GRANDHALAYA SAMSTHAS
FOR THE YEAR 2019-20**

**DIRECTOR OF STATE AUDIT
TELANGANA, HYDERABAD**

PREFACE

The Telangana State Audit Act, 1989 passed by the Legislature has empowered the Director of State Audit to conduct the audit of accounts of Panchayat Raj Institutions (PRIs), which he was doing earlier also as per Government orders.

The Director, State Audit conducts post audit of all Local Bodies in the subsequent financial year. The Director, State Audit (DSA) conducts the audit of these Panchayat Raj Institutions through the District Audit Offices headed by the Deputy Director /District Audit Officer. The Deputy Director/ District Audit Officer is the District Administrative Head of the Department. There are two Regional Offices in the State in each of the two zones headed by Regional Deputy Director (RDD).

The Audit Reports of Gram Panchayats and Mandal Parishads are approved by the Deputy Director /District Audit Officer. The Audit Reports of Zilla Parishads are approved by the DD / Regional Deputy Director, State Audit of the District / Zone concerned.

Institution wise audit reports containing various audit objections are issued to the Executive Authorities of the concerned Local bodies for follow up action i.e., rectification of defects pointed out in the audit reports and to submit approved replies after approval by the General Body of the authority concerned.

Under the Telangana State Audit Act, the Director is vested with the power of disallowing any item of the expenditure incurred contrary to the law and surcharge the same on the person incurring or authorizing the incurring of such expenditure.

Under Section 11 of State Audit Act, 1989, the Director, State Audit is required to submit annually a Consolidated Audit and Review Report on the accounts of the Local Bodies to the Government for laying of such report on the table of the Legislative Assembly and the Legislative Council.

Accordingly the Consolidated Audit and Review Report for the year 2019-20 is placed in the Legislative Assembly and Legislative Council of Telangana.

The Annual Consolidated Audit and Review Report (Annual CARR) of PRIs namely Zilla Parishads, Mandal Parishads, Gram Panchayats and also that of Municipal Corporations, Municipalities, Agricultural Market Committees and Zilla Grandhalaya Samasthas whose accounts for the year 2019-20 were audited during the year 2020-21 are included in this Report.

FOREWORD

The **CONSOLIDATED AUDIT AND REVIEW REPORT** for the year 2019-20 compiled in FIVE parts.

Part -I : PANCHAYAT RAJ INSTITUTIONS

Part - II: MUNICIPAL CORPORATIONS

Part - III: MUNICIPALITIES

Part - IV: AGRICULTURAL MARKET COMMITTEES AND

Part -V: ZILLA GRANDHALAYA SAMSTHAS

All parts are designed independently and comprehensively.

Part-I deals with the **Panchayat Raj Institutions** and contains a few selected audit objections under each category and connected account statements.

Part-II deals with the **Municipal Corporations** and contains a few selected audit objections under each category and connected account statements.

Part-III deals with the **Municipal Councils** and contains a few selected audit objections under each category and connected account statements.

Part-IV deals with the **Agricultural Market Committees** and contains a few selected audit objections under each category and connected account statements.

Part-V deals with the **Zilla Grandhalaya Samsthas** and contains a few selected audit objections under each category and connected account statements.

OVER VIEW

During the year 2019-20 under report the Director could audit the institution as listed below:

Sl. No.	Name of the Institution	Demand	Completed	Balance
1	Zilla Parishads	32	32	0
2	Mandal Parishads	540	540	0
3	Gram Panchayats	12765	12765	0
4	Municipal Corporations	13	13	0
5	Municipal Councils	127	126	1
6	Agricultural Market Committees	189	189	0
7	Zilla Grandhalaya Samsthas	31	31	0
	Total	13697	13696	1

AUDITED AMOUNTS:

The total Receipts and Payments of all of the above institutions in the State for the year 2019-20 were audited as shown below:

(Rs. in Lakhs)

Sl. No.	Name of the Institution	Receipts	Payments
1	Zilla Parishads	47834.78	48863.36
2	Mandal Parishads	22184.89	23220.76
3	Gram Panchayats	286250.97	262665.22
4	Municipal Corporations	388503.62	737219.39
5	Municipal Councils	127549.98	248527.98
6	Agricultural Market Committees	45986.12	43519.76
7	Zilla Grandhalaya Samsthas	9676.83	8097.24
	Total	927987.19	1372113.71

AUDIT OBJECTIONS:

Various irregularities noticed in the course of audit are being reported to Executive Authorities under **19** categories/codes as detailed below for easier facilitation in taking follow up action:

1. Variation in Account Figures
2. Excess Utilization of Grants
3. Diversion of Grants / Funds
4. Non-utilization of Grants before lapsable date
5. Mis-Utilization of Grants / Funds
6. Non-utilization of Earmarked Funds
7. Non-collection of dues
8. Advances Pending Adjustment
9. Violation of Rules
10. Non-remittance of Deductions / Recoveries from vouchers / Pay Bills / Contingent Bills
11. Non Production of records
12. Mis-appropriations
13. Excess payments
14. Wasteful Expenditure
15. Instances of cases of unaccounted cash / stores
16. Pendency of Utilization Certificates
17. Surcharge Certificates Recovery Pending.
18. Others
19. DDs/Cheques received, but not realised within time.

A total 104426 number of audit objections involving an amount of **Rs.1,53,022.75 lakhs** were raised during the year. The category wise and institution wise number of audit objections raised during the year are shown in **Annexure-III(1) & (2)** appended to the report. Institution wise Status of audit objections and amount involved thereon for the year 2019-20 are as follows:

Status of Audit Objection and Amount involved (Rs.in Lakhs)

Sl. No.	Name of the Institution	No. of Objections	Amount involved
1	Zilla Parishads	557	30989.86
2	Mandal Parishads	5325	1874.16
3	Gram Panchayats	89348	33952.34
4	Municipal Corporations	653	41166.31
5	Municipal Councils	5051	24017.72
6	Agricultural Market Committees	3209	20490.80
7	Zilla Grandhalaya Samsthas	283	531.56
	Total	104426	153022.75

On receipt of replies to the defects pointed out in the earlier reports supported by relevant records / documents, the audit objections were settled wherever the replies were satisfactory. The DDs/ DAOs and RDDs are authorized to attend the settlement of audit objections. The Audit Reports contain the details of number of audit objections pending settlement at the close of the audit.

CONTENTS

S.No.	Part	Name of the Institution	Page No.
1	Part-I	Panchayat Raj Institutions	1-46
2	Part-II	Municipal Corporations	47-71
3	Part-III	Municipal Councils	72-97
4	Part-IV	Agricultural Market Committees	98-118
5	Part-V	Zilla Grandhalaya Samsthas	119-134

Annexure No.	Description of Consolidated Annexures for the year 2019-20	PAGE No.
I	Institution wise Audit Demand, Completion and Balance for the year 2019-20	135
II	Institution wise Audit Objections raised for the year 2019-20	136
III (1) & (2)	Category Wise Audit Objections raised for the year 2019-20	137-138
IV (A)	Statement showing Fund wise (Receipts & Payments) details of PRIs, M.Copr., MCs Institutions for the year 2019-20	139
IV (B)	Statement showing Receipts & Payments of AMCs & ZGS for the year 2019-20	140
V (A) & (B)	District wise Income & Expenditure details of Zilla Parishad for the year 2019-20	141-142
VI (A) & (B)	District wise Income & Expenditure details of Mandal Parishads for the year 2019-20	143-144
VII (A) & (B)1-2	District wise Income & Expenditure of Grama Panchayats for the year 2019-20	145-147
VIII (A) & (B)	Consolidated Income & Expenditure details of Municipal Corporations for the year 2019-20	148-149
IX (A) & (B)	District wise Income & Expenditure details of Municipalities for the year 2019-20	150-151
X (A) & (B)	District Wise Income & Expenditure details of Agricultural Market Committees for the year 2019-20	152-153
XI (A) & (B)	District Wise Income & Expenditure details of Zilla Grandhalaya Samasthas for the year 2019-20	154-155
XII	District wise Audit Fee particulars of AMCs	156

PART - I

**CONSOLIDATED AUDIT AND REVIEW REPORT
ON THE ACCOUNTS OF PANCHAYAT RAJ
INSTITUTIONS FOR THE YEAR 2019-20**

**ANNUAL CONSOLIDATED AUDIT AND REVIEW REPORT ON
THE ACCOUNTS OF PANCHAYAT RAJ INSTITUTIONS FOR THE
YEAR 2019-20**

INTRODUCTION

- 1.1. Under the Telangana State Audit Act, 1989 the Director is made in charge of the audit of the funds of Panchayat Raj Institutions as specified in the Schedule prescribed in the said Act.
- 1.2. The Department has its offices in all the districts where in the Deputy Director / District Audit Officer, State Audit is the head at the district level.
- 1.3. The Department conducts post audit of the Panchayat Raj Institutions and Audit Reports consisting of defects noticed in audit are issued to the Chief Executive Officer of the institution concerned who has to take action for rectifying the defects pointed out in the Audit Report.
- 1.4. Under the Telangana State Audit Act, 1989 the Director is vested with the power of disallowing any item of the expenditure incurred contrary to the law and surcharge the same on the person incurring or authorizing the incurring of such expenditure and may charge against any person responsible there for, the amount of any deficiency, loss or unprofitable out lay occasioned by the negligence or misconduct of that person or of any such sum which ought to have been accounted for but is not brought into account by that person and shall, in every such case, certify the amount due from such person.

SCOPE OF AUDIT

2. The State Audit Department being one of the limbs of the Government has been statutorily entrusted with the authority to verify the following aspects during the course of post audit of the Panchayat Raj Institutions, viz., Zilla Parishads, Mandal Parishads and Gram Panchayats.
 - a. Whether the taxes, fees etc., collected by the Panchayat Raj Institutions were properly accounted for with full details in the books of accounts of the body concerned.
 - b. Whether adequate care is taken to periodically checkup the funds with Treasury or Bank.
 - c. Whether expenditure incurred was provided for in the Budget of the Panchayat Raj Institution concerned and duly sanctioned by the competent authority under the Act / Rules or any executive instructions issued by the Government.

- d. Whether funds were utilized only for the permitted purposes prescribed under the Act / Rules.
- e. Whether the procedure prescribed by Government in incurring the expenditure / payments made is properly followed and accounted for with due classification in the books of accounts of the Panchayat Raj body.
- f. Whether vouchers for the expenditure incurred were maintained.
- g. Whether grants received from different sources were properly accounted for and utilised for the purposes for which they were meant.

STATUS OF AUDIT

3. The audit of the following Panchayat Raj Institutions for the year 2019-20 was conducted during the year 2020-2021.

Panchayat Raj Institutions No. of Institutions audited

i)	Zilla Parishads	:	32
ii)	Mandal Parishads	:	540
iii)	Gram Panchayats	:	12765

			13337

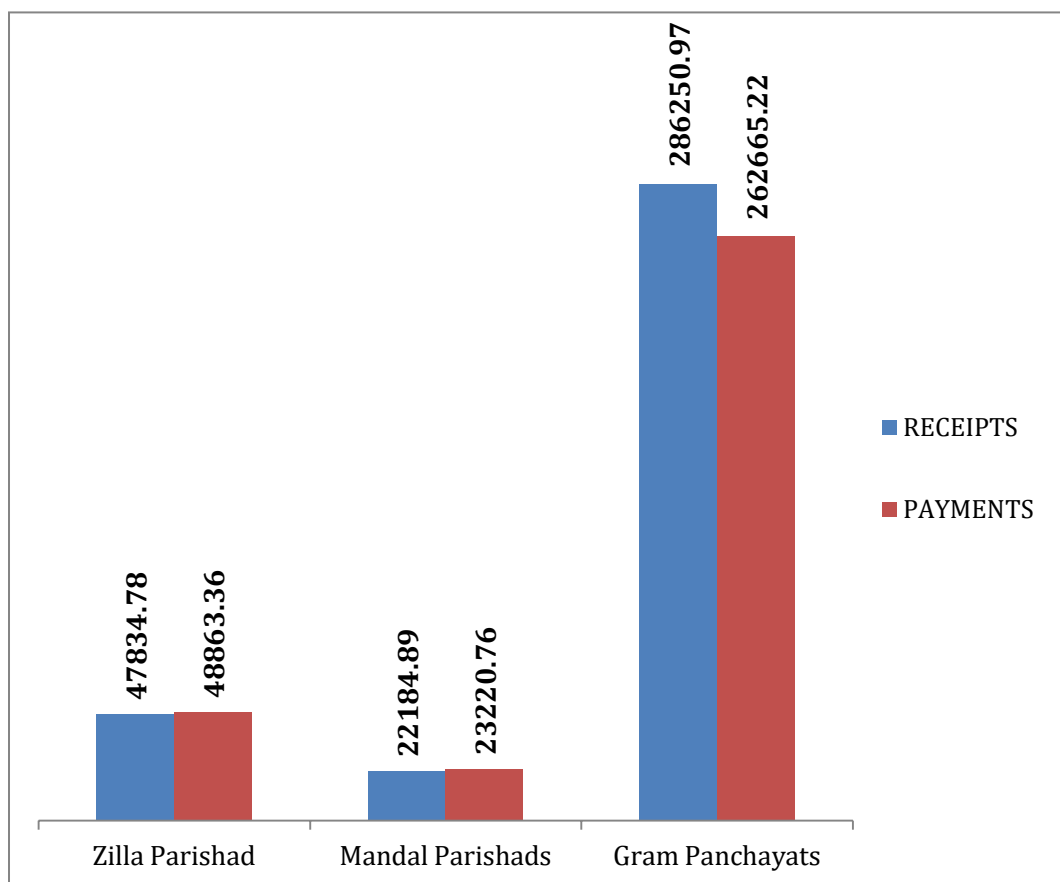
RECEIPTS AND PAYMENTS (2019-20)

- 4.1. The Receipts and Payments are inclusive of their own sources, various grants received from the Central and State Governments during the year 2019-20, by the Panchayat Raj Institutions. The details of Gross Receipts including grants and Payments are shown in the **Annexure-IV (A)** with reference to Zilla Parishads, Mandal Parishads and Gram Panchayats respectively. Various Grants received by Panchayat Raj Institutions are exclusively detailed in **Annexure-V (A) to VII (B)-2**.

The aggregate Receipts & Payments of Panchayat Raj Institutions in the State during the year are **Rs.3,56,270.63 lakhs and Rs.3,34,749.35 lakhs** respectively. These figures are present in pie diagram (**Chart – 1**).

The total **Receipts and Payments** of the Panchayat Raj Institutions during the year 2019-20 are as follows.

Chart – 1

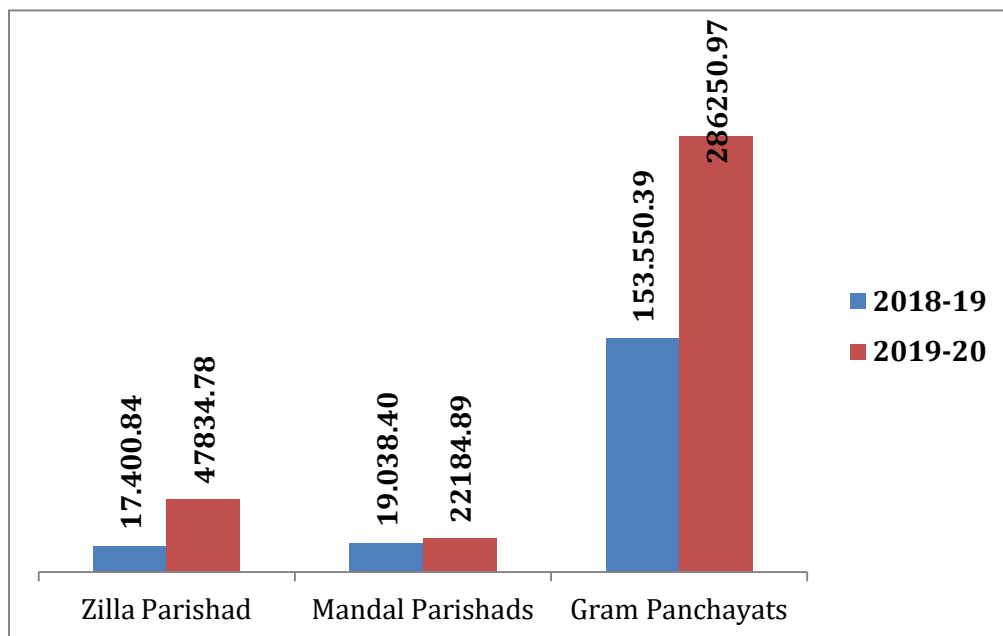


(Rs. in lakhs)				
Name of the Institution	RECEIPTS	%	PAYMENTS	%
Zilla Parishad	47834.78	13.43	48863.36	14.60
Mandal Parishads	22184.89	6.23	23220.76	6.94
Gram Panchayats	286250.97	80.35	262665.22	78.47
Total	356270.64	100.00	334749.34	100.00

- 4.2 The pattern of Receipts of Panchayat Raj Institutions for the years 2018-19 and 2019-20 is exhibited in the below bar chart.

Chart – 2

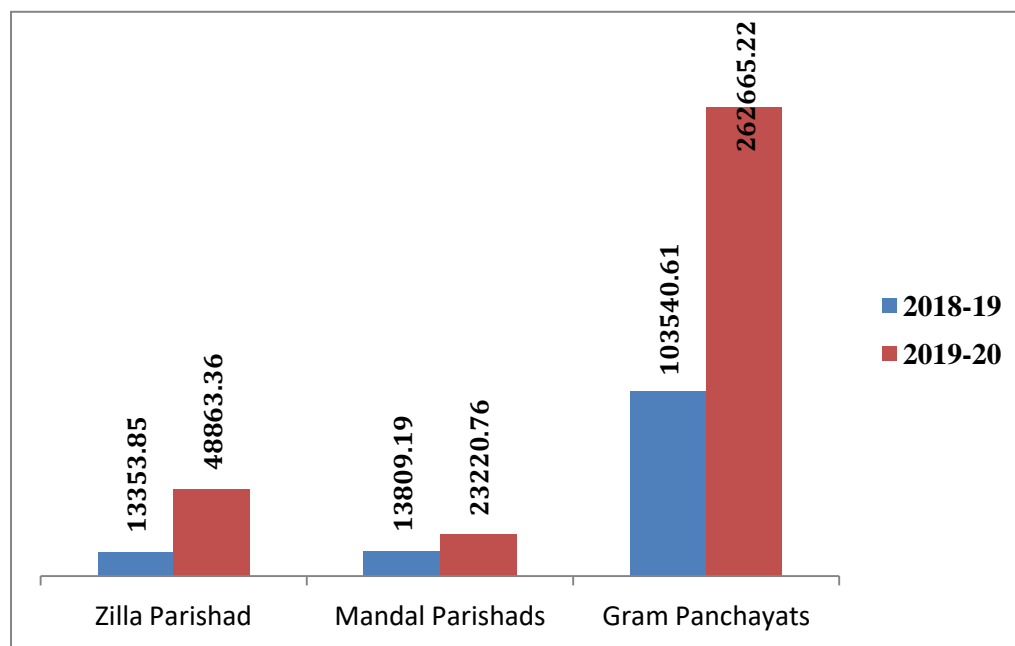
TREND OF RECEIPTS IN PRIs DURING 2018-19 AND 2019-20



- 4.3 The pattern of Payments of Panchayat Raj Institutions for the years 2018-19 and 2019-20 is exhibited in the below bar chart.

Chart -3

TREND OF PAYMENTS IN PRIs DURING 2018-19 AND 2019-20

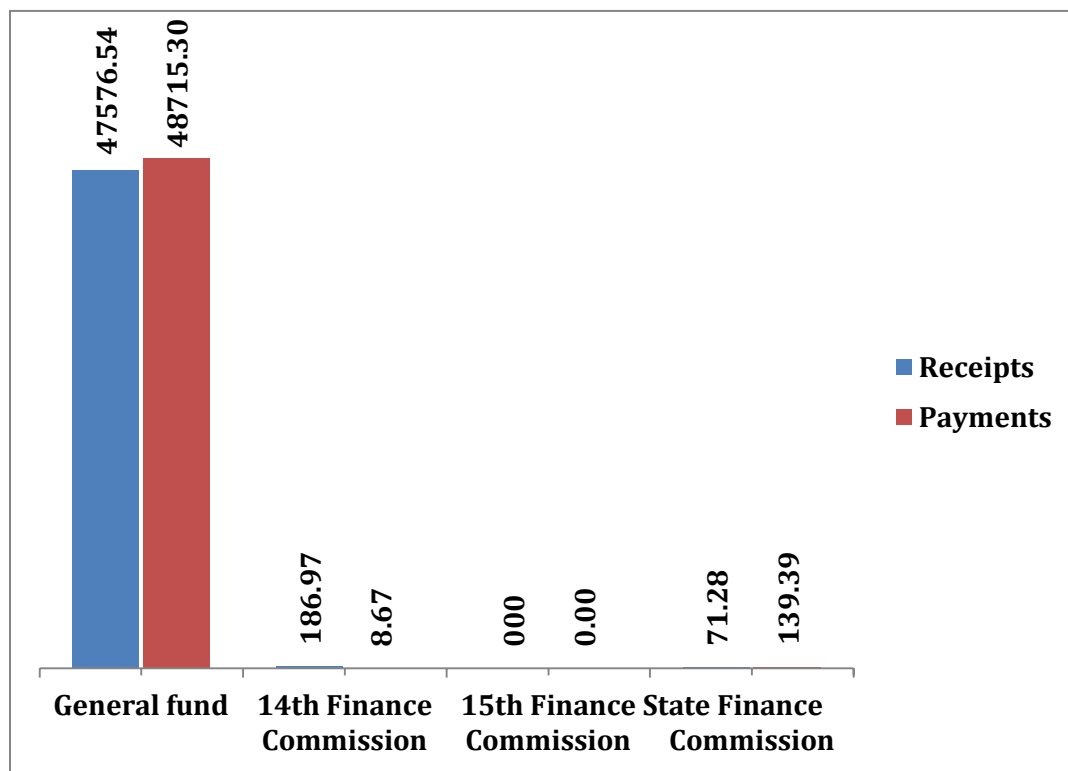


ZILLA PARISHADS (FUNDS)

4.4 The Fund Wise Receipts & Payments of Zilla Parishads in the State for theyear 2019-20 are exhibited in the bar charts.

Chart – 4

COMPONENT WISE RECEIPTS AND PAYMENTS OF ZILLA PARISHADS DURING YEAR 2019-20



Component wise Receipts and Payments of Zilla Parishads during year 2019-20				
(Rs. In Lakhs)				
Name of the fund	Receipts	%	Payments	%
General fund	47576.54	99.46	48715.30	99.70
14 th Finance Commission	186.97	0.39	8.67	0.02
15 th Finance Commission	0.00	0.00	0.00	0.00
State Finance Commission	71.28	0.15	139.39	0.29
Total	47834.79	100.00	48863.36	100.00

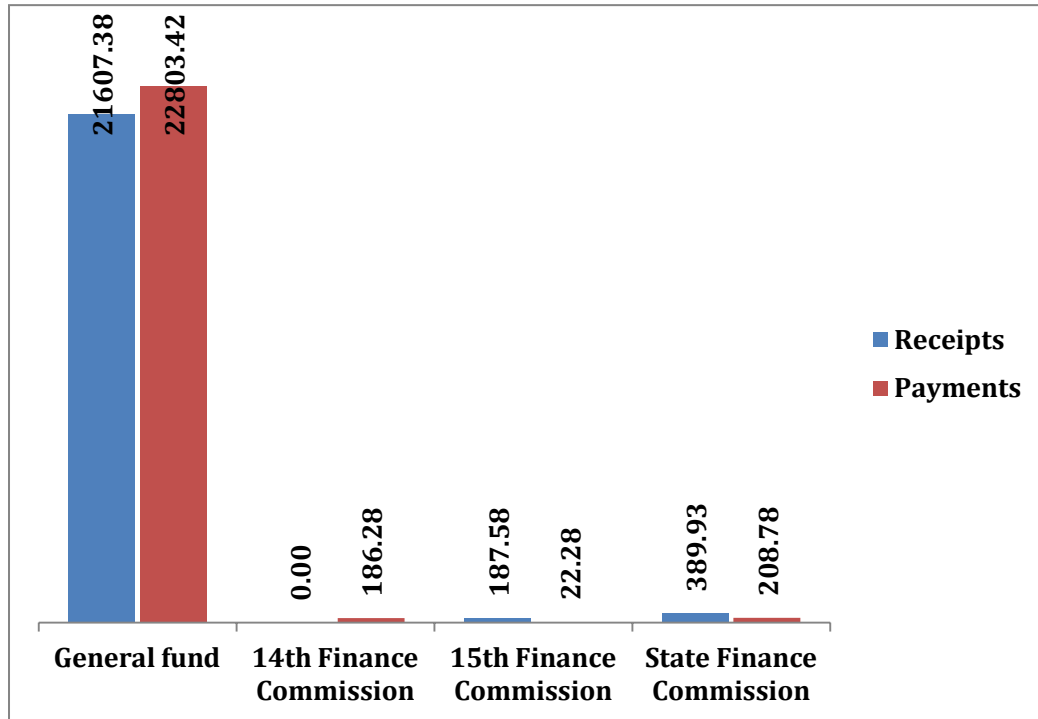
4.5 The Department has conducted the audit of Zilla Parishad Receipts amounting to **Rs.47,834.79 lakhs** and Payments of **Rs.48,863.36 lakhs** as detailed in the **Annexure-IV(A)**.

MANDAL PARISHADS (FUNDS)

4.6 The Fund Wise Receipts & Payments of Mandal Parishads in the State for the year 2019-20 are exhibited in the bar charts

Chart – 5

COMPONENT WISE RECEIPTS AND PAYMENTS OF MANDAL PARISHAD FOR THE YEAR 2019-20 (BAR CHART)



Component wise Receipts and Payments of Mandal Parishads during year 2019-20				
(Rs. In Lakhs)				
Name of the fund	Receipts	%	Payments	%
General fund	21607.38	97.40	22803.42	98.20
14th Finance Commission	0.00	0.00	186.28	0.80
15th Finance Commission	187.58	0.85	22.28	0.10
State Finance Commission	389.93	1.76	208.78	0.90
Total	22184.89	100.00	23220.76	100.00

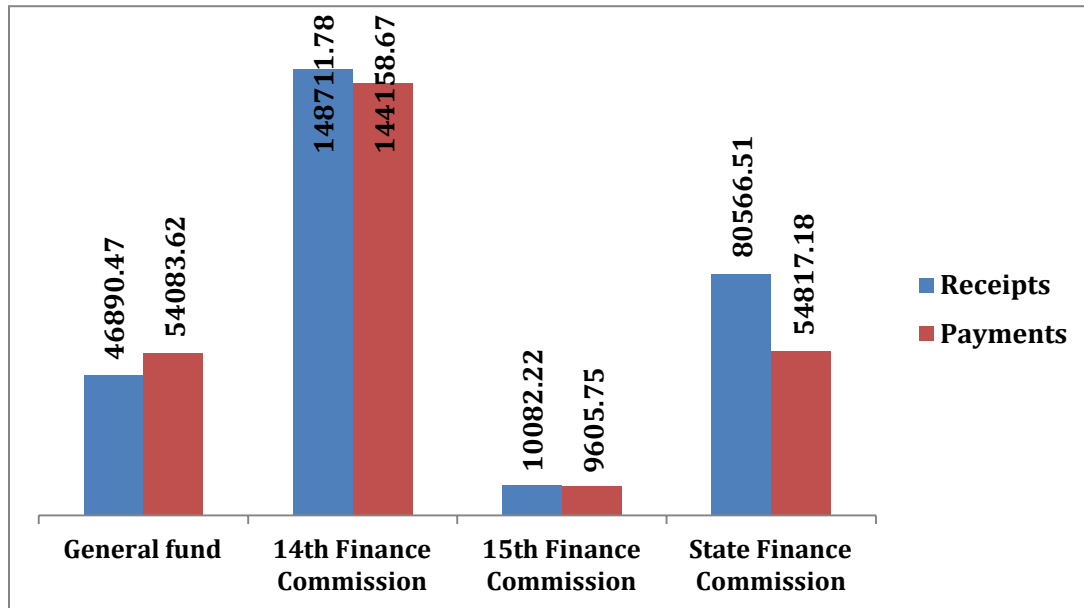
4.7 The Department has conducted the audit of Mandal Parishads Receipts amounting to **Rs.22,184.89 lakhs** and Payments of **Rs.23,220.76 lakhs** as detailed in the **Annexure-IV(A)**.

GRAM PANCHAYATS (FUNDS)

4.8 The Fund Wise Receipts & Payments of Gram Panchayats in the State for the year 2019-20 are exhibited in the Chart.

CHART – 6

COMPONENT WISE RECEIPTS & PAYMENT OF GRAM PANCHAYATS DURING THE YEAR 2019-20 (BAR CHART)



Component wise Receipts and Payments of Gram Panchayats during year 2019-20				
(Rs. In Lakhs)				
Name of the fund	Receipts	%	Payments	%
General fund	46890.47	16.38	54083.62	20.59
14 th Finance Commission	148711.78	51.95	144158.67	54.88
15 th Finance Commission	10082.22	3.52	9605.75	3.66
State Finance Commission	80566.51	28.15	54817.18	20.87
Total	286250.98	100.00	262665.22	100.00

4.9 The Department has conducted the audit of Gram Panchayats Receipts and Payments amounting to **Rs.2,86,250.98 Lakhs** and **Rs.2,62,665.22 Lakhs** respectively as shown in the **Annexure-IV(A)**.

GRANTS POSITION

5.1 Panchayat Raj Institutions are provided grants by the State / Central Governments to implement the schemes entrusted to them and also for over all development of the area under their jurisdiction. The Panchayat Raj Institutions have received the grants as detailed below during the year 2019- 20.

(Rs. In lakhs)

Grants	ZP	MP	GP	Total
Income	30408.76	22184.89	286250.97	338030.12
Expenditure	39552.53	23220.76	262665.22	311596.98

ZILLA PARISHAD (Grants)

5.2 The Grant Wise Income & Expenditure of Zilla Parishads for the year 2019-20 are exhibited in the charts.

CHART-7

GRANT WISE INCOME IN ZILLA PARISHADS FOR 2019-20

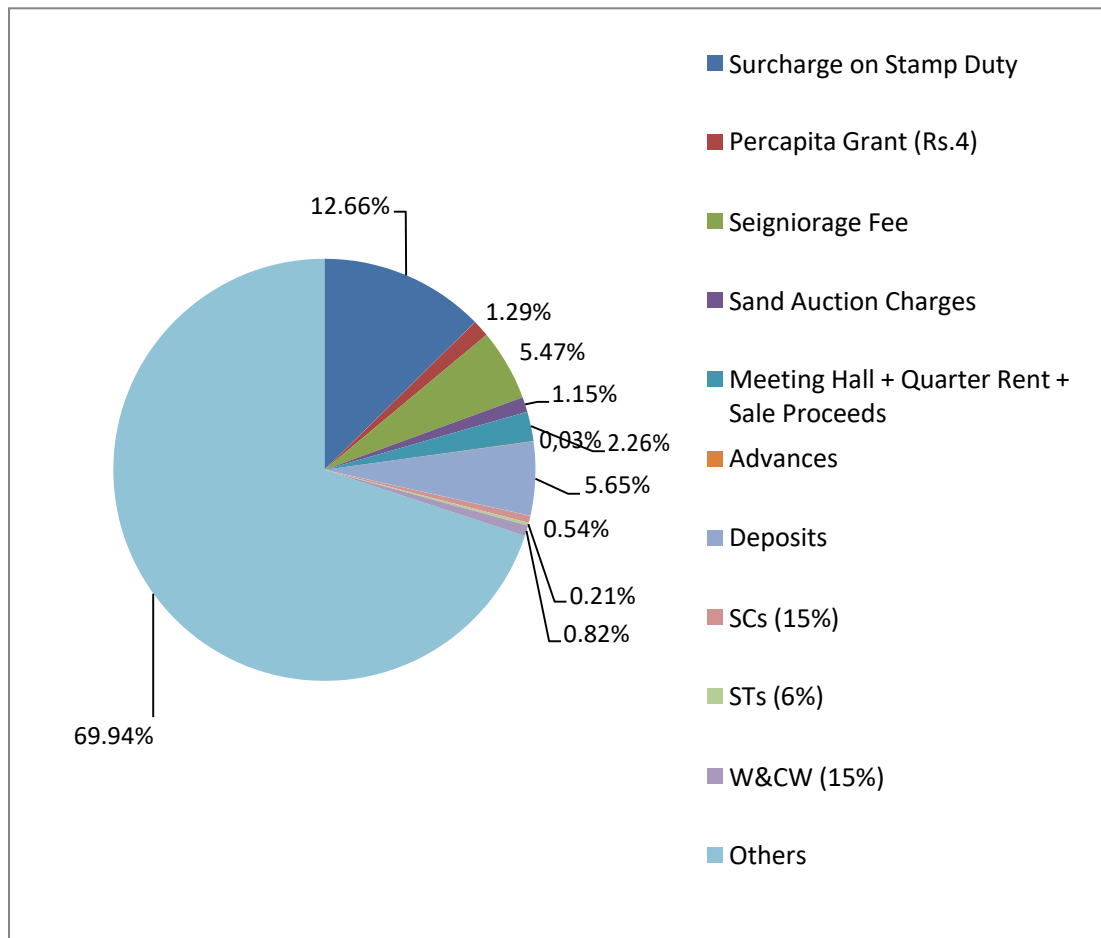
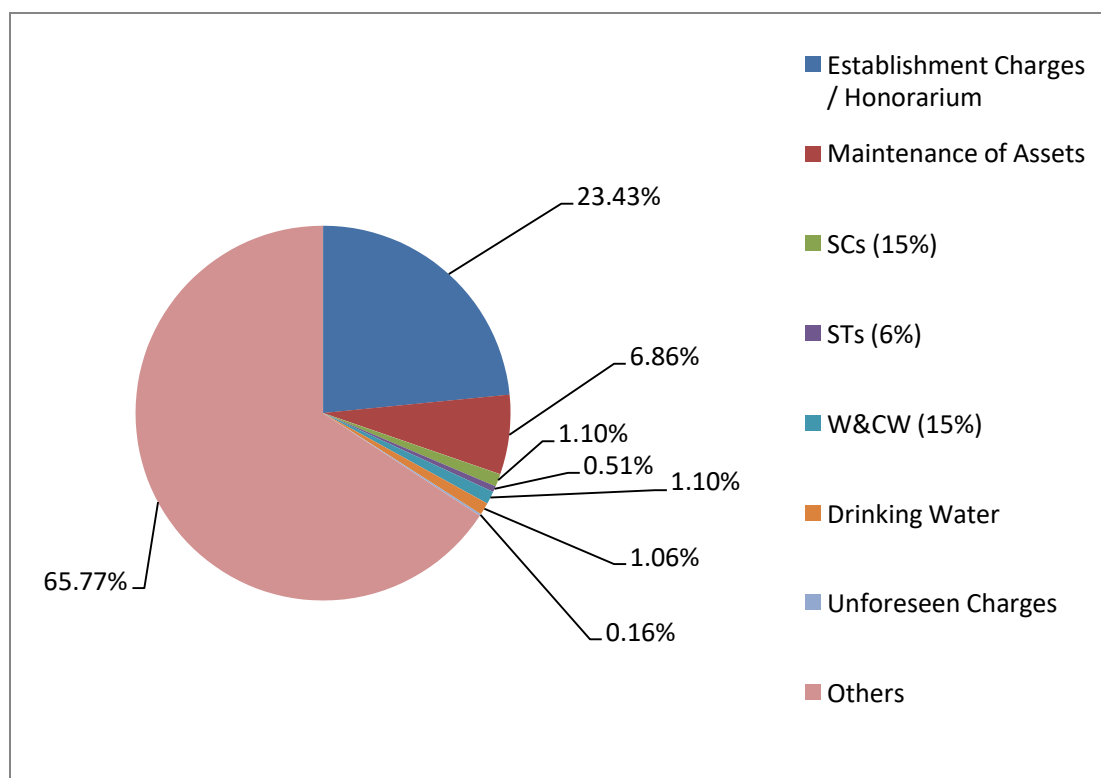


CHART-8
GRANT WISE EXPENDITURE IN ZILLA PARISHADS FOR 2019-20



Zilla Parishad Grants

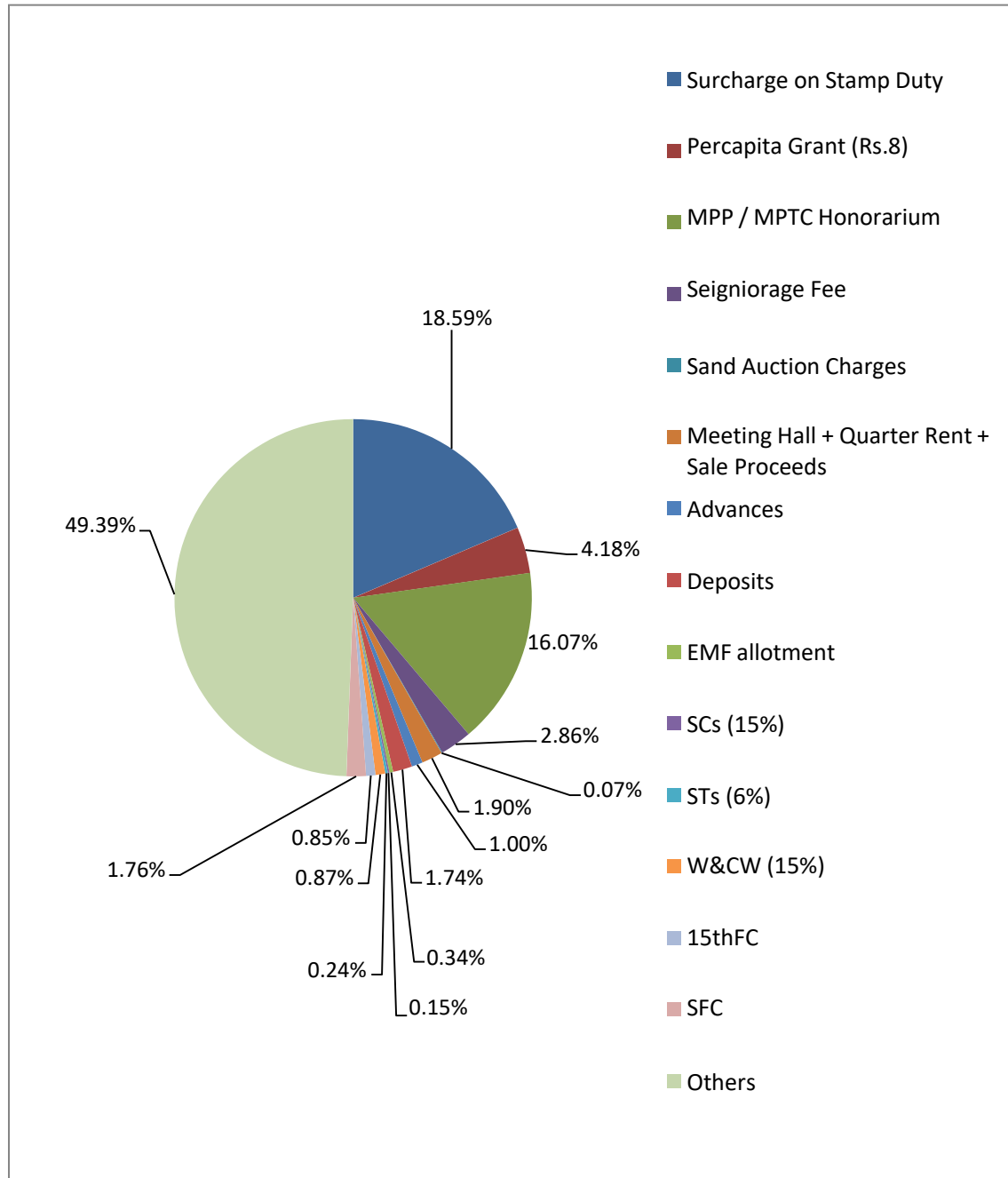
(Rs. in laksh)					
Name of the Grant	Income of Grant	% of Income	Name of the Grant	Expenditure of Grant	% of Expenditure
Establishment Charges / Honorarium	3848.70	12.66	Establishment Charges / Honorarium	9266.97	23.43
Maintenance of Assets	391.68	1.29	Maintenance of Assets	2713.89	6.86
SCs (15%)	1662.14	5.47	SCs (15%)	435.02	1.10
STs (6%)	348.73	1.15	STs (6%)	203.08	0.51
W&CW (15%)	686.43	2.26	W&CW (15%)	436.75	1.10
Drinking Water	8.48	0.03	Drinking Water	419.00	1.06
Unforeseen Charges	1719.26	5.65	Unforeseen Charges	62.83	0.16
Others	162.80	0.54	Others	26015.00	65.77
Establishment Charges / Honorarium	65.25	0.21			
Maintenance of Assets	247.96	0.82			
SCs (15%)	21267.33	69.94			
Total	30408.76	100		39552.54	100

MANDAL PARISHAD (Grants)

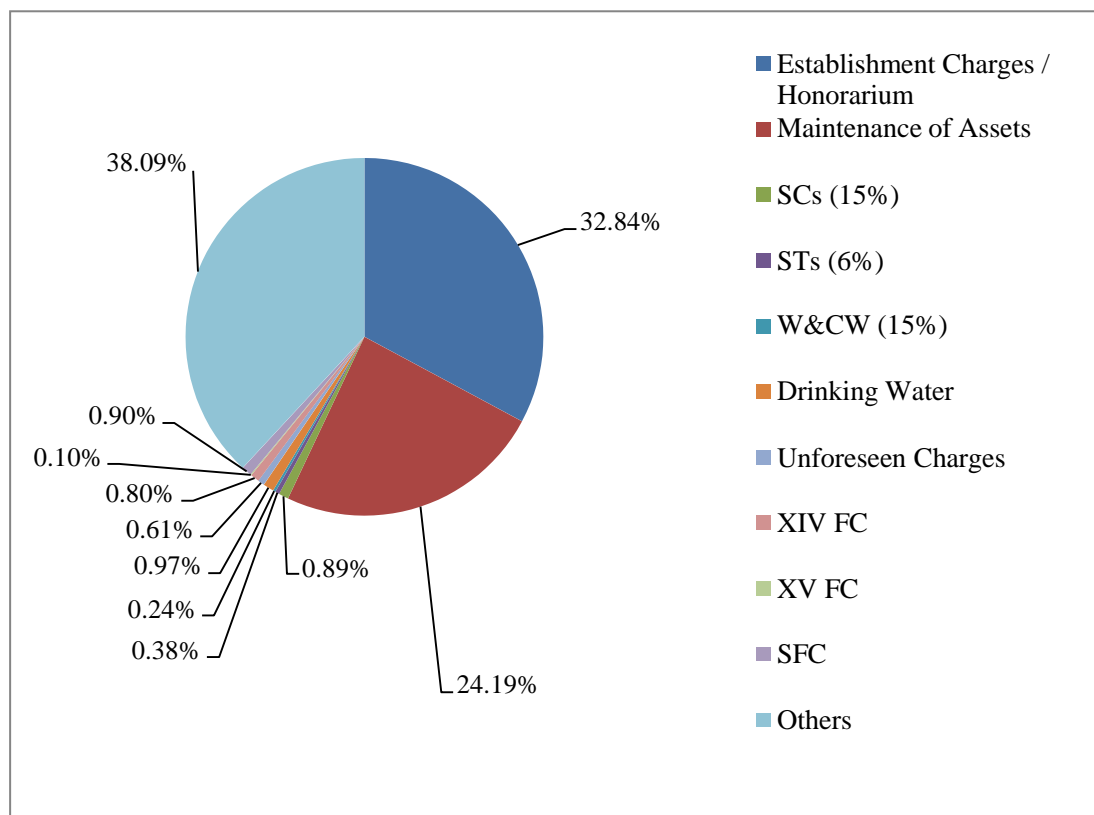
5.3 The Grant Wise Income & Expenditure of Mandal Parishads for the year 2019-20 are exhibited in the Pie charts.

(Chart –9)

GRANT WISE INCOME POSITION IN MPs FOR 2019-20



(Chart –10)

GRANT WISE EXPENDITURE IN MANDAL PARISHADS FOR 2019-20**STATEMENT SHOWING GRANTS OF MANDAL PARISHADS
DURING THE YEAR 2019-20**

(Rs. In lakhs)

Name of the Grant	Income of Grant	% of Income	Name of the Grant	Expenditure of Grant	% of Expenditure
Surcharge on Stamp Duty	4123.43	18.59	Establishment Charges / Honorarium	7625.69	32.84
Per capita Grant (Rs.8)	927.71	4.18	Maintenance of Assets	5616.59	24.19
MPP / MPTC Honorarium	3564.21	16.07	SCs (15%)	207.59	0.89
Seigniorage Fee	635.00	2.86	STs (6%)	88.40	0.38
Sand Auction Charges	15.56	0.07	W&CW (15%)	55.34	0.24
Meeting Hall + Quarter Rent + Sale Proceeds	421.89	1.90	Drinking Water	224.22	0.97
Advances	222.17	1.00	Unforeseen Charges	140.55	0.61
Deposits	385.63	1.74	XIV FC	186.28	0.80
EMF allotment	74.70	0.34	XV FC	22.28	0.10
SCs (15%)	32.92	0.15	SFC	208.78	0.90
STs (6%)	53.40	0.24	Others	8845.03	38.09
W&CW (15%)	193.07	0.87			
15 th FC	187.58	0.85			
SFC	389.93	1.76			
Others	10957.67	49.39			
Total	22184.87	100.00		23220.75	100

GRAM PANCHAYAT (Grants)

5.4 The Grant Wise Income and Expenditure of Gram Panchayats in the State for the year 2019-20 are exhibited in the Pie charts.

Chart –11

GRANT WISE INCOME POSITION IN GPs FOR 2019-20

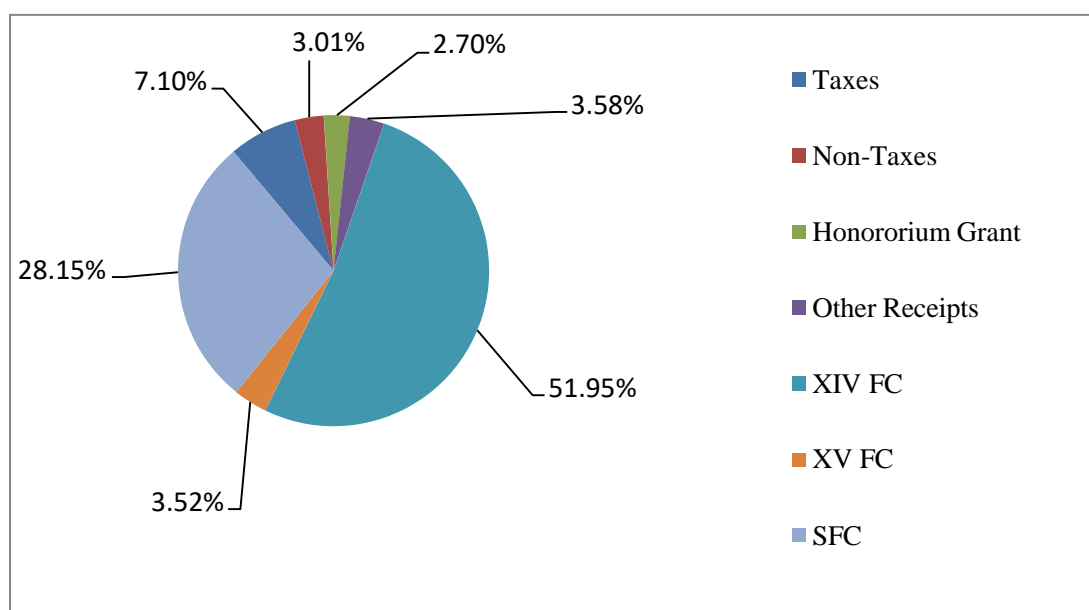
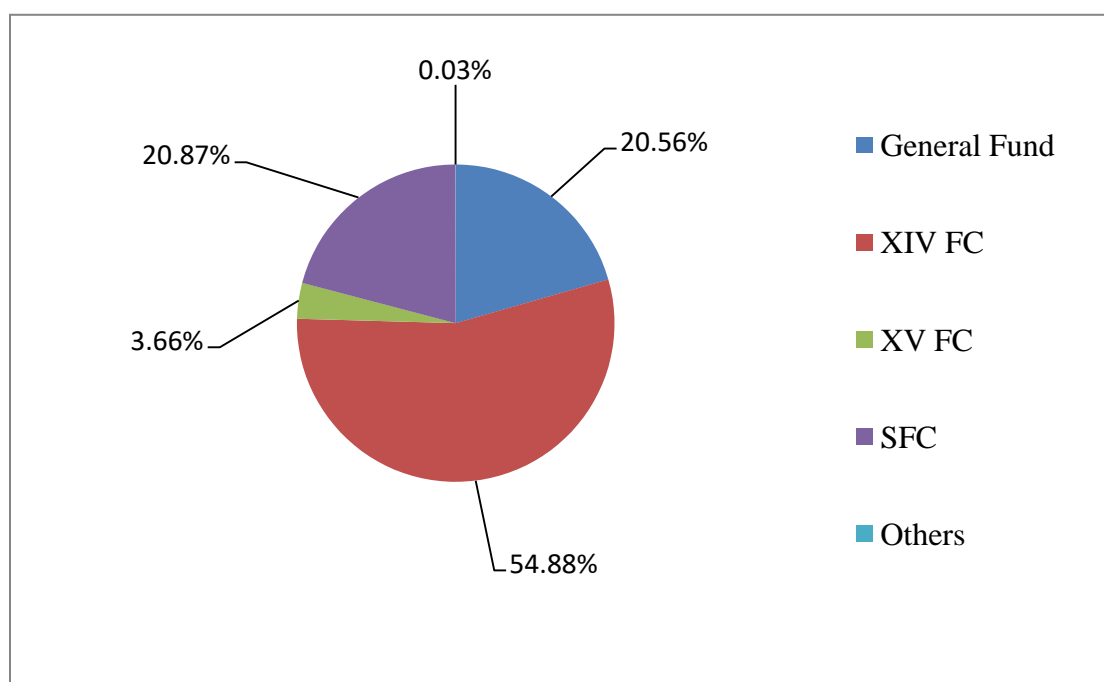


Chart –12

GRANT WISE EXPENDITURE POSITION IN GPs FOR 2019-20



STATEMENT SHOWING GRANTS OF GRAM PANCHAYATS DURING THE YEAR 2019-20 (Rs. In lakhs)					
Name of the Grant	Income of Grant	% of Income	Name of the Grant	Expenditure of Grant	% of Expenditure
Taxes	20321.45	7.10	General Fund	53997.88	20.56
Non-Taxes	8608.10	3.01	XIV FC	144158.67	54.88
Honorarium Grant	7722.31	2.70	XV FC	9605.75	3.66
Other Receipts	10238.61	3.58	SFC	54817.18	20.87
XIV FC	148711.78	51.95	Others	85.74	0.03
XV FC	10082.22	3.52			
SFC	80566.51	28.15			
Total	286250.98	100		262665.22	100

AUDIT OBJECTIONS

6.1 During the course of audit of these Panchayat Raj Institutions for the year 2019-20, the defects noticed were already pointed out in the relevant Audit Reports, as “Audit Objections” which were forwarded to the Chief Executive Authorities concerned for further action at their end as per the procedure laid down under the State Audit Act.

6.2 A total number of **9523** audit objections involving an amount of **Rs.66,816.36 lakhs** were raised in the audit of the Panchayat Raj Institutions during the year under report.

6.3 A Consolidated Statement showing the number of objections raised, amount involved thereon with institution-wise and Category wise break-up are annexed vide **Annexure-III (1)** respectively.

STATEMENT SHOWING PENDENCY OF PRIs (ZPs, MPs & GPs)
AUDIT OBJECTIONS FOR THE YEAR 2019-20

(Rs. In lakhs)

Sl. No.	Name of the Category	Code No.	No. of Paras	Amount involved	% (on Amount)
1	Non-Collection of Dues	7	1070	24103.18	36.07
2	Non-Production of Records	11	9865	12620.82	18.89
3	Non-remittance of deductions	10	45438	11145.71	16.68
4	Violation of Rules	9	24117	7248.24	10.85
5	Non-Utilisation of earmarked Funds	6	550	4687.20	7.02
6	Advances Pending adjustment	8	958	1883.51	2.82
7	Pendency of utilisation certificates	16	1705	1376.20	2.06
8	Variation in Account figures	1	406	896.63	1.34
9	Misappropriations	12	992	796.44	1.19
10	Diversion of grants/Funds	3	517	675.18	1.01
11	Others	18	5079	439.29	0.66
12	Excess payments	13	3368	417.63	0.63
13	Excess utilisation of grants/Funds	2	229	337.57	0.51
14	Non-Utilisation of Grants before lapsable date	4	828	113.28	0.17
15	Wasteful expenditure	14	32	25.47	0.04
16	Mis-utilisation of Grants/Funds	5	30	22.22	0.03
17	Surcharge certificates recovery pending	17	7	11.89	0.02
18	D.D's/cheques received but not realised in time.	19	18	10.01	0.01
19	Instances of cases unaccounted for cash/stores	15	21	5.89	0.01
	Total:		95230	66816.36	100

AUDIT – PARAS

List of some of the selected audit objections raised in PRIs during the year 2019-20 under report is enumerated below:

1. DIVERSION OF GRANTS (CODE No. 3)

The PRIs viz., ZPs, MPs and GPs are provided with funds by the State/Central Governments either by way of grants or a prescribed share in the Cess, Taxes or Fees collected by the State Government. These bodies also earn income by taking up some remunerative enterprises. In case of GPs, they are vested with the power of levying certain taxes and fees like House Tax, Tax on agricultural land for a specific purpose, Fees for lease of porambokes or community lands under their control etc. Such taxes/fees constitute one of the main sources of income to them apart from Grants-in-aid provided by the Central/State Governments.

All the money received by the local bodies form part of their general funds and they can be utilized for the purposes prescribed under the relevant Act/Rules. However, specific grants received should be utilized for the purpose for which the grant is released. Incurring of expenditure for purposes other than the prescribed ones without specific sanction of the government is not permissible. In case of specific grants, the grants should be utilized only for the specific purpose for which the grant is released and no diversion is permissible without the permission of such grant releasing authority. But, it was noticed in audit that notwithstanding such instructions, diversion of specific grants and Earmarked funds is taking place. It was also observed in audit that expenditure was incurred under certain grant heads even in the absence of receipt of any grant during the year by diverting other grants. However, such cases were pointed out under the caption ‘Diversion of Grants’.

A Consolidated **Annexure-III (1)** of “Diversion of Grants/Funds” is appended to the Report from which it could be seen that an amount of **Rs. 675.18 lakhs** was pointed out in **517** audit paras. Such case was pointed out under the caption ‘Diversion of Grants/Funds’.

1. ZILLA PARISHAD JOGULAMBA GADWAL - AMOUNT RELEASED FROM COLLECTOR AND DIST.MAGISTRATE. JOGULAMBA GADWAL TOWARDS PURCHASE OF FURNITURE TO NEWLY CREATED ZPP/MPPS IN JOGULAMBA GADWAL DIST.ON REIMBURSEMENT BASIS – NOT REIMBURSED – NEEDS REIMBURSEMENT – Rs.5.00.000/-

In Zilla Parishad J. Gadwal, on verification of Cash Book and Bank Account, it was noticed that a sum of Rs.500000-00 was released by Collector and Dist. Magistrate vide Cheque No.928633, Dated:20.09.2019 towards procurement of Furniture to newly created Zilla Parishad& MPPs in the district.

The Chief Executive Officer, Zilla Parishad in turn allocated a sum of Rs. 300000-00 to newly created (3) Mandal Praja Parishads viz., MPP: Rajoli, MPP: KT Doddi and MPP: Undavelly @ Rs.1,00,000/- each on reimbursement basis vide Progs.No.A/26/2019, Dated: 09.10.2019 towards procurement of Furniture and

remaining Rs.2,00,000/- was allotted to Zilla Parishad. The following observations were made in audit.

1. Bills relating to purchase of furniture in (3) Mandal Praja Parishads were not furnished to audit.
2. Utilization Certificate relating to Zilla Parishad was not produced.
3. A sum of Rs.200000/- was utilized by Zilla Parishad for purchase of Desk Top Computers and its accessories etc., instead of purchasing furniture.
4. The amount of Rs.5,00,000-00 was not reimbursed to the Collector and Dist. Magistrate, Jogulamba Gadwal till to the close of audit.

Hence immediate action would need to be taken to reimburse a sum of Rs.5,00,000/- to the Collector and Dist. Magistrate, Jogulamba Gadwal and produce the relevant documents to audit for verification.

(Para No.5 of Audit Report of Zilla Parishad Jogulamba Gadwal District)

2. ZP SANGAREDDY - AMOUNT TRANSFERRED FROM ZILLA PARISHAD GENERAL FUND TO MANDAL PARISHAD FUNDS FOR PURCHASE OF NEW FURNITURE - NEEDS REIMBURSEMENT - RS. 12,00,000-00

During the audit it was noticed that an amount of Rs.12,00,000.00 were transferred from Zilla Parishad General fund account to Newly formed Mandal Praja Parishads in Sangareddy District for Purchase of Furniture as detailed below. These amounts were transferred based on Zilla Parishad General Body sanction on 20.09.2019. But there is not provision under Panchayat Raj Act,2018. Zilla Praja Parishad General Funds transfer to such Mandal Praja Parishads for purchase of Furniture is not admissible to audit. Hence, the entire expenditure Rs. 12,00,000-00 is held under objection. Immediate action would need to be taken for reimbursement of such fund.

(Para No. 04 of Audit Report of Zilla Parishad Sangareddy, Sangareddy District)

3. MANDAL PARISHAD PATANCHERU - AMOUNT TRANSFERRED TO PENSION ACCOUNT TOWARDS MPTC/ZPTC ELECTION EXPENDITURE – NOT REIMBURSED – NEEDS IMMEDIATE REIMBURSEMENT – Rs.8,10,000-00

It was observed in audit that vide Vr.No.365 dt.16.10.2019, an amount of Rs.8,10,000-00 was transferred to Pension Account for conducting MPTC/ZPTC Election. But the same was not reimbursed till the close of audit.

Immediate action needs to be taken for reimbursement from the Zilla Parishad, Sangareddy under intimation to audit.

(Para No.2 of Audit Report of Mandal Parishad Patancheru, Sangareddy District)

In a similar case, in audit of MP Andole, on verification of the following vouchers, it was noticed that an amount of Rs.1,00,000-00 was spent on MPTC/ZPTC Elections. But the same was not reimbursed till the close of audit.

Sl.No.	Vr.No. & Date	Purpose	Amount (Rs.)
1	182/4.11.2019	Expenditure for MPTC/ZPTC Election, 2019	1,00,000
		Total	1,00,000

Immediate action needs to be taken for reimbursement from Zilla Parishad, Sangareddy under intimation to audit.

(Para No.5 of Audit Report of Mandal Parishad Andole, Sangareddy District)

4. GP - SFC GRANTS - DIVERSION OF SFC GRANTS TOWARDS PAYMENT OF WORKS CARRIED OUT UNDER MGNREGS – OBJECTED – Rs.7,37,683/-

On verification of records pertaining to GP Indrakaran, Kandi Mandal of Sangareddy district for the year 2019-2020, it was observed that an amount of Rs.7,37,683/- was paid from SFC grants towards constructions of Vaikuntadhamam (grave yard) which was carried out under MGNREGS. This resulted in diversion of grants which is contrary to guidelines issued by the State Finance Commission.

Sl. No.	Name of the work	Cheque No./Date	Amount (Rs.)
1	Construction of Vaikuntadhamam	19016542/18.12.19	220481
2		19017933/6.3.20	140068
3		19071932/6.3.20	377134
		Total	737683

Hence, action shall be initiated for remitting Rs.7,37,683/- back to the SFC grants and care should be taken to see that this does not repeat in future.

(Para No. 1 of Audit Report of Indrakaran GP, Kandi Mandal, Sangareddy District)

In a similar case in GP Budhera of Munipally Mandal, an amount of Rs.2,70,000/- was diverted from General Fund of the GP towards construction of Vaikuntadhamam (grave yard) under MGNREGS as detailed below:

Sl. No.	Fund Name	Particulars	Cheque No. / Date	Amount Drawn (Rs.)
1	GF	Construction of Vaikuntadhamam (MGNREGS)	19001542/16.9.19	90000
2	GF		19001540/16.9.19	90000
3	GF		19001538/16.9.19	90000
			Total	270000

Hence, action shall be taken for remittance of Rs2,70,000/- back to the General Funds of the GP.

(Para No.3 of Audit Report of GP Budhera & Munipally (M), Sangareddy District)

2. NON-UTILISATION OF EARMARKED FUNDS (CODE NO.6)

Government vide their orders issued in G.O. Ms. No.450 & 451 P.R. & R.D. (Programme-IV) Department, dated 9-4-2001 and G.O. Ms. No.38 Women Development and Child Welfare Department, dated 29-5-98 read with G.O. Ms. No.704 of P.R. & R.D. Department, dated 5-11-1994 issued instructions that every ZP and MP shall earmark funds from out of their General Funds and utilize the same on the schemes benefiting the S.C.s, S.T.s and for Women and Child Welfare at the following rates.

1. For S.C.s	: 15%
2. For S.T.s	: 6%
3. For Women & Child Welfare	: 15%

Further 1/3 of such earmarked funds shall be made over at the beginning of the year to the Scheduled Castes Co-operative Finance Corporation / Scheduled Tribes Co-operative Finance Corporation / Women Co-operative Finance Corporation as the case may be to utilize for the benefit of the S.C.s, S.T.s and Women and Children respectively. The balance of 2/3rd funds shall be utilized by the ZPs/MPs for the benefit of S.C.s, S.T.s, Women & Children in the ZP, MP areas. Unspent balance out of the 2/3rd funds at the end of the financial year, if any, shall be made over to the respective Corporations.

It was observed in audit that in many cases the funds to be earmarked as per the orders of Government were worked out and provided for in their respective budget estimates. But, Earmarked funds were neither made over to the respective Corporations at the beginning of the year nor fully utilized by the ZPs/MPs. The unspent balances at the end of the year were also not remitted to the respective Corporations in many cases. Such inaction had defeated the very purpose of earmarking of funds.

A Consolidated **Annexure-III (1)** of Non-utilization of Earmarked Funds is appended to the Report from which it could be seen that an amount of **Rs. 4687.20 Lakhs** was pointed out in **550** audit paras.

5. EARMARKED FUNDS - 15% and 6% EARMARKED FUNDS NOT UTILISED FULLY - 1/3rd SHARE NOT TRANSFERRED TO CONCERNED CORPORATIONS:Rs.56.86.002.00

As seen from the annual account for the year 2019-20, the general revenue of Zilla Praja Parishad, Sangareddy during the year is Rs.8,10,85,750/-.

Out of the general revenue, funds were earmarked for the welfare of S.Cs., and S.Ts., at the ratio of 15% and 6% respectively as detailed below as per para No.4 of G.O.Ms.No.229, PR & RD, (Accts.I) Dept., Dt. 17-6-1997 and as amended in G.O.Ms.No.309, PR & RD (Accts.I) Dept., Dt. 21-7-1998.

S.Cs. @ 15%	Rs.12162862.00
S.Ts., @ 6%	Rs. 4865145.00

Out of the amounts earmarked for the welfare of S.Cs., and S.Ts., 2/3rd of the amounts shall be utilised by the Z.P.P., for the welfare of the S.Cs., and S.Ts., and the balance, if any, out of the 2/3rd amount together with the remaining 1/3rd of the total amounts shall be remitted to the respective corporations for utilising the same for the welfare of S.Cs., and S.Ts.

But, during the course of audit it was observed that the following amounts remained unspent which would need to be remitted to respective Corporations.

(Amount in Rs.)

Community	Amount earmarked	1/3 rd earmarked funds	Remitted to SC/ST Corporations	Balance of 1/3 rd earmarked funds
SCs	12162862	4064287	0	4064287
STs	4865145	1621715	0	1621715

Since the earmarking of funds has been aimed at the welfare activities of the SC, ST, non-earmarking/non transfer of 1/3rd funds/ non transfer of even the unspent balances of 2/3rd funds to the respective corporations has resulted in depriving the benefits intended to the said categories and thereby defeated the very objective of earmarking of funds which should be avoided and immediate action needs to be taken for the transfer of the said amounts.

(Para No. 05 of Audit Report of Zilla Parishad Sangareddy, Sangareddy District)

3. NON-COLLECTION OF DUES (CODE NO. 7)

On verification of Revenue Collections in Panchayat Raj Institutions, it was observed that huge amounts were left pending realization for longer periods and allowed to become barred by limitation of time in certain cases. Appropriate action seems to have not been initiated by the Executive Authorities for realization of taxes and fees etc. due before they became barred by limitation of time in spite of various statutory provisions existing for their recovery such as through distraint, prosecution or filing of suits. Dependence on Government Grants gets lowered if timely and appropriate action is taken by the executive authorities for collection of these outstanding dues which ultimately increases their self-sustainability. In fact, some of these dues cannot be recovered legally now and constitute a permanent loss to the institutions which needs to be curbed.

A Consolidated **Annexure-III (1)** showing audit objections on Non-Collection of Dues is appended to the Report from which it could be seen that an amount of **Rs. 24103.18 lakhs** was pointed out in **1070** audit paras.

6. ZILLA PARISHAD - INTEREST ON PROVIDENT FUND ACCUMULATIONS NEEDS TO BE REIMBURSED-- **Rs.23,37,27,951/-**

The interest on the accumulation of GPF balances needs to be reimbursed from the govt. Though the interest on the GPF accumulations of individual accounts is credited, the amount towards interest has to be received from the Government. The executive authority made the correspondence to Government to reimburse the interest,

the same yet to be received as shown below. Therefore, action would need to be taken to reimburse an amount of Rs.23,37,27,951/- from the Government.

(Amount in Rs.)

Month	Opening balances on 01.04.2019 (Rs.2552491891+317206105)	Deposits during the month	Total	Withdrawals	Amount Released	Total	Cumulative
1	2	3	4	5	6	7	8
Apr-19	2869697996	42789400	2912487396	0.00	0.00	2912487396	2912487396
May-19	2912487396	42877105	2955364501	617912	0.00	2954746589	5867233985
Jun-19	2954746589	43482016	2998228605	119688459	0.00	2878540146	8745774131
Jul-19	2878540146	96579171	2975119317	86424172	0.00	2888695145	11634469276
Aug-19	2888695145	85211294	2973906439	892000	0.00	2973014439	14607483715
Sep-19	2973014439	42853765	3015868204	76947921	0.00	2938920283	17546403998
Oct-19	2938920283	43353273	2982273556	38895096	0.00	2943378460	20489782458
Nov-19	2943378460	44168260	2987546720	74813539	0.00	2912733181	23402515639
Dec-19	2912733181	123362118	3036095299	9135121	0.00	3026960178	26429475817
Jan-20	3026960178	48429128	3075389306	88181517	0.00	2987207789	29416683606
Feb-20	2987207789	41011592	3028219381	14910722	0.00	3013308659	32429992265
Mar-20	3013308659	41486101	3054794760	92513056	0.00	2962281704	35392273969
		695603223		603019515		35392273969	
Interest due for the year 2019-20 From 4/19 to 6/19 @ Rs. 8.00%				58305160.87			
Interest due for the year 2019-20 From 07/19 to 03/20 @ Rs. 7.90%				175422790.60			
			Total (Rs.)	233727951.47			

(Para No.33 of Audit Report of Zilla Parishad, Sangareddy District)

7. MP PATANCHERU - SHOP RENTS – HUGE AMOUNTS NOT COLLECTED – IRREGULAR - NEEDS IMMEDIATE ACTION - Rs.43.36.000-00

On verification of records produced to audit, it was noticed that the total demand of rents for the year including arrears was worked out to Rs.69,50,300-00, but out of which only Rs.26,14,300.00 was collected from the tenants of the shops during the year. The remaining amount of Rs.43,36,000-00 was yet to be collected from the tenants up to June, 2020 as a result the AMC was put to suffer in taking up other activities.

The matter was taken to the notice of the Executive Authority for initiating action to collect the dues vide HM Lr.Spl.No.02/2020-21, dt.28.07.2020, for which no reply was furnished.

Immediate action needs to be taken to collect the dues from the tenants under intimation to audit.

(Para No.4 of Audit Report of Mandal Parishad Patancheru, Sangareddy District)

8. GP - AUCTIONS – THAI BAZAR – SHORT COLLECTION IMMEDIATE ACTION NEEDED – Rs. 65,100/-

In Edula GP, Gopalpet Mandal, auction was conducted for Thai Bazar and the same was won by Sri Narayana for an amount of Rs.1,36,800/-. On verification of connected files, the following amounts found not collected:

(Amount in Rs.)

Sl. No.	Auction	Time Period of Auction	Particulars of the Bidder	Total Amount to be remitted	Amount Remitted	Balance
1	Thai Bazar	01.04.2019 to 31.03.2020	Sri Narayana	136800/-	71700/-(18000 Paid in 2019-20 & Rs 53700 paid in 2020-21 i.e., on 15/04/20	65100

The GP did not initiate action to collect the balance amount of Rs.65,100/- from the bidder. Hence, immediate action needs to be initiated for collection of the same under intimation to audit.

(Para No.1 of Audit Report of Edula, Gopalpet Mandal, Wanaparthy District)

In a similar case in Grampanchayat and Mandal of Madhanapur, Sri D. Venkatesh won the bid for Thai Bazar for an amount of Rs.2,76,000/- out of which he remitted an amount of Rs.2,32,607/- leaving a balance of Rs.43,393/-. The GP did not initiate any action to collect the balance amount of Rs.43,393/- from the bidder. Action may be initiated to recover the amount.

(Amount in Rs.)

Sl. No.	Name of the Auction	Amount Bid for the auction	Name of the Bidder	Amount Paid	Balance Amount to be paid
1	Thai Bazar	276000	Sri D. Venkatesh	232607	43393

(Para No. 7 of Audit Report of GP & M Madhanapur, Wanaparthy District)

4. ADVANCES PENDING ADJUSTMENT (CODE NO. 8)

It was observed during the course of audit that temporary advances paid for specific purposes were outstanding for a long time though they should have been got adjusted through detailed bills and vouchers as soon as possible as per Article 99 of the Telangana Financial Code. Non-settlement of advances leads to misuse of advances to avoid refund of unspent amounts. Several objections were raised on such outstanding advances in the relevant audit reports pointing out failure of the executive authorities to take necessary action to get these advances adjusted. It was also observed that huge amounts of personal advances were also outstanding for a long time due to the inaction on the part of the drawing officers. Few such examples are given below.

A Consolidated **Annexure-III (1)** showing audit objections on Advances Pending is appended to the Report from which it could be seen that an amount of **Rs.1883.51 lakhs** was pointed out in **958** audit paras. A few such examples are given below.

9. GP - ADVANCES PENDING ADJUSTMENT – ADVANCES PAID FROM XIV FC FOR CONSTRUCTION OF CREMATORIUM, HARVEST PIT ETC. – ADVANCES NOT ADJUSTED – Rs. 4.00,000/-

In GP Darpally of Nawabpet Mandal, an amount of Rs.4,00,000/- was drawn as advance for construction of crematorium and Rain Water harvest pit as detailed below under MGNREGS scheme. As per art 88 the amount was supposed to be adjusted within a month from the date of drawal. The advance amount was not adjusted till the closure of audit. Action may be initiated to get the amount adjusted under intimation to audit.

Sl. No.	Particulars of Drawal	Vr. / Cheque No. & Date	Advance drawn (Rs.)
1	Construction of Harvest Pits	7906/4.11.2019	100000
2	Construction of Crematorium	16402/27.3.2020	300000
		Total	400000

(Para No. 1 of GP Darpally, Nawabpet Mandal, Mahabubnagar District)

In a similar case in GP Lokirevu, an amount of Rs.6,70,000/- was drawn from SFC grants and paid as advance towards construction of Crematorium and Rain Water Harvest Pits under MGNREGS scheme as detailed below. The said advance amount was not adjusted to GP Funds till the close of audit.

Sl. No.	Particulars of Drawal	Name of Fund	Vr. / Cheque No. & Date	Advance drawn(Rs.)
1	Construction of Harvest Pits	SFC	7298/25.10.2019,2530/30.1.20	170000
2	Construction of Crematorium	SFC	5662/12.3.2020	500000
			Total	670000

Action may be initiated for adjustment of the advance and remittance of the same to GP Funds.

(Para No.1 of Audit Report of Lokirevu GP, Nawabpet (M), Mahabubnagar Dist)

5. VIOLATION OF RULES (CODE NO. 9)

It was noticed in audit that in some cases the Rules / Government instructions for incurring the expenditure from the funds of the Panchayat Raj bodies were violated either due to negligence or ignorance. In certain cases, the funds of the Panchayat Raj bodies were utilized for purposes other than the permitted ones under the Act /Rules. It was also noticed that in a few cases, Government instructions were misunderstood or misinterpreted. Such irregular expenditure incurred was objected in the relevant Audit Reports.

A Consolidated **Annexure-III (1)** showing audit objections on Violation of Rules is appended to the Report from which it could be seen that an amount of **Rs.7248.24 lakhs** was pointed out in **24117** audit paras. The defects relating to violation of Rules were pointed in the relevant ARs. A few such cases are shown below:

10. ZILLA PARISHAD MAHABUBNAGAR - PAYMENT OF DAILY WAGES TO SMT. K. LATHA, TYPIST O/o MPDO, M.P.P. BHOOHPUR – IRREGULAR -Rs.8,73,537/-

In Zilla Parishad vide below given vouchers, a sum of Rs.8,73,537/- was drawn from Z.P. General Funds and paid to Smt. K. Latha, Typist, O/o M.P.D.O., M.P.P. Bhoothpur as daily wages.

According to Act 2 of 1994 and as clarified in G.O.Ms.No. 146 Fin & Plg. (F.W. P.C.II) Dept. Dt: 31-3-1994 read with Govt. Cir. Memo No. 44742/A/412/A1/PC/111/92, Dt: 4-11-1997, appointing the employees on payment of daily wages without the concurrence of the Government in Finance Department is highly irregular and cannot be admitted in audit.

Sl. No.	Vr.No. & Dt.	Amount (Rs.)	Details
1	23/13.6.2019	13800	Jan.19 to April19
2	78/3.10.2019	806377	April.09 to April.19 & enhanced wages 5/2019 to 8/2019
3	223/10.1.2020	53360	Sep.19 to Dec .19
	Total	8,73,537	

(Para No. 15 of Audit Report of Zilla Parishad Mahabubnagar District)

During the audit on the accounts of Zilla Parishad Nirmal for the year 2019-20 and also on observation of the below paid voucher, it was observed that:

Vr.No. NIL Dated 02/2020

1. An amount of Rs. 1,98,000/- was drawn and paid to Sri U. Narayana, Superintendent, Zilla Parishad, Nirmal (SBI Account Number 52194754798) towards Vehicle Hire Charges of Chief Executive Officer, Zilla Parishad , Nirmal (Vehicle Registration Number AP 01EG 3597) for the months from 07/2019 to 12/2019 i.e., for (6) months vide Proceedings No. P3/ZP-NRML/05/2020, Dt. 29-01-2020.

2. An amount of Rs. 66,000/- was drawn in favour of U. Narayana, Superintendent, Zilla Parishad, Nirmal (SBI Account Number 52194754798) towards vehicle hire charges of Chief Executive Officer, Zilla Parishad, Nirmal (vehicle Registration Number AP01 EG 3597) for the months of January-2020 to February -2020 i.e., for (2) months vide Cheque No. 19020931 Dt. 03/2020.

It is apt to mention here that as per instructions issued vide G.O. No. 170, Finance (W&M) Department Dt.06.07.2005 read with Circular. Memo No. 826/29/DCM/2017, Dt. 16-07-2017 and standard operating procedures issued vide TS Finance Code, the payment of hire charges can be made at the rate of Rs.33000/- per month duly following the procedures mentioned and the payment shall be made in favour of the owner of the vehicle deducting TDS @ 2% amounting to Rs. 264000x 2% = 5280/- as per Section 194 (c) of Income Tax Act 1961. But contrary to that the payment of hire charges was made to Sri. U. Narayana, Superintendent, Zilla Parishad, Nirmal by crediting the amount to his personal account which is irregular.

The files relating to Hire agreement, log book, Tour Dairy etc., were not furnished to audit along with the following files/Records.

1. The vehicle's permit, fitness certificate, Insurance, Pollution Certificate etc.
2. Driving license of the driver etc.

In view of the above, an amount of Rs.2,64,000/- is held under objection and shall be recovered from Sri U. Narayana, Supdt. and credited to concerned account immediately along with penal interest. The Zilla Parishad authorities shall dispense with such a practice in future.

(Para No.5 of Audit Report of Zilla Parishad Nirmal District)

11. COST OF REPAIRS TO THE ZILLA PARISHAD VEHICLES EXCEEDING THE CEILING FIXED BY THE GOVERNMENT AND OTHER DEFECTS -Rs.12,298.00

As per G.O.Ms.No.148 F&P Admn. Deptt., dt.21.10.2000 an amount of Rs.20,000.00 can be spent towards repair of one vehicle for one year. But as verified from the following vouchers during the course of audit an aggregate amount of Rs.44876.00 was spent towards vehicle repairs. The repair included spare parts purchased for vehicle. The connected stock account together with unserviceable articles register and the disposal of the old materials in the public auction and sale proceeds realized thereon and their remittance challan were not produced to audit. It is also not known whether the firm which carried out the repairs is a Government approved or not.

Hence it is known that excess amount of Rs.12,298.00 was spent towards repairs of vehicle which is violating the above governments orders. Action would need to be taken on the persons responsible.

Sl. No.	Ch No.& Dt.	Particulars	Amount (Rs.)
1	24863/06.06.2019	Paid to Sri Vinayaka Tyres towards purchase of Tyres	28000.00
2	12.2019	Repairs to Vehicle	4298.00
		Total Spent	32298.00
		Admissible	20000.00
		Excess spent	12298.00

(Para No.12 of Audit Report of Zilla Parishad Sangareddy, Sangareddy District)

12. MP ADDAKAL - MANDAL PARISHAD FUNDS – DEPOSITING MONEYS RECEIVED IN THE BANKS INSTEAD IN GOVERNMENT TREASURY - IRREGULAR.

According to section 166 (2) of the Telangana State PR Act 2018 all moneys received by the Mandal Parishads /ZP shall be lodged in the nearest Govt. treasury and not to deposit in the Banks.

The Government in P. R. dept. vide Memo No. 93763/Accts.III/88-I, Dated: 13-11-1988 instructed the M.P.D.Os of Mandal Parishads and D.D.Os of Zilla Parishads to ensure that the statutory provisions are strictly followed.

But in audit, it was noticed that the money received by the Mandal Parishads viz., T.F.C., S.F.C.etc., was deposited in Nationalized Banks by opening a separate account for each such scheme in violation of statutory provision and also against the orders of the Govt. issued from time to time.

The amount received under various schemes are to be lodged in Treasury and the practice of opening bank accounts should be dispensed with.

(Para No.15 of Audit Report of Mandal Parishad Addakal, Mahabubnagar District)

In another case in MP Rajapur, during the course of audit it was observed that an amount of Rs. 80,170.00 was drawn vide Vr. No. 2, dated: 24.03.2020 and paid to Abdul Azeez and Rai Purohith Devi Singh towards purchase of furniture.

Vide Government Circular Memo. No. 95-B/45/TFR/2018, Dated: 16.04.2018, the Government have imposed ban on purchase of furniture and in cases of necessity prior permission of the Government/ Dist. Collector was made mandatory. The Stock Register of Furniture was not maintained and produced to audit for verification. The permission of Government / District Collector was also not obtained by the Executive Authority and the furniture was not purchased from the approved firm which is irregular and in violation of the orders issued.

Hence, the amount drawn for Rs. 80,170.00 by the executive authority towards purchase of furniture is held under objection.

Sl. No.	Vr.No. & Date	Particulars	Amount (Rs.)
1	2/24.03.2020	Purchase of furniture from Abdul Azeez R/o Rajapur	59500-00
		Purchase of Fans and Tubes & Bulbs including Labour Charges from Raipurohith Devi Singh	20670-00
		Total	80170-00

(Para No 16 of Audit Report of Mandal Parishad Rajapur, Mahabubnagar District)

In the course of audit of MP Patancheru, it was noticed that the Executive authority lodged the amounts collected towards Deposits / Rents of Shopping Complex in Andhra Bank, Patancheru Account No.1794101000060461 instead of in P.D. account. According to the rules in force, every local authority must operate its day-to-day transactions through P.D. account only.

The closing balance in the Account as on 31.3.2020 was Rs.4,36,239-00. Objection was raised on this issue even in earlier year audits but no action was taken by the Authorities to close the account and deposit the amount in Govt. Treasury.

Immediate action would need to be taken to discontinue the procedure of lodging the funds in bank and operate the transactions only through P.D. account.

(Para No.5 of Audit Report of Mandal Parishad Patancheru, Sangareddy District)

13. GP - VIOLATION OF RULES - Rs.3,73,600/- WAS INCURRED TOWARDS HIRING OF JCB AND ANOTHER AMOUNT OF RS.60,000/- WAS INCURRED TOWARDS HIRING OF DOZER

As verified from the cash book and vouchers and R&C, it was observed that an amount of Rs.3,73,600/- was incurred towards hiring of JCB and another amount of Rs.60,000/- was incurred towards hiring of Dozer in Mallepally GP of Kondapur (M), Sangareddy Dist.

The above expenditure is objected on the following grounds:

1. The need for engagement of the machinery and equipment was not forthcoming in audit.
2. Detailed and abstract estimate was not prepared and got approved by the technical authority as per the Govt Orders contained in G.O.Ms. No. 551 PR Dept dated 27.03.1999 read with G.O. Ms. No. 93 I&CAD Dated 01.07.2003.

3. Further, as per the sub-section 5 of Section 71 of TS PR Act 2018, all the works including material procurements should be executed through e-tendering system. The aforesaid expenditure was not incurred as per the said provisions of the Act.
4. The certificate to the effect that the work was completed to the satisfaction of the department etc., was neither recorded in the MB nor vouchers were certified by the technical authority as per the para 297 of the PWD code, Article 147 of the Financial Code and G.O. Ms. No. 101 PR & RD dated 21.03.2000.

In view of the above lapses, the expenditure of Rs 4,33,600/- was objected to in audit.

(Para No. 07 of AR of GP Mallepally, Kondapur Mandal, Sangareddy District)

In the same district, in another case in GP Indrakaran of Kandi Mandal, the works bills were settled to contractors without check-measurement and technical inspection of the Engineering department which is in violation of rules. As per art. 297 of TSFC Vol. I, no work bill can be paid to the contractor unless it is check-measured upon technical inspection and certified by the Engineering Department. In the said GP an amount of Rs.5,45,708/- was paid to the contractors without following the rules as detailed below:

Sl. No.	Name of the work	MB No.	Page No.	Amount (Rs.)	Name of the fund
1	Purchase of new pump set	1120/A/18-19	7	179488	General fund
2	Purchase of LED lights	1120/A/18-19	8	167120	General fund
3	PWS maintenance	1120/A/18-19	9	199100	General fund
		Total		545708	

Making payment without check measuring the M.Book is in violation of Rules.

(Para No.2 of AR of GP Indrakaran, Kandi Mandal, Sangareddy District)

In another case, in GP Ensanpally of Siddipet Urban Mandal, construction of drains were taken up. The said work was carried out by the GP without following the due procedure like calling for tenders etc., which resulted in violation of rules. Hence, the amount of Rs. 13,06,000/- expended on construction of drains was held under objection.

(Para No. 2 of Ensanpally, Siddipet Urban Mandal, Siddipet District)

In one more case, in GP Marpadaga of Kondapak Mandal Motors were got repaired by the GP but the same was not authenticated by the Asst. Engineer and no entries were found in the M. Book. The details of expenditure were shown below. Moreover, water from Mission Bhagiratha is being supplied in the entire district and the need for getting the motors repaired cannot be justified.

Sl. No.	Vr.No.	Particulars	Amount (Rs.)
1	04/2019-20	Motor Repairs – M/s Vaayuputra Engg. SDPT – (26)Bills	127985
2	09/2019-20	Motor Repairs – M/s Vaayuputra Engg. SDPT -(16)Bills	122260
3	16/2019-20	Motor Repairs	60000
4	32/2019-20	Motor Repairs – M/s Vaayuputra Engg. SDPT – (23)Bills	121610
		Total	431855

Hence, the amount of Rs.4,31,855/- was held under objection.

(Para No. 3 of AR of GP Marpadaga, Kondapak Mandal, Siddipet District)

6. NON-REMITTANCE OF DEDUCTIONS / RECOVERIES FROM VOUCHERS / PAY BILLS / CONTINGENT BILLS (CODE NO. 10)

It was noticed during audit that various deductions / recoveries effected from the work bills / pay bills were either not remitted to Government or a part of them only were remitted in spite of statutory obligation to remit the same to Government account within a prescribed time under the relevant statutory provisions which also include penalty as well as prosecution for non-adherence. The deductions normally made from work bills / pay bills that are to be remitted to Government account are:

Work Bills

Seigniorage Charges
Income Tax
VAT
QC
Labour Cess
NAC

Others

1. Library cess
2. User charges

A Consolidated **Annexure-III** (1) showing audit objections on Non-remittance of Deductions/Recoveries from work bills/Pay Bills/Contingent Bills is appended to the Report from which it could be seen that an amount of **Rs. 11,145.71 lakhs** was pointed out in **45438** audit paras. A few such instances are given below.

14. PAYMENT OF HONORORIUM TO ZILLA PARISHADP EX CHAIR PERSON - TDS (INCOME TAX) NOT DEDUCTED: Rs.22,000.00

As per section 194 C(2) of Income Tax 1961 which was included in Finance Act 1995 w.e.f. 1-7-1995 TDS @ 2% has to be deducted from honorarium bills. During 2019-20, an amount of Rs.11,00,000.00 was paid vide Cheque No.1601190156 dated 08/10/2019 towards honorarium of Zilla Parishad Ex Chair Person Smt. A.Rajamani. But TDS was not deducted from the honorarium bills. Hence, TDS @ 2% on Rs.11,00,000.00 amounting to Rs.22,000.00 may be recovered from the responsible person and remitted to income Tax Department.

(Para No.15 of Audit Report of Zilla Parishad Sangareddy, Sangareddy District)

15. MP WADDEPALLY - XIII FC- AMOUNTS DEDUCTED FROM WORK BILLS FROM 2014-15 TO 2016-17 KEPT IN ZERO ACCOUNT EVEN AFTER CLOSURE OF XIII FC SCHEME – IRREGULAR –NEEDS IMMEDIATE ACTION – Rs.3.03,500/-

During the year under audit, on verification of XIII Finance Commission Cash Book, Bank Pass Book and Work bills deductions statement furnished by the MPDO, it was noticed that a sum of Rs.3,03,500/- which was deducted from the work bills was kept in zero based account of MPDO. The same was not remitted to the concerned Head of Accounts/Departments till the close of Audit.

Hence, action would need to be taken for remittance of Rs.303500/- to the concerned head of Accounts/Departments and furnish the remittance particulars to audit.

(Para No.19 of Audit Report of Mandal Parishad Waddepally, J. Gadwal District)

In MP Addakal as observed from the annual accounts, a sum of Rs.47,200/- was deducted from the work bills towards G.S.T. from General Funds. The same was not remitted to concerned Heads of accounts / departments till the close of audit. Therefore, early action would need to be taken to remit the same to the departments concerned.

(Para No.17 of Audit Report of Mandal Parishad Addakal, Mahabubnagar District)

In Rayaparthi Mandal Parishad, during the course of audit, it was noticed that for two different works as detailed in the statement, an amount of Rs.409424-00 was spent from C.D.P. Grant. Deductions were worked out to Rs. 31,146/- and were deducted while making payment to the Contractors. But the same was not remitted to concerned departments till the close of audit which is irregular. Hence the amount of Rs.31,146=00 needs to be remitted to concerned heads of accounts and challans etc., in proof of remittance be furnished to audit.

(Amount in Rs.)

Sl. No.	Name of the work & MB. No. Page No.	FSD 2.50 %	IT (1%)	NAC 0.10 %	L.CE SS (1%)	QC 0.50 %	EMD 2.50%	Total
1	Drilling of bore well near Hanuman temple at Kothur (V), MB.NO.BW/ 560/2014, Page No.48	3330	1340	133	1332	666	3750	10551
2	C/O Library building near Hanuman temple at Kothur (V), MB.NO.BW/560/2014, Page No.49	6412	2580	256	2565	1282	7500	20595
Total		9742	3920	389	3897	1948	11250	31146

(Para No.8 of Audit Report of Mandal Parishad Rayaparthi, Warangal District)

In MP Maganoor, on verification of work bills, it was observed that the deductions made from the bills towards IT, Seigniorage Charges, GST, QC etc., were not remitted to concerned Heads of Accounts as detailed below. The amounts need to be remitted immediately and challans produced to audit.

(Amount in Rs)

Sl No.	Scheme	Vr No & Dt.	GST	QC	SEIG	Total
1	GF	23/21/10/2019	2080	208	6210	8498
2	GF	11/27/12/2019	2451	245	6075	8771
3	GF	37/4/11/2019	2498	250	8473	11221
4	GF	61/25/2/2020	3145	131	0	3276
5	14FC	1/17/2/2020	6482	270	1210	7692
Total			16656	1104	21968	39458

(Para No.5 of Audit Report of Mandal Parishad Maganoor, Narayanpet District)

In Sarangapur MP, an amount of Rs.42,600-00 was recovered from the work bills towards GST during the year under audit. But the same was not remitted to concerned heads of account till the close of audit.

Early action would need to be taken to remit the amount to the concerned head of account under intimation to audit.

(Amount in Rs.)

Sl. No.	Fund	Vr.No./ Dt.	Particulars	MB No.	Deductions
					GST/VAT
1	GF	39/6-19	Maintenance of gravel road from Jam to Mahaveer thanda	598/b/15	10610
2	GF	40/6-19	Maintenance of internal roads with gravel at Sarangapur	598	10657
3	GF	80/11-19	Maintenance of MPP office building	442/b/19	21333
				Total	42600

(Para No. 6 of Audit Report of Mandal Parishad Sarangapur, Nirmal District)

16. STATUTORY DEDUCTIONS – NON-REMITTANCE OF GST TO COMMERCIAL TAXES – NEEDS ACTION – Rs.73,020/-

In GP Gadappa of Damaragidda Mandal certain works were carried out by the GP as per G.O.Ms.No. 67 Irrigation & CA (Reforms) Dept Dt.4.7.2018, 12% GST is to be deducted while settling the bills. The GP in question had deducted an amount of Rs.73,020/- towards GST and the same was not remitted till the closure of audit.

Steps may be taken to remit the amount to Commercial Taxes Department and the fact may be intimated to audit.

(Para No.2 of Audit Report of GP Gadappa, Damaragidda (M), Narayanpet Dist)

In another case in GP Bijaram of Kosigi Mandal, it was noticed that an amount of Rs.27,781/- was deducted towards seigniorage charges from various works / repaid bills as per G.O.Ms.No. 217 Industries & Commerce (M-I) Dept., Dt: 29-9-2004. The same was to be remitted to Mines Department as per G.O. ibid. But, no action was initiated by the GP till the closure of audit. Hence, action may be initiated to remit the amount to Mines Department.

(Para No. 25 of Audit Report of GP Bijaram, Kosigi Mandal, Narayanpet District)

In GP Pothanpalli of Mahabubnagar Mandal, certain works were carried out by the contractors. While making the payments, GST was deducted amounting to Rs. 53,918/-. The same was not remitted to Commercial Taxes Department till the closure of audit. Action may be initiated for remittance.

(Para No. 5 of Audit Report of GP Pothanpalli, Mahabubnagar Mandal & District)

7. NON-PRODUCTION OF RECORDS (CODE NO. 11)

The Panchayath Raj Bodies provide certain basic civic infrastructure and services like Road, Drain, Street lights, Water Supply, Conservancy and Solid Waste Management. They also perform certain regulatory functions. They also prepare plans for economic development and social justice. To fulfill all the desires and needs the total revenue base needs to be enhanced every year. With the rise in demand for services the functionaries need to have effective financial management skills and adopt sound accountability practices. All these functions would be reflected on the record when they were accounted for as per the provisions contained in TS Accounts code which comprises the Comptroller and Auditor General (C&AG) rules together with the local rulings relating to Local variations in accounts procedure. These initial accounts are to be kept ready and should have to be produced to Audit for verification. Then only the transparency in incurring of public money and their utility to the General Public can be reasonably judged. Such an important function on the part of the Drawing and disbursing officers of all the Local Bodies in the maintenance and production of records to audit is not properly discharged. Thereby the accountability of the expenditure made could not be reviewed thoroughly. In spite of all these guidelines and instructions the DDOs of local bodies have failed to maintain the records and produce the same to Audit whenever the local teams visited their institutions. Under the category of non – production of records to Audit the major part is works and related records such as M.books, estimates, files tenders etc. The others are non production of vouchers along with the related files and registers. The paras on non production of records have been drawn from the individual A.Rs of the concerned institution and their details are furnished here under. Further it is surprise to note that the heads of the institutions could not explain as to why the records could not be maintained in their offices and not produced whenever they are being demanded by the audit parties and other agencies during their local visits. The financial health of an institution depends upon the quality of the records that are being maintained to show the accountability of the financial transactions that occur in the institution. Though the provisions under Rule 6 of T.S. State Audit Rules 2000 are clear that the onus for production of records to audit lies with the executive authority of the institution in the

following cases the said rule is not complied with as they have failed to furnish various records to audit as a result of such inaccessibility to the records several audit objections were pointed out in various A.Rs of the concerned institutions. Records like M. Books connected files vouchers in which crores of rupees transacted in many institutions form major chunk of audit objections under the category of non production of records. Transactions relating to purchase of various contingent articles goods etc. were not accounted for in stock registers and produced to audit. Remittances made to different departments etc for which neither the acknowledgements nor any evidence produced in audit also form part under this category. Though several half margin letters were issued for production of the required records the executive authorities did not comply with which had resulted in inaccessibility to the records and raising of paras to that extent.

A Consolidated **Annexure-III (1)** showing audit objections on “Non Production of Records” is appended to the Report from which it could be seen that an amount of **Rs.12620.82 lakhs** was pointed out in **9865** audit paras. A few of the paras raised in ARs for the year 2019-20 are categorized accordingly and tabulated as shown below:

17. MP PATANCHERU - M.B. AND CONNECTED FILES NOT PRODUCED AMOUNT HELD UNDER OBJECTION – Rs.46,39,423/-

On verification of paid vouchers, the following works were executed during the year and payments were made to the concerned. But the M.Bs and connected files were not furnished to audit for verification. Due to non-production of the said records the correctness of the work executed and amount paid to the contractors could not be verified in audit and as such the expenditure incurred is held under objection.

The matter has been brought to the notice of the MPDO vide HM Lr.Spl.No.2/2020-21, dt.28.07.2020 and requested to produce the same, but the executive authority neither produced nor replied to the half margin.

(Amount in Rs.)

Sl. No	Name of the Work	MB. No.	Name of the Contractor	Vr. No.	Date	Value of Work Done
1	2	3	4	5	6	7
1	Drilling of borewell near Cheruvu Janakampet	802/1/B/2016	M. Thirupathi Reddy	28	22.4.2019	91684
2	Drilling of borewell at Dubbakunta Janakampet	802/1/B/2016	M. Thirupathi Reddy	29	22.04.2019	90811
3	Drilling of borewell Bandalaguda Rameshwaram banda	802/1/B/2016	M. Thirupathi Reddy	30	22.04.2019	78578
4	Drilling of borewell at community hall R. Banda	802/1/B/2016	M. Thirupathi Reddy	31	22.04.2019	83732
5	C/o of CC R/F Komati Rathnalu to Ch. Mallesh (H) and other gallies at Chinna Kanjarla	1587/B/PR/2014	K. Laxman Prasad Yadav	110	20.05.2019	482900

6	B/W C/o of bathrooms near Smashanavatika at Chitkul	1592/B/PR/2014	P Y Rathnam	132	28.05.2019	178159
7	C/o of UGD from Rajkumar (H) to Anjaiah (H) Road No. 11 W.S. Colony R banda	1586/AM/PR/2014	S. Ram Prasad	184	18.06.2019	198253
8	C/o of UGD from Anjaiah (H) to Buchaiah (H) Road No. 11 W.S. Colony R banda	1586/AM/PR/2014	S. Ram Prasad	185	18.06.2019	197273
9	C/o of UGD from Buchaiah (H) to M Sathyanarayana (H) Road No. 11 W.S. Colony R banda	1586/AM/PR/2014	S. Ram Prasad	186	18.06.2019	115371
10	B/W/ of community hall in ITW Signode Colony Ameenpur	68/AM/PR/2014	Ch. Mahipal Reddy	202	19.6.2019	284749
11	Mettaling and formation Internal gallies in Nagarjuna colony Bit No. I at Chitkul	82/BM/PR/2019	K. Srinivas Rao	313	02.8.2019	299031
12	C/O Compound wall to OHSR at Bachuguda	62/BM/PR/2015	K. Vittal	331	07.8.2019	471904
13	C/o Community hall at Bhanoor	1591/B/PR/2014	M. Venkat Ram Reddy	344	14.8.2019	367133
14	C/o Community hall near Mallanna Temple at Bhanoor	1593/B/PR/2014	M. Venkat Ram Reddy	345	14.8.2019	382368
15	Drilling of bore well and pump set near Cheruvu at Kistareddypet	1680/AM/2019	M. Tirupathi Reddy	353	27.8.2019	200000
16	Metalling and formation gallies in Nagarjuna Colony Bit No III at Chitkul	81/BM/PR/2019	K. Srinivas Rao	357	28.8.2019	283586
17	Metalling and formation internal Gallies in Signode Colony Chitkul	81/BM/PR/2019	K. Srinivas Rao	358	28.8.2019	163707
18	Colouring electrification to SC Community hall at Pocharam	302/AM/PR/2014	T Anjaneyulu	359	28.8.2019	187176
19	Construction of CC R/F Chakali Chandraiah (H) to Guru Lingam (H) at Lakdaram	106/AM/PR/2019	N. Prathap Reddy	388	19.2.2020	194989
20	Construction of CC R/F Guru Lingam (H) to Main Road at Lakdaram	106/AM/PR/2019	N. Prathap Reddy	389	19.2.2020	288019
	Total					4639423

(Para No. 15 of Audit Report of Mandal Parishad Patancheru, Sangareddy District)

18. GP - NON-PRODUCTION OF RECORDS – CERTAIN WORKS CARRIED OUT IN GP KISTAREDDYPET – M. BOOKS AND OTHER CONNECTED RECORDS NOT PRODUCED TO AUDIT – AMOUNT HELD UNDER OBJECTION – Rs. 54,42,819/-

During the course of audit of GP Kistareddypet, certain works like construction of Anganwadi building toilets and compound wall and purchases of High Mass Lights etc., were taken up. The said works / purchases are to be supported by M. Books, administrative, technical sanctions of the competent authorities etc., as per G.O.Ms.No: 91 Panchayat Raj Department dated: 19-02-1966 and also as per Article 41,50,123, 174 & 176 of TS Fin.Code Vol.1. The details of works / purchases done / made are produced hereunder:

Sl. No.	Name of the work	MB No. & Page No.	Ch. No. & Dt	Amount (Rs.)
1	C/o Anganwadi building toilets and compound wall	592/A/PR P.No. 97	7787/19.10.19	174350
2	-do-	592/A/PR P. 99	-do-	104445
3	-do-	98/A/PR P. 84	-do-	105399
4	C/o CC road	101/A/PR/14 P. 100	7388/19.10.19	172727
5	C/o UGD	1364/A/PR P. 85	7389/19.10.19	170954
6	C/o UGD	1364/A/PR P. 88	7389/19.10.19	82852
7	Purchase of High mass lights	592/AM/PR	1516/29.10.19	589162
8	-do-	592/AM/PR	7515/29.10.19	916757
9	C/o UGD	1358/A/PR P. 10	7562/29.10.19	187103
10	C/o UGD	101/A/PR/14	7669/5.11.19	958819
11	C/o UGD	101/A/PR/14	7662/5.11.19	500000
12	High max poles	1630/AM/PR P. 45 to 65	1900811/11.3.20	920021
13	High max poles	-do- P. 69-85	1900812/11.3.20	560230
		Total		5442819

But, the above mentioned M. Books and the sanctions, connected records were not produced to audit for verifying the authenticity and thereby avoided audit scrutiny. Hence, the amount of Rs.54,42,819/- was held under objection.

(Para No. 5 of Audit Report of GP Kistareddypet, Ameenpur (M) Sangareddy Dist)

In a similar case in GP Chindrappa of Kandi Mandal, C.C. cameras were purchased for an amount of Rs.1,46,100/-. But, vouchers, administrative & technical sanctions for the purchase, and other connected records were not produced to audit. Hence, the amount incurred was held under objection. The officials of the GP were requested to produce the records to verify the authenticity of expenditure.

Sl.No.	Name of the work	Vr.No. & Date	Amount (Rs.)
1	Purchase of CC camera	30/7.10.2019	1,46,100

(Para No. 6 of Audit Report of GP Chindrappa, Kandi Mandal, Sangareddy District)

In another case, in GP Hadnoor, an amount of Rs.7,96,293/- was spent on different works as detailed below. The M. Books and connected records were not produced to audit due to which the authenticity of expenditure could not be verified.

Sl. No.	Name of the work	MB No.	Name of the fund	Amount (Rs.)
1	Electrical work	39/AM/PR/2017	General fund	43900
2	S&D LED lights	39/AM/PR/2017	XIV FC	44198
3	Gravelling work	421/AM/PR/19 P.117-28	XIV FC	497595
4	JCB work	39/AM/PR/2017	SFC	79200
5	JCB work	39/AM/PR/2017	SFC	78100
6	JCB work	39/AM/PR/2017	SFC	53300
		Total		796293

Hence, the officials of GP were requested to produce the records to audit for verification.

(Para No. 4 of Audit Report of GP Hadnoor, Narayankhed (M), Sangareddy District)

8. MIS-APPROPRIATIONS (CODE No. 12)

Cases of misappropriation of money noticed in audit were pointed out in the Audit Report concerned. The cases where the Executive Authorities spent amounts from Government Funds and Grants but not accounted for with proper evidence come under this category.

A consolidated statement of audit objections on misappropriations noticed in audit is annexed vide **Annexure-III (1)**. A total number of **992** cases involving an amount of **Rs.796.44 lakhs** were pointed out in the relevant ARs. To illustrate the various types of modus operandi a few cases pointed out are reproduced below.

19. GP - MISAPPROPRIATIONS - XIV FC – PAYMENT FOR SAME WORK MADE TWICE – NEEDS RECOVERY – Rs.70.187/-

In GP Banjipet during audit, it was noticed that for the purchase of electrical equipment an amount of Rs. 70,187/- was paid vide Cheque No. 19014538, dated 17-12-2019. On further verification, it came to light that during the year 2018-19 same amount was drawn for same purpose vide Cheque No.000535, dated 31-07-2018 based on entry at Page No. 22 of MB No. BW/187/14. Since the amount for same purpose was drawn and paid twice, it was construed as misappropriation. As per Article 300 of the financial Code the amount needs to be recovered along with penal interest from the person(s) responsible and remitted to state funds.

(Para No.1 of Audit Report of GP Banjipet, MP Raghunathpally, Jangaon Dist)

In GP Fathepur during the year an amount of Rs.1,85,718/- was shown to have been incurred from 14th FC grant on repair of RO Plant. On verification by the audit team, it was found that the said work was not recorded in the M. Book and also no vouchers were found relating to this expenditure. Hence, the audit noticed that the above said amount was drawn without any record being maintained and as such it is construed as misappropriated. Suitable action may be initiated for recovering the amount in question along with penal interest at RBI Bank Rate + 2% as per article 300(4)(d) of TSFC Vol. I.

Sl. No.	Cheque. No. & Date	Details of work done without Vouchers	Amount Spent (Rs.)
1	1399/27.8.2019	RO Plant Repair	185718

(Para No.11 of Audit Report of GP Fathepur, Chilpur MP, Jangaon District)

9. EXCESS PAYMENTS (CODE NO. 13)

It was observed in audit that in several cases excess payments were made due to either.

- (a) Incorrect calculations or
- (b) Excess totaling in Bills or
- (c) Admission of inadmissible claims or
- (d) Lack of knowledge of Government instructions.

A Consolidated **Annexure-III (1)** of showing audit objections on “Excess Payments is appended to the Report from which it could be seen that an amount of **Rs.417.63 lakhs** was pointed out in **3368** audit paras.

A few such instances are given below for example.

20. ZILLA PARISHAD MAHABUBNAGAR - EXCESS PAYMENT- AMOUNT DRAWN AND PAID TOWARDS VEHICLE REPAIRING CHARGES IN EXCESS OF THE CEILING FIXED BY THE GOVT.- IRREGULAR- NEEDS RECOVERY- Rs. 4,23,478/-

The Govt. vide G.O. Ms No.148 (FW.ADMN.TFR), Dated 21-10-2000 has fixed a ceiling of Rs.20000-00 per annum for maintenance and repairs of each vehicle.

During the course of audit, on verification of the connected records, it was noticed that an amount of Rs.4,23,478/- was paid towards maintenance and repairs charges of (2) vehicles of Zilla Parishad Mahabubnagar Dist (as detailed below) from Z.P. General Funds which was in excess of the ceiling fixed by the Govt., and also irregular and contrary to the Govt. rules.

(Amount in Rs.)

Sl. No.	Vr. No. & Date	Amount Paid	Amount to be paid per annum	Excess Paid	Vehicle No.
1	2	3	4	5	6
1	14/13.6.19	307264	20000	414751	TS06EH1116 Used by the Chairman, Zilla Parishad, Mahabubnagar
2	77/27.9.19	73680			
3	89/22.10.19	9560			
4	260/2.3.2020	44247			
	Total	434751	20000	414751	
1	19/13.6.19	7000	20000	8727	AP22J22 Used by the CEO, Zilla Parishad, Mahabubnagar
2	83/22.10.19	8889			
3	89/22.10.19	1756			
4	142/28.10.19	11082			
	Total	28727	20000		
	Grand Total		40000	4,23,478	

Hence immediate action would need to be taken to recover the excess payment made towards vehicle repair charges amounting to Rs.4,23,478/- from person(s) responsible and credit to Z.P. General Funds.

(Para No. 35 of Audit Report of Zilla Parishad Mahabubnagar District)

During the course of audit, on the accounts of Zilla Parishad, Nirmal for the year 2019-20, it was noticed that payments were made towards purchase of stationery & Purchase of Printer HP Laser Jet 1005 as detailed below. On verification of the relevant records the following irregularities were noticed.

Sl. No.	Bill No. /Date	Details of the Expenditure made under	Amount (Rs)
1	217/6.7.19	Purchase of stationery from M/s Unique Stationery, Nirmal (Syed Moinuddin)	5350
2	213/1.8.19	--do--	10375
3	215/14.9.19	--do--	11250
4	220/17.10.19	--do--	7260
5	223/5.12.19	--do--	7125
6	02/20	Purchase of new HP Laserjet Printer 1005 from M/s Raj Computers Sales and Services without GST Bill (Bill No. 1816 Dt. 16.12.19)	18500
		Total	59860

In cases of purchases, general guidelines are as follows:

- (i) As amount involved in the purchases was above Rs.5.00 Lakhs open tender system through paper notification should have been followed for the purchases to derive the benefits of competitive rates in the open market as prescribed in Article 125 TS Financial Code Vol-I, read with G.O.Ms.No.489 Fin (TER-I) Department dt:08.12.2008.
- (ii) while making the purchases if the amount is from 10,000/- to 5,00,000/- there shall invited at least 3 quotations from distinct identified firms (firms with recognitions having TIN/TOT,CST, Registration Number etc., comparative statement shall be prepared and purchases shall be made from the least quoting firm. Purchase invoice shall be a recognized with receipt number, indent number etc., After Receipt of Goods received, Stock entry shall be made in the Stock entry Register with a certificate on the invoice and quantity received, issued and a balance shall be recorded in the stock register with a note to whom the stock is issued. If any balance left shall be as Opening Balance for next purchase.

Hence, as the prescribed procedures of purchase made were not followed, the amount of Rs.59,860/- is held under objection due to lapse of procedure. Immediate action is required to dispense such practice. Action taken shall be intimated to audit.

(Para No.9 of Audit Report of Zilla Parishad Nirmal District)

21. EXCESS PAYMENT OF QUARTER RENT TO ZILLA PARISHAD CHAIRPERSON – OBJECTION – NEEDS RECOVERY – AN AMOUNT Rs.13,500-00.

During the course of audit, it is noticed that an amount of Rs.58,500-00 was paid through various vouchers from the month of April-2019 to December-2019 @ 6,500-00 Rs. per month towards quarter rent to the Zilla Parishad Chairperson. But as per the G.O. MS. No.444, PR&RD Department, Dated: 18.07.1994, powers were delegated to certain authorities to fix rent amounts up to Rs.5,000/- only and if the rent is more than Rs.5,000/-, Government is competent to authorize sanction. The following are the rent paid details during the financial year 2019-20.

Sl. No.	Voucher No. & Date	Month	Amount (Rs.)
1	43/18-6-2019	April & May-2019	19500
2	60/19-7-2019	June-2019	6500
3	141/7-11-2019	July to Oct-2019	6500
4	171/13-11-2020	Nov to Dec-2019	6500
		Total:	13500

Therefore, the matter is hereby brought to the notice of higher authorities with a request to recover Rs.13,500/- from the person or person responsible and made good to the funds of the institution and intimate the fact to audit.

(Para No. 21 of Audit Report of Zilla Parishad Nizamabad District)

22. EXCESS PAYMENTS – PAYMENTS UNDER XIV FC WORKS MADE WITHOUT DEDUCTING THE STATUTORY DEDUCTIONS – NEEDSRECOVERY – Rs.36.791/-

In GP Komalla during the course of audit, it was observed that while making the payments for the works completed under XIV FC, GST @12% was not deducted which is contrary to rules and resulted in making of excess payments (details were given below). Steps may be taken to recover the amount excess paid and remit it to concerned department. The GP is also advised not to repeat such mistakes in future.

(Amount in Rs.)

Sl. No.	M. Book No,	12% GST as per MB	Deducted	Excess Paid
1	BW/18/2019 P-02	14407	0	14407
2	BW/18/2019 P-03	11674	0	11674
3	BW/18/2019 P-05	10710	0	10710
	Total			36791

(Para No.16 of Audit Reoprt of GP Komalla, MP Raghunathapally, Jangaon District)

In another case in GP Waddevata of Kothakota Mandal, on verification of electricity bills for the year it was found that an amount of Rs.1,53,348/- was paid towards the current charges from September,2019 to May,2020 whereas the original amount to be paid by the GP was Rs.82,551/-. Thus, an amount of Rs.70,797/- was paid in excess. The Panchayat Secretary was advised by the audit to address a letter to the officials of electricity department to adjust the excess amount paid towards future bills. He was also asked not to repeat such errors in future.

(Para No. 6 of Audit Report of GP Waddevata, Kothakota (M), Wanaparthy District)

In GP Gaganpalli, on verification of bills, M. Books and vouchers relating to various works and purchases, it was noticed that amounts were paid in excess to the contractors / sellers without deducting GST and QC amounts as detailed below:

(Amount in Rs.)					
Sl. No.	M.B.No. Page No. & Voucher No. with Date	GST	Seigniorage	QC	Total
1	A/120/18 Pg.5 4/20.9.2019	6086		254	6340
2	B/552/18 Pg.24 12/6.3.20	3739		374	4113
3	B/554/18 Pg.10 12/1/6.3.20	4238	10260	424	14922
4	B/552/18 Pg.25 13/10.3.20	4210		421	4631
5	B/552/18 Pg.27 13/1/do	2953		295	3248
Total					33254

(Para No. 6 of Audit Report of GP Gaganpalli, MP K.T. Doddi, J. Gadwal District)

In GP Aloor of Ghattu Mandal, in a similar case, on verification of M. Books and other records pertaining to purchases and works under XIV FC, it was found that payments were made without deducting statutory amounts as detailed below which resulted in making of excess payment to a tune of Rs.1,04,318/-:

(Amount in Rs.)					
Sl. No.	MB No./Pg.No.	GST	Seigniorage	QC	Total
1	A/271/18, Pg.19	10663	24067	444	35174
2	A/272/18, Pg.15	8061	0	336	8397
3	A/271/18, Pg.28	10358	0	0	10358
4	A/272/18, Pg.25	4665	13440	466	18571
5	B/614/18, Pg.13	3384	0	338	3722
6	B/614/18, Pg.14	1206	0	121	1327
7	B/611/18, Pg.5	3842	0	384	4226
8	B/610/18, Pg.8	4535	10980	454	15969
9	B/612/18, Pg.2	1079	5387	108	6574
Total					104318

(Para No.4 of Audit Report of GP Aloor, Ghattu Mandal, J. Gadwal District)

In a similar case, in GP Macherla, on verification of M.Books and connected records, it was found that an amount of Rs.72,367/- was paid in excess while settling the bills without deducting statutory amounts as detailed below:

(Amount in Rs.)

Sl. No.	MB No. / Pg. No.	GST	QC	Total
XIV FC				
1	A/830/18, Pg.1 to 3	4577	548	5035
2	A/827/18, Pg.6	10574	441	11015
3	Do, Pg.7 to 13	4400	440	4840
4	A/831/18, Pg.12 to 14	10290	429	10619
5	A/832/18, Pg.1 to 7	4291	429	17140
6	A/828/18, Pg.1 to 8	4679	468	18647
SFC				
7	A/829/18, Pg.1 to 4	4610	461	5071
Total				72367

(Para No.7 of Audit Report of GP Macherla, Ghattu Mandal, J. Gadwal District)

In GP Rejinthal during the course of audit on verification of M. Books, Expenditure records and other connected registers, it was noticed that the work of drilling of bore well was taken up by the GP from XIV FC grants. But while making the payment for the same due diligence towards deduction was not exercised which ended up in making of excess payment of Rs. 39,268/- as detailed below:

(Amount in Rs.)						
Name of the work	MB No./Pg. No.	TVWD	Total deduction	actual amount to be paid	Net amount already paid to the contractor	Excess amount paid to the contractor
XIV FC						
Drilling of Borewell	1694/A/PR/19 P.1-3	270818	39268	231550	270818	39268

(Amount in Rs.)				
	Total Deductions			
Drilling of Borewell	GST	QC	SC	Total
	32498	1354	5416	39268

Action may be initiated to recover the excess amount paid and got the same remitted to GP Funds.

(Para No. 6 of Audit Report of GP Rejinthal, Nyalkal Mandal, Sangareddy District)

In a similar case in GP Mamilla Madava of Maddirala Mandal of Suryapet district, certain works were entrusted to contractors but while making the payment statutory deductions like GST, Seigniorage and QC charges were not deducted which lead to making of excess payment to a tune of Rs. 62,416/- as detailed below:

(Amount in Rs.)					
Sl. No.	MB No. / P.No.	GST	Seigniorage	QC	Total
1	B/470/2018 p.no1-5	3455	23835	0	27290
2	B/470/2018 p.no16-26	4979	14760	498	20237
3	B/470/2018 p.no27-28	4963	0	0	4963
4	B/470/2018 p.no29-30	4963	0	0	4963
5	B/470/2018 p.no31-32	4963	0	0	4963
Total		23323	38595	498	62416

Action may be initiated to recover the excess paid amounts from the Contractor(s) and remit the same to GP Funds.

(Para No. 3 of Audit Report of GP Mamilla Madava, Maddirala (M), Suryapet Dist)

10. PENDENCY OF UTILIZATION CERTIFICATES (Code 16)

According to Art 211-A (2) of the Telangana Financial Code Volume-I Read with Govt. Memo. No.46825/Accts/75 dt.6-1-1996, it is the responsibility of the Grant receiving authority to send the utilization certificates in the proforma prescribed duly certified by the District Audit Officer State Audit Department. But heavy No. of Utilization Certificates were not furnished to audit for certification and transmission to the grant releasing authorities concerned. In G.O.Ms.No. 507 Fin (TFR) Deptt. dt. 10-4-2002 the Government have among others prescribed the pre-condition under para 12 of G.O. for further drawal of Funds from April 2002 onwards by the local bodies/Public Sector enterprises Autonomous bodies and other Grant-in-Aid institution. "Utilization Certificates certified by the Statutory Auditor that the funds previously released have been fully and properly used for the purpose for which they have been sanctioned." But the aforesaid Government orders are not being observed by Executive Authorities which resulted in heavy pendency of utilization certificates to be furnished to the grant releasing authorities. Such cases are reported in the Gram Panchayats shown in the statement appended herewith.

A Consolidated **Annexure-III (1)** showing audit objections on Pendency of Utilisation Certificates is appended to the Report from which it could be seen that an amount of **Rs.1376.20 Lakhs** was pointed out in **1705** audit paras.

23. TRANSFER OF FISHERIES GRANTS TO EEPR PEDDAPALLY FROM Z.P. PEDDAPALLI – UTILISATION CERTIFICATES NOT OBTAINED AND FURNISHED – RECORDS NOT PRODUCED – AUDIT PENDING FOR THE YEAR 2019-2020– HALF MARGINS ISSUED.

During the course of audit, it was noticed that an amount of Rs.7,19,558/- under Fisheries grants, as listed in the Annexure, was transferred to Executive Engineer PR Peddapally from Zilla Parishad, Peddapalli for execution of works sanctioned and to submit the Utilization Certificates in the proforma prescribed as required under the norms.

It is apt to mention that it is the responsibility of the grant receiving authority to furnish the Utilization Certificates for counter signature of the Dist. Audit Officer, State Audit as per article 211-A(2) of T.S. Financial code Vol.-I. But the same was not adhered to.

The Utilization Certificates along with connected records, such as cash book, measurement books and files pertaining to above transferred grants were not obtained and produced to audit for verification despite serving Half Margin Letters. It is clearly evident from the above that no follow up action was initiated to monitor the expenditure, balance particulars after release of grant to Executive Agency.

Therefore, Chief Executive Officer, Zilla Parishad, Peddapalli is requested to initiate suitable remedial action to obtain utilization certificates and furnish the same to audit to admit the expenditure incurred.

Sl. No	Name of the fund	Vr.No.& Dt.	Amount (Rs.)
FISHERIES GRANT			
1	Fisheries Grant	12/6/03/2021	719558
Total			719558/-

(Para No.1 of Audit Report of Zilla Parishad Peddapalli District)

24. TRANSFER OF SEIGNIORAGE GRANTS TO PD ACCOUNTS OF CONCERNED GP'S AND MP'S FROM Z.P. PEDDAPALLI – UTILISATION CERTIFICATES NOT OBTAINED AND FURNISHED – RECORDS NOT PRODUCED – AUDIT PENDING FOR THE YEAR 2019-2020– HALF MARGINS ISSUED.

During the course of audit, it was noticed that an amount of Rs.27,74,220/- under Seigniorage grants, as listed in the Annexure, was transferred to PD Accounts of concerned GPs and MPs from Zilla Parishad, Peddapalli for execution of works sanctioned and to submit the Utilization Certificates in the proforma prescribed as required under the norms.

It is apt to mention that it is the responsibility of the grant receiving authority to furnish the Utilization Certificates for counter signature of the Dist. Audit Officer, State Audit as per article 211-A (2) of T.S. Financial code Vol.-I. But the same was not adhered to.

The Utilization Certificates along with connected records, such as cash book, measurement books and files pertaining to above transferred grants were not obtained and produced to audit for verification despite serving Half Margin Letters. It is clearly evident from the above that no follow up action was initiated to monitor the expenditure, balance particulars after release of grant to Executive Agency.

Therefore, Chief Executive Officer, Zilla Parishad, Peddapalli is requested to initiate suitable remedial action to obtain utilization certificates and furnish the same to audit to admit the expenditure incurred.

Sl. No.	Name of the fund	Proc.No.& Dt.	Vr.No.& Dt.	Amount (Rs.)
1	Seigniorage Grant	A1/112/19 DT:11-10-2019	05/29-01-20	2774220
Total				2774220

(Para No.2 of Audit Report of Zilla Parishad Peddapalli District)

25. TRANSFER OF SEIGNIORAGE GRANTS TO PD ACCOUNTS OF CONCERNED MANDAL AND GP'S FROM Z.P.PEDDAPALLI – UTILISATION CERTIFICATES NOT OBTAINED AND FURNISHED – RECORDS NOT PRODUCED – AUDIT PENDING FOR THE YEAR 2019-2020– HALF MARGINS ISSUED.

During the course of audit, it was noticed that an amount of Rs.50,38,683/- under Seigniorage grants, as listed in the Annexure, was transferred to PD Accounts of MPDO Sultanabad and GP Thogarrai from Zilla Parishad, Peddapalli for execution of works sanctioned and to submit the Utilization Certificates in the proforma prescribed as required under the norms.

It is apt to mention that it is the responsibility of the grant receiving authority to furnish the Utilization Certificates for counter signature of the Dist. Audit Officer, State Audit as per article 211-A (2) of T.S. Financial code Vol.-I. But the same was not adhered to.

The Utilization Certificates along with connected records, such as cash book, measurement books and files pertaining to above transferred grants were not obtained and produced to audit for verification despite serving Half Margin Letters. It is clearly evident from the above that no follow up action was initiated to monitor the expenditure, balance particulars after release of grant to Executive Agency.

Therefore, Chief Executive Officer, Zilla Parishad, Peddapalli is requested to initiate suitable remedial action to obtain utilization certificates and furnish the same to audit to admit the expenditure incurred.

Sl. No.	Name of the fund	Proc.No.&Dt	Vr.No.& Dt.	Amount (Rs.)
1	Seigniorage Grant	A1/112/19 DT:15-03-2020	14/20-03-20	362790
2	Seigniorage Grant	A1/184/2020 dt:07-03-2020	13/10-03-2020	340000
3	Seigniorage Grant	A1/184/2020 dt:03-03-2020	11/05/03/2020	790000
4	Seigniorage Grant	A1/184/2020 dt:05-02-2020	09/18/2/2020	1252582
5	Seigniorage Grant	A1/185/2020 6dt:05-02-2020	07/09/02/202	683344
6	Seigniorage Grant	A1/184/2020 dt:20-01-2020	06/-02-2020	1072097
7	Seigniorage Grant	A1/184/2020 dt:20-01-2020	03/8/1/2020	537870
Total				5038683

(Para No.3 of Audit Report of Zilla Parishad, Peddapalli District)

11. OTHERS (Code No.18)

A Consolidated Statement **Annexure-III (1)** showing audit objections on others is appended to the Report from which it could be seen that an amount of **Rs.439.29** was pointed out in **5079** audit paras.

26. DISTRIBUTION OF ZILLA PARISHAD FUNDS TO VARIOUS ENGINEERING DIVISIONS. RECONCILIATION NOT DONE FAILURE OF EXECUTIVE AUTHORITIES.

Every year Zilla Parishad distributes funds to engineering divisions under 35%, 15%, 9%, 6% & 15% proportions etc., but, the Zilla Parishad failed to reconcile the distributed amounts with reference to engineering division accounts.

In the absence of the reconciliation, any internal diversion or misclassification of grants adjusted against the appropriate account could not pointed out in audit. So, necessary steps may be adopted for proper reconciliation and facts be reported to audit.

(Para No.28 of Audit Report of Zilla Parishad Sangareddy, Sangareddy District)

**PLACE: HYDERABAD
DATE: 06 -1-2024**



**DIRECTOR
STATE AUDIT
T.S. HYDERABAD**

PART - II



**CONSOLIDATED AUDIT AND REVIEW
REPORT ON THE ACCOUNTS OF MUNICIPAL
CORPORATIONS FOR THE YEAR 2019-20**

**CONSOLIDATED AUDIT AND REVIEW REPORT ON THE ACCOUNTS OF
MUNICIPAL CORPORATIONS FOR THE YEAR 2019-20**

INTRODUCTION

- 1.1. As per the provision contained in Section 3 (4) of Telangana State Audit Act, 1989 the Director of State Audit, Hyderabad was appointed as Auditor for conducting the audit of the funds of local authorities and other authorities specified in the Schedule prescribed in the said Act. By virtue of this legal position the Director of State Audit, Hyderabad is the Auditor for the accounts of the Municipal Corporations constituted in the State. There are 6 (six) Municipal Corporations in Telangana State.
- 1.2. The Department has got 2 (two) Zonal Offices, one is at Hyderabad and another one is at Warangal. The Regional Deputy Directors are the heads of the Zonal Offices, and the Deputy Director / District Audit Officer, State Audit are the heads of the District Offices.
- 1.3. The Department conducts post audit of the Municipal Corporations and also conducts pre audit of Expenditure by the Examiner of Accounts and Asst. Examiner of Accounts in major corporations. The Audit Reports are issued to the Commissioners of the Municipal Corporation concerned who has to take action for rectifying the defects pointed out in the Audit Report within a period of two months as per section 9 (1) of the Telangana State Audit Act.
- 1.4. Under section 10(1) of the State Audit Act, the Director is vested with the power of disallowing every item of the expenditure incurred contrary to the law and surcharge the same on the person incurring or authorizing the incurring of such expenditure and may charge against any person responsible there for, the amount of any deficiency, loss or unprofitable outlay occasioned by the negligence or misconduct of that person or of any such sum which ought to have been accounted for but is not brought into account by that person and shall, in every such case, certify the amount due from such person.

SCOPE OF AUDIT

- 2.1 The State Audit Department verifies the following aspects during the course of post audit of the Municipal Corporations.
 - Whether the amounts collected like taxes, fees etc., by the Municipal Corporations were properly accounted for with full details in the books of accounts of the Municipal Corporation concerned.
 - Whether an adequate care has been taken in periodical checking up of the funds with Treasury or Bank.

- Whether the expenditure incurred is provided for in the Budget of the Municipal Corporation and duly sanctioned by the competent authority under the relevant rules and executive instructions issued by the Government.
 - Whether funds are utilized only for the permitted purposes prescribed under the Hyderabad Municipal Corporations Act 1955 and Rules issued thereon.
 - Whether the procedure prescribed by Government in incurring the expenditure/payments made is properly followed and accounted for with due classification in the books of accounts of the Municipal Corporation.
 - Whether the vouchers for the expenditure incurred were maintained properly.
 - Whether the grants received from different sources were properly accounted for and utilized for the purposes for which they were meant.
- 2.2 The Commissioner and Director of Municipal Administration got migrated the accounts maintained in Single entry into Double Entry Accrual Based Accounting System through reputed Chartered Accountant Firms using Software developed by the CGG as permitted by the Government vide GO.Rt.No.287 MA&UD (R) Dept, Dt.21-02-2011.The GHMC migrated to modified Double Entry Accrual Based Accounting System of Accounting from the Financial Year 2002-03.
- 2.3 The Department has conducted audit in Double Entry Accrual Based Accounting System (DEABAS) and verified the Receipts & Payments, and Income & Expenditure Statements as on 31.03.2020 as detailed below.

STATUS OF AUDIT

- 3.1 There are **13** Municipal Corporations in Telangana State and the audit on the accounts of **13** Municipal Corporations has been completed.

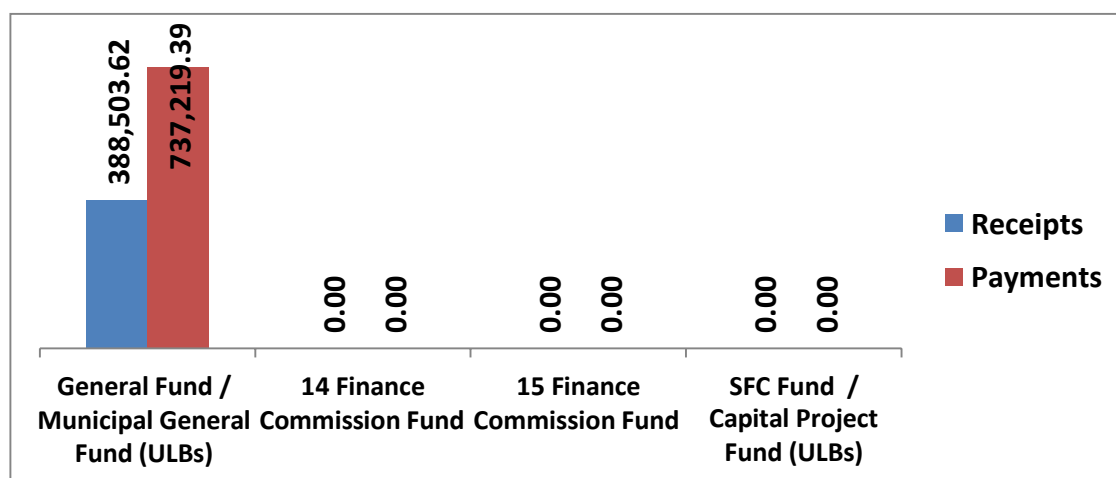
Demand	Completed	Balance
13	13	0

RECEIPTS & PAYMENTS

- 3.2 The Department has conducted the audit of the Receipts amounting to **Rs.3,88,503.62 lakhs** and Payments of **Rs.7,37,219.39 lakhs** as detailed in the **Annexure-IV (A)**.

Chart-1

The total **Receipts and Payments** of the Municipal Corporations during the year 2019-20 are as follows.

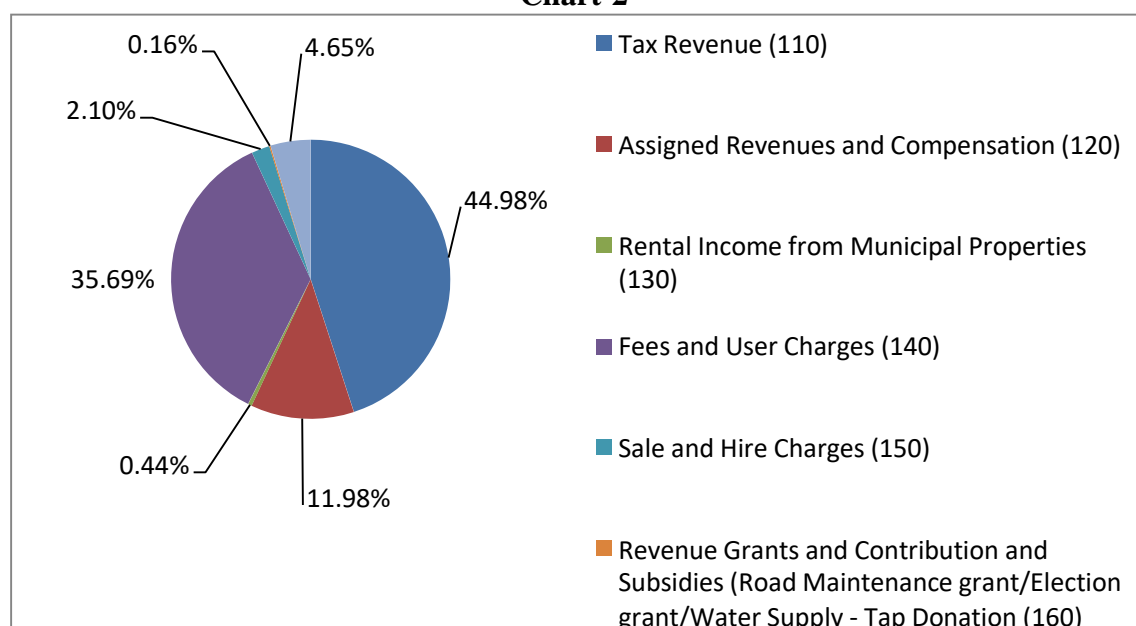


INCOME & EXPENDITURE

- 3.3 The Income & Expenditure of the said Municipal Corporations for the year 2019-20 are **Rs.3,88,503.62 lakhs** and **Rs.7,37,219.39 lakhs** respectively as exhibited in **Annexure-VIII(A) & (B)**.
- 3.4 The head wise Income and Expenditure of Municipal Corporations for the year 2019-20 are exhibited below in the Pie chart-2.

PIE CHART OF INCOME OF MUNICIPAL CORPORATIONS FOR THE YEAR 2019-20

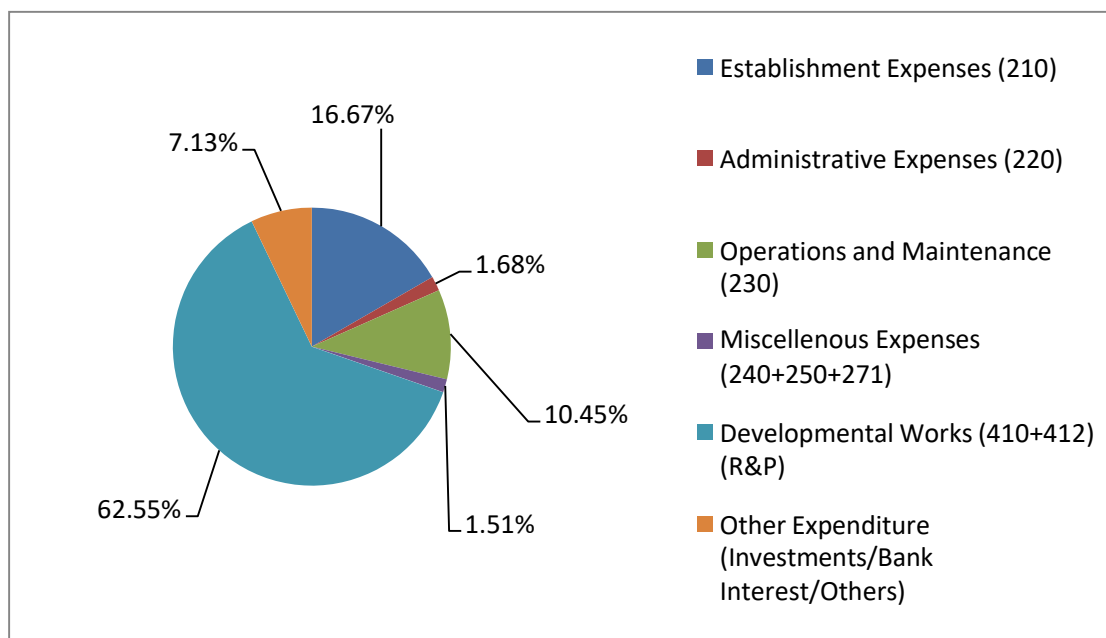
Chart-2



- 3.5 The head wise Payments of Municipal Corporations for the year 2019-20 are exhibited below in the Pie chart-3 for Municipal Corporations.

**PIE CHART OF EXPENDITURE OF MUNICIPAL CORPORATIONS
FOR THE YEAR 2019-20**

Chart-3



AUDIT OPINION

- 4.1 The financial statements in all material aspects of Municipal Corporation, the financial position and its cash flows for the year ended with 31.03.2020 are in accordance with the accounting principles generally accepted.

AUDIT OBJECTIONS

- 5.1. During the course of audit of Municipal Corporations for the year 2019-20 various defects noticed were already pointed out in the relevant Audit Reports which were forwarded to the Executive Authorities concerned for further action at their end as per the procedure laid down under the State Audit Act 1989.
- 5.2. A total number of **653** audit objections involving an amount of **Rs.41,166.31 lakhs** were raised in the audit of the Municipal Corporations during the year under report.
- 5.3. A Consolidated Statement showing the number of objections raised, amount involved with category wise break-up is annexed vide Annexure-III (2).
- 5.4. The Consolidated Statements showing the amounts under category wise various Audit Objections raised in the Audit Reports are annexed to the Report [Annexure-III (2)].

**STATEMENT SHOWING NUMBER OF AUDIT OBJECTIONS RAISED
(CATEGORY WISE) AND AMOUNT INVOLVED MUNICIPAL
CORPORATION FOR THE YEAR 2019-20**

(Rs. In Lakhs)

Sl. No.	Name of the category	Code No.	No. of Paras	Amount	% (Amount)
1	Violation of Rules	9	215	17403.16	42.28
2	Non-Production of Records	11	158	9442.96	22.94
3	Non-remittance of deductions	10	17	4072.68	9.89
4	Non-Collection of Dues	7	69	1747.24	4.24
5	Advances Pending adjustment	8	13	455.58	1.11
6	Excess payments	13	42	454.15	1.10
7	Diversion of grants/Funds	3	8	139.03	0.34
8	Variation in Account figures	1	34	92.40	0.22
9	Misappropriations	12	15	79.82	0.19
10	Wasteful expenditure	14	4	18.86	0.05
11	Others	18	55	7258.59	17.63
12	Pendency of utilisation certificates	16	6	1.84	0.00
13	Excess utilisation of grants/Funds	2	1	0.00	0.00
14	Non-Utilisation of Grants before lapsable date	4	4	0.00	0.00
15	Mis-utilisation of Grants/Funds	5	1	0.00	0.00
16	Non-Utilisation of earmarked Funds	6	5	0.00	0.00
17	Instances of cases unaccounted for cash/stores	15	4	0.00	0.00
18	Surcharge certificates recovery pending	17	1	0.00	0.00
19	D.D's/cheques received but not realised in time.	19	1	0.00	0.00
	Total		653	41166.31	100.00

5.5 The number of objections and amount involved were categorized and their category has been analyzed. Accordingly, **42.28%** of amount objected pertains to “Violation of Rules”, followed by “Non-Production of Records” which constitutes **22.94%**.

AUDIT PARAS

Gist of some of the selected audit objections pertaining to the year 2019-20 is given below:

1.NON-COLLECTION OF DUES (CODE NO.7)

On verification of Revenue collections in Municipal Corporations, huge amounts have been noticed pending realization for long periods and allowed to become barred by limitation of time. No appropriate action seems to have been initiated by the executive authorities before the dues became barred by limitation of time, in spite of various statutory provisions existing for their recovery such as through distraint, prosecution or filing of suits.

Consolidated statement showing **69** Paras involving an amount of **Rs.1,747.24 Lakhs** were raised in this category as shown in Annexure-III(2). One such case is given below.

1. CHARMINAR CIRCLE - FILES RELATING TO THE DEMOLITION OF STRUCTURES IN THE CIRCLE - DEBRIS CHARGES WERE NOT COLLECTED – Rs.79,836/-

During the course of audit of Charminar Circle, on verification of files relating to the demolition of structures in the circle, it was noticed that debris charges were not collected in certain cases. For the existing buildings which need to be demolished the charges at Rs.12/- per sq. ft plinth area need to be collected but it was not done in the below given cases. The same may be collected and remitted to GHMC Funds under intimation to audit.

(Amount in Rs.)

Sl. No.	File No. & Date	Name of the applicant	PTIN No.	Area as per PTIN (Sq.ft)	Amount to be collected	Amount collected	Short collection
1	3/C7/17649/2019 Dt:08-10-2019	Syed Shakir	1042302431	594	594x12 =7128	0	7128
2	01830/2020, Dt:29-01-2020	Vinod	1052104054	970	970x12 =11640	0	11640
3	22328/2019, Dt:18-12-2019	MD. Dastagir	1052100638	1200	1200x12 =14400	0	14400
4	16759/2019, Dt:24-09-2019	S.Praveen	1052008094	1000	1000x12 = 12000	0	12000
5	13150/2019, Dt:22-07-2019	Sandya Corporation	1052107678	2089	2089x12 =25068	0	25068
6	13151/2019	- Do -	1052107679	1700	1700x12 = 20400	0	20400
Total							79,836

(Para No.13 of Audit Report of Charminar Circle, GHMC Hyderabad)

2.ADVANCES PENDING ADJUSTMENT (CODE No.8)

It was observed during the course of audit that temporary advances paid for specific purpose were outstanding for a long time though they should have been got adjusted through detailed bills and vouchers as soon as possible as per Article 99 of the T.S. Financial Code. Non-settlement of advances leads to misuse of advances to avoid refund of unspent amounts. Several objections were raised on such outstanding advances in the relevant Audit Reports pointing out the failure of the Executive Authorities in taking necessary action to get these advances adjusted.

Further a Consolidated **Annexure-III (2)** showing the audit objections on Advances Pending is appended to the Report from which it could be seen that an amount of **Rs.455.58 lakhs** was pointed out in the **13** audit paras. A few such exemplary paras are furnished below.

2. GHMC ALWAL CIRCLE - ADVANCES –ADVANCES DRAWN AND PAID TO THE EXECUTIVE ENGINEER – NOT ADJUSTED –NEEDS RECOVERY – Rs.11.85.757=00.

During the course of audit, it was observed that the following advances were drawn and paid to the Executive Engineer in the Circle.

Sl. No.	ERP Bill No & Date	Name of the work	Amount (Rs.)
1	19068893/ 21.12.2019	Payment to TSSPDCL towards Estimate for shifting of HT Network Near Culvert at Rajeev Nagar Bhoodevi Nagar Reg No.CC916191681397 , Lal Bazar Section Alwal Circle -27 , KP Zone	91,785=00
2	19084281/ 10.02.2020	Payment of Estimate for shifting of LT poles, HT poles and distribution transformers at various locations in Alwal circle -27 , KPZ	10,93,972=00
		Total Rs.	11,85,757=00

The amount was not adjusted till the close of audit. Immediate action would need to be taken to adjust the advances drawn or to effect recovery from concerned under intimation to audit.

(Para No.53 of Audit Report of Alwal Circle, GHMC Hyderabad)

In another case, in Chandrayangutta Circle during the course of audit, it was observed that the following advances were drawn and paid to the Executive Engineer:

Sl. No.	ERP Bill No & Date	Name of the work	Amount (Rs.)
1	19034889/27-8-19	Towards payment for Extension of HT	2316990
2	19034942/27-8-19	Towards payment for supply of 19 nos of single phase meters	1140
		Total	2318130

The amount was not adjusted till the close of audit. Immediate action would need to be taken to adjust the advances drawn or to effect recovery from concerned under intimation to audit.

(Para No.52 of Audit Report of Chandrayangutta Circle, GHMC Hyderabad)

On verification of the works files of Engineering Section of Goshamahal Circle, Khairathabad Zone, GHMC, Hyderabad, it was noticed that an amount of Rs.99,96,882/- was drawn through the following voucher and paid to M/s. BPC Ltd, Hyderabad as an advance for Supply of V.G 30(50/70) Grade Bulk Bitumen from M/s BPCL to GHMC, Chudi Bazar Store Hyd. On further verification of connected MB and files, it was noticed that an amount of Rs.79,155/- was yet to be adjusted by M/s. BPCL till the close of audit. Though the matter was taken to the notice of the Executive Engineer, Goshamahal Circle and requested to produce the utilization of the advances and connected adjustment bills, the Executive Engineer neither replied nor furnished the records.

Action would need to be taken to get the balance amount of advance adjusted to GHMC Funds.

(Amount in Rs.)

Voucher No. & Date	To whom Paid	Purpose	Advance Amount	Adjusted Bill Amount	To be Adjusted amount
19021759/ 31-08-2019	M/s BPC Ltd, Hyderabad	Supply of V.G 30(50/70) Grade Bulk Bitumen from M/s BPCL to GHMC Chudi Bazar Store Hyd. MB.No.114/2013-14, P.No.42	99,96,882	99,17,727	79,155

(Para No.59 of Audit Report of Goshamahal Circle, GHMC Hyderabad)

During the course of audit of Chandanagar circle of Serilingampally Zone, on verification of online information an amount of Rs.1,75,67,496/- was paid as advance to Firms/ Contractors/Concerned Departments but the same was not adjusted /realized till the close of Audit.

Immediate action would need to be taken to realize the amounts paid as advances to Firms/Contractors/Concerned Departments and remit to the concerned head of Account under intimation to Audit.

Account Head and Description	Bill Date	Bill No.	Particulars	Amount (Rs.)
46040-02 Advances to Firms/ Contractors/Concerned Department	11-7-19	19010932	Payment towards the estimate proposal for 1 no. 3 services for a load of 5kw with 25kva DTR to CTO GHMC Deputy Commissioner at SLP zone, GHMC Sy.no. 100 at Deepthi Sri Nagar in Miyapur Sections in Kukatpally Division under DC works	245901
	29-8-19	19035886	Payment towards the shifting of 33 kv/11kv/lt lines and DTR's from NH-65 old Bombay road to Ameenpur Kaman ward no. 110, Chandanagar for widening the road as a part of model road in operation in Miyapur section of Miyapur subdivision in KKP	16847313
	5-3-2020	19091633	Towards the payment of 11kv line shifting charges at n-convention to Hi-tech city Main Road in Madhapur, Chandanagar Circle, SLP zone, GHMC	417782
	20-3-2020	19101935	Towards the Payment of water connection from HMWS & SB for Jayashankar Park at Chandanagar in Circle-21, Serillingampally Zone, GHMC for the year 2019-20.	56500
Total				17567496

(Para No.5 of Audit Report of Chandanagar Circle, GHMC Hyderabad)

3.VIOLATION OF RULES (CODE NO.9)

It was noticed in the audit that in some cases the Rules / Government instructions for incurring the expenditure from the funds of the MCs were violated either due to negligence or ignorance. In certain cases, the funds of the MCs were utilized for the purposes other than the permitted ones under the Act / Rules. It was also noticed that in a few cases, Government instructions were misunderstood or misinterpreted. Such irregular expenditure incurred was objected to in the relevant Audit Reports. A few instances of Violation of Rules noticed in the Audit Reports in various Local Bodies are detailed below:

A Consolidated **Annexure-III (2)** showing the audit objections on Violation of Rules is appended to the Report from which it could be seen that an amount of **Rs.17,403.16 lakhs** was pointed out in **215** Audit Paras. Few such cases are detailed below.

**3. GHMC KUKATPALLY CIRCLE - ENGINEERING SECTION -
PAYMENT MADE TOWARDS WATER SUPPLY MAINTENANCE -
NOT ADMISSIBLE -- Rs.45,30,004/-.**

During the course of audit, as observed from trail balance under head 23080-19, it was noticed that an amount of Rs.45,30,004-00 was paid towards water supply maintenance to HMWS & SB.

As per the Government instructions issued vide G.O. Ms. No 458 MA & UD (W1) Dept. dated 14.07.2009, the total O&M expenditure should be borne by the HMWS&SB from 2013-14. Contrary to these instructions, O & M expenditure towards water supply is still borne by the Kukatpally circle of GHMC. Further the log book of vehicles used were also not furnished to audit.

Hence, the payment of Rs.45,30,004/- could not be admitted in audit and advised to prefer the refund from HMWS&SB.

(Para No.32 of Audit Report Kukatpally Circle, GHMC Hyderabad)

During the course of audit on the accounts of LB Nagar Circle for the year 2019-20, on verification of the M books, files and records the following irregularities noted as shown in the table below:

Sl. No	S.No in Works list	Voucher Number	Name of the Work	Objection	Remarks
1	147	19061217 & 18050061	Removal of water stagnation by laying of 450mm dia NP3 RCC pipeline (Storm Water Drain) from P.no.77 to Opp. Indian Oil Petrol Bunk (via Hasthinapuram Signals) at Christian Colony Hasthinapuram East in Ward No.15, Vanasthalipuram of L.B. Nagar Circle-3B, GHMC.	i) Delay in work execution (9 Months) ii) Delay in completion of work (12months) iii) The executive authority was sanctioned the EOAT for 3 times. vi) But, the penalty of EOAT was imposed by E.E is only Rs.1000/-.	Authority and provisions not mentioned
2	233	19093271	Providing Demolition vehicle and labour in L B Nagar Circle - 4, GHMC.	i) Details of Vehicle (DCM and JCB) not available for verification. (RC, Logbook) ii) Muster rolls of labour are not furnished. iii) Places of demolition and Quantity of wastage not mentioned. iv) JCB working from Jan'19 to Aug'19. But, DCM and labour was continuing up to Dec'19.	i).Authority and provisions not mentioned. ii).Rs.13,65,259/- was held under objection.

3	46	Win code D221800087	Repairs to SW Drain at Hanuman Nagar in Ward.No.16 Hasthinapuram of L.B. Nagar Circle-4, GHMC.	i) Delay in completion of work (7 months) ii) EOAT not collected. iii) Differences noticed in earth work execution when compared to the estimates.(Rate and Quantity)	Authority and provisions not mentioned
4	24	19008056	Laying of RCC 450mm dia pipeline from Wambay Colony, Sai Baba Temple to Lalitha Nagar (via Raghavendra Colony 'X' Road) Existing Open nala at Raghavendra Colony (Down Stream) in W.No.16, Hasthinapuram of L.B. Nagar Circle-4, GHMC.	i) Delay in completion of work (9 months) ii) EOAT not collected. iii) The executive authority was sanctioned the EOAT for 2 times. (30.04.2019 and 30.05.2019)	Authority and provisions not mentioned
5	160	19062423	Providing Chain link mesh around compound wall and repairs to footpath and cricket pitch and mesh in playground at Ph-IV Colony of Ward No.15, Vanasthalipuram, GHMC.	i) Delay in completion of work (12 months) ii) EOAT not collected. iii) The executive authority was sanctioned the EOAT for 2 times. (31.07.2019 and 23.09.2019)	Authority and provisions not mentioned
6	105	D221900030	Drilling of Bore well and fixing of submersible Pump set at Sairamnagar Colony Park in Ward No.17, Champapet of L.B. Nagar Circle-4, GHMC.	i) Date of investigation of Geologist -29.08.2019. ii) Date of Drilling of Bore well as per M.Book.90/2019-20 is 29.08.2019. iii) Same photos enclosed in MB.89/2019-20 iv).Supporting bills and vouchers not furnished	i) It seems to be suspicious. ii)Authority and provisions not mentioned
7	106	D221900035	Drilling of Bore well and fixing of submersible Pump set at KatikaBasthi near Perlakottam at Champapet in Ward No.17, Champapet of L.B. Nagar Circle-4, GHMC.	i) Date of investigation of Geologist - 13.09.2019. ii) Date of Drilling of Bore well as per M.Book.89/2019-20 is 29.08.2019. iii) Same photos enclosed in MB.89/2019-20 iv).Supporting bills and vouchers not furnished	i) It seems to be suspicious. ii)Authority and provisions not mentioned

8	107	D221900036	Drilling of Bore well and fixing of submersible Pump set at Katikonikunta Community Hall in Ward No.17, Champapet of L.B. Nagar Circle-4, GHMC.	i) Date of investigation of Geologist - 13.09.2019. ii) Date of Drilling of Bore well as per M.Book.88/2019-20 is 29.08.2019. iii) Photos not enclosed iv) Supporting bills and vouchers not furnished	i) It seems to be suspicious. ii) Authority and provisions not mentioned
---	-----	------------	-------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------

Though the said issues were taken to the notice of the concerned authority vide Half Margin Lr.No:07/AAO-1/DD,SA,HYD/2020-21, Dt:11-09-2020, no reply was given by them till the close of audit. Hence, the total amount of Rs.13,65,259/-was held under objection.

(Para No.55 of Audit Report of L.B Nagar Circle, GHMC Hyderabad)

4. GHMC GOSHAMAHAL CIRCLE - WORKS – LAYING OF DAMAGED C.C ROAD WITH RMC IN MANGALHAT WARD, CIRCLE-14 – KHAIRTHABAD ZONE, GHMC – WORK ORDER NOT CANCELLED FOR NON-COMMENCEMENT OF THE WORK WITHIN 2 MONTHS – REVALIDATION AND SANCTION OF THE GHMC NOT PRODUCED – EOT NOT TAKEN BEFORE THE EXECUTION OF WORK - IRREGULAR - AMOUNT HELD UNDER OBJECTION RS.4,20,527/-.

Name of the Contractor: Sri, K. Buchaiah Yadav

Name of the Work: Laying of damaged C.C Road with RMC at Balajinagar in Mangalhat Ward, Goshamahahal Circle-14 – Khairtabad Zone, GHMC.

Win code	: D 061700421
M.B. No.	: 77/2019-20
Agreement Date	: 18.07.2018
Completion period of work (As per Agreement)	: 2 months from the date of agreement
Date of mark out	: 05.07.2019
Date of Completion	: 19.08.2019
ERP Bill No:	: 19068843/21.12.2019
Amount: Rs.	: 4,20,527/-
Cheque No/Date:	: 827932/18.03.2020

During the course of audit, it was noticed that tenders were called for the work of laying of damaged C.C Road with RMC at Balajinagar in Mangalhat Ward, Goshamahahal Circle-14, Khairathabad Zone of GHMC. The tenders were finalized in favour of Sri, K. Buchaiah Yadav and work order was issued to the contractor vide Lr. No. D 06170042101 / EE / Div-Goshamahahal – 14 / DB / KBZ / GHMC/ 62, Dt. 18.06.2018 and instructed the contractor to complete the work within 2 months from the date of agreement.

As per the MB, the work was executed from 05.07.2019 to 19.08.2019 and an amount of Rs.4,20,527/- was drawn through ERP Bill No.19068843 and paid vide cheque No.827932/18.03.2020.

But contrary to the agreement conditions, the contractor did not complete the work in 2 months nor got the Work Order revalidated. Without revalidating the work order or issue of EoT, the contractor commenced the work on 05.07.2019 i.e. after a lapse of 12 months, which is irregular. The Engineering authorities have not observed any time schedule in executing the work.

Hence, the total amount of Rs.4,20,527/- was held under objection.

(Para No.53 of Audit Report of Goshamahal Circle, GHMC Hyderabad)

5. GHMC HAYATHNAGAR CIRCLE - PLINTH AREA SHOWN IN ASSESSMENT WAS LOWER THAN THE PLINTH AREA SHOWN IN TIN GENERATED LIST –LOSS OF REVENUE FROM PROPERTY TAX WITH RECURRING EFFECT - Rs.11,71,523/-

On comparison of the trade licenses list which were downloaded from the dashboard with the assessments, it was noticed that there was huge difference in the plinth area which appeared in assessment and that appeared in TIN generated list.

At the time of field verification for issue of trade license, the authority must verify the plinth area and that the plinth area shown in the application must be verified with plinth area shown in the assessment. If the plinth area in assessment is found less, the same is to be sent to Revenue section for revision of the property tax. After revision of the PT only, the trade license is to be generated or issued.

But in the following cases (list enclosed), the above process was not followed and as a result omission could be noticed and as such recurring loss is being caused to GHMC funds.

(Amount in Rs.)

Sl. N o.	TIN No.	Plinth Area in Trade License list (sft)	Plinth Area in Assessment (sft)	Difference (sft)	Property Tax Index No.	PT as per assessment	Approximate PT for Plinth Area as per TL	Loss of PT per annum
1	08032400002	19602	8200	11402	1030302240	1,66,400	3,97,777	2,31,377
2	08051100002	13353	3629	9724	1031206103	52,230	1,92,182	1,39,952
3	08871100001	13203	5394	7809	1030201604	97,536	2,38,741	1,41,205
4	07961100002	10800	7814	2986	1030302223	2,13,278	2,94,779	81,501
5	08031920131	14050	317	13733	1030310824	10,724	4,75,307	4,64,583
6	07963140001	13565	9938	3627	1030402502	2,56,960	3,50,741	93,781
7	07960530155	17000	12858	4142	1030406794	59,370	78,495	19,125
Total								11,71,523/-

(Para No.15 of Audit Report of Hayathnagar Circle, GHMC Hyderabad)

4. NON-PRODUCTION OF RECORDS (CODE No.11)

The Panchayath Raj Bodies provide certain basic civic infrastructure and services like Road, Drain, Street lights, Water Supply, Conservancy and Solid Waste Management. They also perform certain regulatory functions. They also prepare plans for economic development and social justice. To fulfill all the desires and needs the total revenue base needs to be enhanced every year. With the rise in demand for services the functionaries need to have effective financial management skills and adopt sound accountability practices. All these functions would be reflected on the record when they were accounted for as per the provisions contained in TS Accounts code which comprises the Comptroller and Auditor General (C&AG) rules together with the local rulings relating to Local variations in accounts procedure. These initial accounts are to be kept ready and should have to be produced to Audit for verification. Then only the transparency in incurring of public money and their utility to the General Public can be reasonably judged. Such an important function on the part of the Drawing and disbursing officers of all the Local Bodies in the maintenance and production of records to audit is not properly discharged. Thereby the accountability of the expenditure made could not be reviewed thoroughly. In spite of all these guidelines and instructions the DDOs of local bodies have failed to maintain the records and produce the same to Audit whenever the local teams visited their institutions. Under the category of non – production of records to Audit the major part is works and related records such as M.books, estimates, files tenders etc. The others are non-production of vouchers along with the related files and registers. The paras on non-production of records have been drawn from the individual A.Rs. of the concerned institution and their details are furnished here under. Further it is surprise to note that the heads of the institutions could not explain as to why the records could not be maintained in their offices and not produced whenever they are being demanded by the audit parties and other agencies during their local visits. The financial health of an institution depends upon the quality of the records that are being maintained to show the accountability of the financial transactions that occur in the institution. Though the provisions under Rule 6 of T.S. State Audit Rules 2000 are clear that the onus for production of records to audit lies with the executive authority of the institution in the following cases the said rule is not complied with as they have failed to furnish various records to audit as a result of such inaccessibility to the records several audit objections were pointed out in various A.Rs. of the concerned institutions. Records like M. Books connected files vouchers in which crores of rupees transacted in many institutions form major chunk of audit objections under the category of non-production of records. Transactions relating to purchase of various contingent articles goods etc. were not accounted for in stock registers and produced to audit. Remittances made to different departments etc., for which neither the acknowledgements nor any evidence produced in audit also form part under this category. Though several half margin letters were issued for production of the required records the executive authorities did not comply with which had resulted in inaccessibility to the records and raising of paras to that extent.

A Consolidated **Annexure-III(2)** showing audit objections on “Non-Production of Records” is appended to the Report from which it could be seen that an amount of **Rs.9442.96 lakhs** was pointed out in **158** audit paras. A few of the paras raised in Audit Reports for the year 2019-20 are categorized accordingly and tabulated as shown below:

6. GHMC GOSHAMAHAL CIRCLE - HEALTH & SANITATION, TRADE LICENSE, BIRTH & DEATH SECTIONS – NON AVAILABILITY OF SERVICE REGISTERS OF 41 PENSIONERS – AMOUNT HELD UNDER OBJECTION - Rs.49,74,120=00.

During the course of audit, on verification of the given records of Pension files of Goshamahahal Circle, it was noticed that an amount of Rs.49,74,120/- was drawn and paid to 41 members towards pension for the year 2019-20. But the service registers of those 41 pensioners were not furnished to audit in spite of issuing Half Margin Lr. No. 12/AAO-I/DD,SA,HYD/2020-21, Dt.29.01.2021 due to which the authenticity of payments made could not be verified in audit.

Immediate action would need to be taken to furnish the Service Registers of the pensioners to audit. (List enclosed)

(Amount in Rs.)

List of Pensioners Health and Sanitation Section Circle-14 GHMC(CZ), those who are drawing pension, but their SRs not available since 2001				
Sl. No.	P.A.No.	Name of the Pensioner	2019-20	
			As per Month	Mar/19 to Feb/20
1	1319/95-96	Maisamma/Mallaiah	10320	123840
2	00160-00000-04	Muthamma/Chand Raih	10661	127932
3	00161-00000-04	G.Anasuya/G .Yadaiah	10661	127932
4	00162-00000-04	Lingamma/C.Narayana	10661	127932
5	98/80-81	Shakunthala Ba/Late Marthnja	7563	90756
6	158/82-83	Jangamma/Late Ramuloo	7563	90756
7	185/84-85	Pentamma/Ramaiah	11303	135636
8	00368-00000-04	Sd.Mohaboob Begum/ Late Shaik Abdullah	10344	124128
9	297/89-90	Balamma/Rajaiah	12891	154692
10	339/89-90	Shoba Rani/ Late Satyanarayana	7484	89808
11	217/99-00	Laxmamma/Venkata Swamy	8300	99600
12	15/90-91	Bharata Laxmi/ Late Puroshatham	7484	89808
13	34/90-91	Yadamma/ Late Rajaiah	7484	89808
14	228/91-92	Anasuya/Shan Karaiah	7484	89808
15	161/97-98	Rajamma/Sri Ramaiah	7484	89808
16	00358/00000-04	Papamma / Sri Ramaiah	13456	161472
17	319/93-94	Manemma / Late David	7208	86496
18	226/97-98	Chandramma/ B.Jangaiah	7936	95232
19	206/97-98	D.Padma/Late Jaihind Babu	7208	86496
20	24/96-97	Chandramma/ Late S.Narsimha	9976	119712
21	250/97-98	N.Kamamma/Babulal	7208	86496
22	31/98-99	Shanta Bai/Sultan	7934	95208
23	506/89-90	Urimila/Late Ananth Swaro Singh	10344	124128
24	134/96-97	T.Eeshwaramma/ Late Sailoo	11573	138876
25	00360-00000-04	Venkatamma/Late Sailoo	10315	123780
26	96/01-02	Chenamma/Late Bradaiah	7723	92676

27	06-03-04	Lachamma/Narsi Mha	8711	104532
28	274/03-04	Bhoolaxmamma/Late Laxman	7208	86496
29	07280/2324-08	Yadamma/Late Narsimha	19635	235620
30	145/97-98	P.Shantamma/Late Laxmaiah	10629	127548
31	24/87-88	C.Narsamma/Papaiah	7484	89808
32	92/98-99	Anasuya/Late Pochaiah	10995	131940
33	13790-9132-10	Anasuya/Laxmaiah	16790	201480
34	21651-2032-12	Sukkammaiah/Jangaiah	19901	238812
35	18654-2394-11	Balamma/Pentaiah	12983	155796
36	33204-2602-16	D.Maisamma/O.Pulliah	9199	110388
37	9/84-85	Shankunthala/Late Pandarinath	7563	90756
38	179/87-88	Vasanth Kumari/ G.Ramlu Naidu	12986	155832
39	33903-00000-16	Nayeem Begum/ Ahmed Ali (2 ND Wife)	6890	82680
40	48/95-96	Viqur Unnisa/Ahmed Ali (Lst Wife)	6890	82680
41	275/95-96	Jangaiah/Balaiah	18078	216936
		Total		4974120

(Para No.82 of Audit Report of Goshamahal Circle, GHMC Hyderabad)

5.MIS-APPROPRIATIONS (CODE No. 12)

Cases of misappropriation of money noticed in audit were pointed out in the Audit Report concerned. The cases where the Executive Authorities spent amounts from Government Funds and Grants but not accounted for with proper evidence come under this category.

A consolidated statement of audit objections on misappropriations noticed in audit is annexed vide **Annexure-III(2)**. A total number of **15** cases involving an amount of **Rs.79.82 lakhs** were pointed out in the relevant Audit Reports. To illustrate the various types of modus operandi a few such cases pointed out are reproduced below.

7. GHMC ALWAL CIRCLE – AMOUNT COLLECTED LESS REMITTED IN BANK - NEEDS RECOVERY Rs.18000=00.

In GHMC-Alwal Circle, on verification of Chitta book along with the Bank Statements provided by the executive authority, it was found that an amount of Rs.18,000-00 was less remitted into the Bank as follows.

Sl. No.	Date of Collection as per chitta book	Amount Collected (Rs.)	Amount remitted in Bank (Rs.)	Difference (Rs.)
1	27/01/2020	20,000/-	2000/-	18000/-

The issue was taken to the notice of Deputy Commissioner Vide H.M.Lr.No.Sp10/AAO/SA/Hyd-T2 Dt:-30-09-2020, but audit did not receive any reply in this regard. Immediate steps need to be taken to recover the total amount of Rs.18000-00 from the person(s) responsible with penal interest and remit to the GHMC Funds under intimation to audit with penal interest.

(Para No.17 of Audit Report Alwal Circle, GHMC Hyderabad)

During the course of audit on the accounts of Musheerabad Circle-15, on verification of Chitta book with the Bank Statements provided by the Executive authority, it was found that an amount of Rs.79,200/- was less remitted in the Bank as detailed below:

<u>Statement Showing the Particulars of Remittances in Musheerabad Circle for the year 2019-20. (A/c. No.52082155623 and 38625693540)</u>						
(Amount in Rs.)						
Sl. No.	Date of Collection	Amount Collected	Date of Deposit	Amount Deposited	Short Remittance	Chitta P.No.
1	04/29/2019	152190	05/03/2019	143175	9015	30
2	05/28/2019	53541	05/31/2019	11533	42008	49
3	09/26/2019	198137	10/1/2019	197970	167	97
4	09/30/2019	86266	10/1/2019	58256	28010	98
Total					79200	

The same was taken to the notice of the Deputy Commissioner Vide H.M.Lr.No.11/AAO-1/DD, SA,HYD/2020-21, Dt:22.12.2020, but no reply was given. Immediate steps would need to be taken to recover the total amount of **Rs.79,200/-** from the person(s) responsible and remit to GHMC Funds under intimation to audit.

(Para No.39 of Audit Report of Musheerabad Circle, GHMC Hyderabad)

During the course of audit on the accounts of Municipal Corporation, Karimnagar, on verification of E – Mass software - Property tax Tab – Reports – Registers – Remittance / Irsalnama / Daily Collection Register - Bill collector wise Collections in General Counter 1 – Dt.10/5/2019, an amount of Rs.34404/- was collected from Six (6) houses towards Property Tax (Statement enclosed) and the amounts were also automatically taken in E–Mass Software. But the same was not taken to Chitta to ensure the authenticity of collections and remittances.

STATEMENT-5 (2019-20)
Karimnagar Municipal Corporation
Karimnagar District

Remittance/ Irsalnama/ Daily Collection Register Bill collector Wise From: 01/04/2019 To 31/03/2020

IR/DCR No.				Name of the Bill Collector/ Remitter: GENERAL COUNTER 1															
e- mas_ Rcpt No.	Receipt Date	Assessment No.	Door No.	Paid At	Book No.	Receipt No.	Chq / DD No.	Paid From Date	Paid To Date	Arrears			Current			Penalty		Re bat e	Total Collect ion Amoun t (Rs.)
		Owner Name				Receipt Date	Chq/ DD Date			PT	LC	Total	PT	LC	Total	Arr ears Cur rent	To tal		
11020 00030 9524	05- 10- 19	1102005051	8-5- 184	Bill Colle ctor	181	66		01-04-08	31-03-16	6788	476		0	0		0	0	0	7264
		G Ramaswamy				05-10-19				0	0	7264	0	0	0	0	0		
11020 00030 9525	05-10-19	1102046279	10-3- 575/2/1	Bill Colle ctor	179	48		01-04 - 13	31-03- 17	12912	1032		0	0		0	0	0	13944
		P Srinivas				05-10- 19				0	0	13944	0	0	0	0	0		
11020 00030 9526	05-10-19	1102011040	10- 1-423	Bill Colle ctor	73	65		01-04- 13	31-03- 16	10398	822		0	0		0	0	0	11220
		Madhavaram Niramala				05-10-19				0	0	11220	0	0	0	0	0		
11020 00030 9527	05- 10 -19	1102045421	6-2- 122/C	Bill Colle ctor	341	81		01-04-14	31-03- 15	264	24		0	0		0	0	0	288
		WAJID UNNISA				05-10-19				0	0	288	0	0	0	0	0		
11020 00030 9528	05- 10-19	1102045420	6- 2- 122/B	Bill Colle ctor	341	81		01-04-14	31-03- 15	264	24		0	0		0	0	0	288
		ABID UN NISA				05-10- 19				0	0	288	0	0	0	0	0		
11020 00030 9529	05- 10 -19	1102027497	6-3-691	Bill Colle ctor	179	38		01-04- 13	31-03-16	1289	111		0	0		0	0	0	1400
		Nomula Narsaiah				05-10- 19				0	0	1400	0	0	0	0	0		
Grand Total										31915	2489		0	0		0	0	0	34404
										0	0	34404	0	0	0	0	0	0	

The Commissioner, Municipal Corporation, Karimnagar should take immediate action to recover the above said amount and remit the same to Municipal corporation funds, under intimation of audit.

(Para No.52 of Audit Report of Municipal Corporation Karimnagar)

In another case in Karimnagar Municipal Corporation, during the course of verification of Irsalnama with that of postings in chitta, Treasury Statement and Bank Statements produced to the audit, it was noticed that there was an instance of non-remittance of entire collected amount as a result the audit could construe misappropriation of funds as detailed below. Though half margin Letter No. Camp-10/SA-3/MCKNR/2021-21, Dt.22.04.2022 was issued, audit did not receive any reply from the Authorities.

1. Sri D. Anjaiah, Bill Collector collected an amount of Rs.410702/- and remitted only an amount of Rs.368269/-. An amount of Rs.42433/- is yet to be remitted to the Municipal Funds as shown below.

Sl. No.	Date	Amount (Rs.)	Remarks
1	Saturday, May 30, 2020	35509	Swipe
2	Sunday, May 31, 2020	13823	Swipe
3	Thursday, June 25, 2020	18342	Swipe
4	Tuesday, July 07, 2020	15733	Swipe
5	Tuesday, July 14, 2020	15328	Swipe
6	Wednesday, July 15, 2020	23195	Swipe
7	Thursday, July 16, 2020	5675	Swipe
8	Friday, July 24, 2020	34121	Swipe
9	Wednesday, July 29, 2020	21031	Swipe
10	Friday, July 31, 2020	28068	Swipe
11	Tuesday, August 04, 2020	28306	Swipe
12	Wednesday, August 05, 2020	18123	Swipe
13	Saturday, August 29, 2020	23696	Swipe
14	Monday, August 31, 2020	3107	Swipe
15	Tuesday, September 01, 2020	13146	Swipe
16	Wednesday, September 02, 2020	27906	Swipe
17	Saturday, September 05, 2020	31231	Swipe
18	Monday, September 07, 2020	46337	Swipe
19	Tuesday, September 08, 2020	8025	Swipe
Total Collection Rs		410702	
(-) Remitted		368269	
Outstanding Balance Rs		42433	

1. In similar instances, Sri. P. Shiva Rama Krishna, Bill Collector collected an amount of Rs.2259/- through using swiping machine on 16th July 2020 which was not accounted for.

2. Sri. Chandra Shekar, Bill Collector has collected an amount of Rs.1,51,109/- as shown in the statement below but did not remit the amounts till the close of audit.

Sl. No.	Date	Amount (Rs.)	Mode of Transaction
1	10.05.2020	2567	Cheque
2		2516	Cheque
3		2516	Cheque
4		2516	Cheque
5	12.05.2020	1195	Cheque
6		4767	Cheque
7		2785	Swipe
8	13.05.2020	2861	Cheque
9		2994	Cheque
10		6006	Cheque
11	14.05.2020	4362	Cheque
12		1153	Cheque
13		1361	Swipe
14	22.05.2020	4776	Swipe
15		4051	Cash (Swipe)
16	24.05.2020	2483	Cheque
17	24.05.2020	3395	Cheque
18	24.05.2020	3395	Cheque
19		6328	Swipe
20		4004	Swipe
21	31.05.2020	28538	Cheque
22	31.10.2020	56540	Cheque
	Total	151109	

According to Section 48(2), Section 90 and Section 276(1) of the Telangana Municipalities Act, 2019 every employee of the Municipality shall be personally liable for the loss, waste, misapplication of rules or orders or misappropriation of money or any other Property.

Further as per Article 5 of T.S. Financial Code Volume-I, the Government Servant has to see that proper accounts are maintained for all Government financial transactions with which he is concerned and render accurately and promptly all such accounts and returns. According to Article 9 of TSFC Vol. I, the departmental Controlling Officer should obtain regular accounts and returns from his subordinates for the amounts realized by them and paid into the treasury.

Hence, audit construed that an amount of Rs.1,95,801/- was misappropriated as detailed below:

Sl No.	Name of the Employee	Amount in (Rs.)
1	D. Anjaiah, Bill Collector	42433
2	Shiva Rama Krishna, Bill Collector	2259
3	Chandra Shekar, Bill collector	151109
	Total	195801

Appropriate action needs to be taken on the concerned as per rules in force along with the provisions under Article 273 & Article 300 of T.S. Financial Code Volume-I imposing interest and penal charges.

(Para No.38 of Audit Report of Karimnagar Municipal Corporation)

8. MUNICIPAL CORPORATION NIZAMABAD- PROPERTY TAX COLLECTED-BUT NOT REMITTED –NEEDS RECOVERY – Rs. 49,20,260/-

On verification of Property Tax Daily Collection Statement with reference to RR (Irsalnama) Register and STO Account Pass book, it was noticed that the Bill Collectors had collected the tax amount through Cheques/DDs/Swipe Machine as detailed in the list below. But the collected amounts were not found in the Treasury Pass Book. The same was informed vide Half margin Lr. No. 16/Audit-Camp/MC-NZB/DD/SA/Nzb/2020-21, dated:30-06-2020 and requested to furnish to audit whether the listed amounts were adjusted or not? But no reply was furnished till the close of audit.

Sl. No.	Name of the Bill Collector	Date	Receipt No.	Mode of Payment	Amount (Rs.)
1	E. Mahesh Babu	31-08-2019	90173108190662	Ch. No. 033066	865576
2	C. Venkateshwar	20-08-2019	90132008190557	Ch. No. 012558	23170
3	C. Venkateshwar	28-03-2020	90132303200080	Ch. No. 003293	417418
4	C. Venkateshwar	28-03-2020	90132303200081	Ch. No. 000007	118798
5	G. Ashok	10-03-2020	19461003201023	Ch. No. 878621	111807
6	B. Sairam	28-02-2020	90132802201074	Swipe	96689
7	M. Dinesh	09-09-2019	19380909190584	Swipe	10916
8	M. Dinesh	21-09-2019	19382109190608	Swipe	7819
9	M. Dinesh	08-04-2019	1938190031	Swipe	2559
10	M. Dinesh	08-04-2019	1938190032	Swipe	14104
11	M. Dinesh	08-04-2019	1938190033	Swipe	2128
12	M. Dinesh	30-09-2019	1938009190619	Swipe	5394
13	M. Dinesh	12-03-2020	19381203200677	Ch. No. 787087	128057
14	M. Dinesh	12-03-2020	19381203200678	Ch. No. 000135	118451
15	M. Dinesh	12-03-2020	19381203200679	Ch. No. 792683	396960
16	G. Naresh	29-10-2019	19452910190773	Swipe	6848
17	P. Laxman	29-11-2019	7212911194235	Ch. No. 565979	28985
18	P. Laxman	29-11-2019	7212911194236	Ch. No. 565979	2876
19	P. Laxman	20-03-2020	7212003204533	Ch. No. 104362	266391
20	P. Laxman	27-03-2020	72512703204550	Ch. No. 500612	238212
21	P. Laxman	27-03-2020	7212703204549	Ch. No. 000090	557328
22	P. Laxman	27-03-2020	7212703204551	Ch. No. 025675	341081
23	P. Laxman	27-03-2020	7212703204552	Ch. No. 000089	145784

24	P. Laxman	30-08-2019	7213008193999	Ch. No. 848414	152095
25	P. Laxman	30-08-2019	7213008194000	Ch. No. 848415	22261
26	P. Laxman	10-03-2020	7211003204457	Ch. No. 056251	88318
27	SVP Prakash	09-05-2019	7240905192114	Ch. No. 895867	82700
28	SVP Prakash	31-08-2019	7243108192162	Ch. No. 849801	83019
29	SVP Prakash	31-08-2019	7243108192163	Ch. No. 706851	224647
30	SVP Prakash	04-01-2020	7240401202207	Ch. No. 214586	144800
31	SVP Prakash	26-09-2019	7242609192269	Ch. No. 447252	116446
32	Shaik Zeeshan	31-08-2019	11261000876943	Postal order 42088293	31091
33	Shaik Zeeshan	31-10-2019	11261000882718	Postal order 42088239	25022
34	B. Kishan	03-07-2019	11261000864817	Postal order 42088239	11224
35	B. Kishan	06-07-2019	11261000865998	Postal order 7280607199370	4800
36	B. Kishan	06-07-2019	11261000866000	Postal order 7280607199371	1620
37	B. Kishan	06-07-2019	112610008006	Postal order 7280607199372	7838
38	B. Kishan	06-07-2019	112610008008	Postal order 7280607199373	17028
				Total :	4920260

Hence, the audit construed that an amount of Rs.49,20,260/- was caused loss to Municipal funds and the same needs to be recovered from the responsible person or persons and made good to the Municipal funds and intimate to audit.

(Para No. 39 of Audit Report of Municipal Corporation, Nizamabad)

6. EXCESS PAYMENTS (CODE NO 13)

It was observed in audit that in several cases, excess payments were made. A few cases of Excess payments noticed in the Audit Reports in various Municipal Corporations are detailed below:

Consolidated **Annexure-III (2)** showing audit objections on Excess payments is appended to the Report from which it could be seen that an amount of **Rs.454.15 lakhs** was pointed out in **42** Audit Paras. A few such cases are detailed below.

9. GHMC KUKATPALLY CIRCLE - CONSTRUCTION OF UNDER GROUND DRAINAGE – ITEMS NOT PROVIDED IN SANCTIONED ESTIMATE –WORK EXECUTED -IRREGULAR -Rs.1,35,266=00.

MB No.335/17-18

Cheque No.247752/17-5-19

Gross Amount Rs.4,43,524=00

Net Amount Rs.3,20,251=00

During the course of audit, it was observed that the work of construction of Under Ground Drainage at GHMC Kukatpally Circle -24 was taken up and completed. On further verification of the M. Book it was found that certain items of work was originally not given the technical sanction but was carried out and a payment was also made Rs.1,35,266/- which is not admissible.

The same needs to be recovered from the person(s) responsible under intimation to audit.

S.No.	Item of work	Quantity	Rate (Rs.)	Amount(Rs.)
1.	Construction of 1.50 mt Sew manhole of 30 m depth with Cement brick in cm 1:4 Prop cabling including C C bed etc Qty P.No.17 of MB.No.335/2017-18	3	45088.75	135266.00
			Total	135266.00

(Para No.38 of Audit Report of Kukatpally Circle, GHMC Hyderabad)

In another instance, in GHMC Secunderabad Circle, on verification of pension payment files and connected records, it was noticed that an amount of Rs.4,56,23,917-00 was paid to the family pensioners in excess as the payment of Enhanced family pension of 50% was not restricted to normal family pension of 30% after a period of seven years from the date of death of the employee and recoveries had been effected from the family pensioners.

As per Rule 50 of T.S. Revised Pension Rules 1980 (i) when a government servant dies while in service after putting in a continuous service of not less than seven years the family pension shall be equal to 50% of the pay last drawn for a period of seven years from the date following the date of death and thereafter 30% of the pay last drawn (Sub rule 3 of Rule 50) shall be paid.

The authorities of Circle paid 50% even after a lapse of 7 years which resulted in making excess payment of Rs.4,56,23,917-00 out of which an amount of Rs.27,51,317/- was said to be recovered leaving a balance of Rs.4,28,72,600-00.

Immediate action would need to be taken to recover the remaining amount of Rs.4,28,72,600/- from the family pensioners and remitted to the GHMC funds under intimation to audit.

(Para No.53 of Audit Report of Secunderabad Circle, GHMC Hyderabad)

In Nizamabad Municipal Corporation, on verification of expenditure incurred from DPMS & Salaries Accounts, it was found that some amount was paid towards purchase of Stationery items & Computer Accessories from Sri Vallabh Enterprises, Marwadi gally, Nizamabad and Vaishnavi Computers, Opp: District Court, Nizamabad.

But, on detailed verification of the bill amounts, it was evident that excess amounts over and above the market rates (list enclosed) were paid which was irregular. Vide Half Margin Lr. No. 40/Audit/MC-Nzb/DD/SA/2020-21, dated 9-7-2020, it was taken to the notice of the Executive Authority but no reply was received till the close of audit.

Hence, the excess amount of Rs. 98,200/- may be recovered from the person(s) responsible and remit to Municipal Funds.

Statement showing excess payments made by Municipal Corporation for the year 2019-20. (Sri Vallabh Enterprises, Marwadigally, Nizamabad)											
(Amount in Rs.)											
Sl. No.	Fund	Vr. No.	Bill No./Date	Description of Item	As per Voucher			Actual Market Rate			Excess paid
					Quantity	Rate	Total	Quantity	Rate	Total	
1	Salaries	242/08-19	490/01-10-18	Purchase of A4 Size Papers	40	2250	90000	40	1800	72000	18000
2	Salaries	393	553/09-12-18	Purchase of A4 Size Papers	20	235	4700	20	180	3600	1100
3	Salaries	393	600/-	Purchase of A4 Size Papers	50	235	11750	50	180	9000	2750
4	Salaries	393	599/-	Purchase of A4 Size Papers	80	235	18800	80	180	14400	4400
5	Salaries	393	598/-	Purchase of A4 Size Papers	150	235	35250	150	180	27000	8250
6	Salaries	241/08-19	458/24-09-18	Purchase of FlatBed Scanner	4	5600	22400	4	4300	17200	5200
7	Salaries	243/08-19	497/16-10-18	Purchase of Printer Cartridge	4	3850	15400	4	1200	4800	10600
8	Salaries	393	553/09-12-18	Purchase of Printer Cartridge	1	3850	3850	1	1200	1200	2650
9	Salaries	393	564/09-01-19	Purchase of Printer Cartridge	1	3850	3850	1	1200	1200	2650
										Total	55600


Statement showing excess payments made by Municipal Corporation for the year 2019-20.
(Vaishnavi Computers, Opp: District Court, Nizamabad)

(Amount in Rs.)

Sl. No.	Fund	Vr. No.	Bill No./Date	Description of Item	As per Voucher			Actual Market Rate			Excess paid
					Quantity	Rate	Total	Quantity	Rate	Total	
1	DPMS	110/05-19	Not Available	Refilling of Cartridge	83	350	29050	83	250	20750	8300
2	Salaries	567/16-12-19	35/20-08-18	Refilling of Cartridge	91	350	31850	91	250	22750	9100
3	Salaries	567/16-12-19	35/20-08-18	Purchase of Printer Cartridge	1	1550	1550	1	1200	1200	350
4	Salaries	567/16-12-19	34/03-07-19	Refilling of Cartridge	182	350	63700	182	250	45500	18200
5	Salaries	567/16-12-19	34/03-07-19	Purchase of Printer Cartridge	19	1550	29450	19	1200	22800	6650
										Total	42600

(Para No. 49 of Audit Report of Nizamabad Municipal Corporation)

PLACE: HYDERABAD
DATE: 06-1-2024


DIRECTOR
STATE AUDIT
T.S. HYDERABAD

PART - III

**CONSOLIDATED AUDIT AND REVIEW REPORT
ON THE ACCOUNTS OF
MUNICIPAL COUNCILS FOR
THE YEAR 2019-20**

CONSOLIDATED AUDIT AND REVIEW REPORT ON THE ACCOUNTS OF MUNICIPAL COUNCILS FOR THE YEAR 2019-20

INTRODUCTION

- 1.1. As per the provision contained in Section 3(4) of Telangana State Audit Act, 1989 the Director of State Audit, Hyderabad was appointed as Auditor for conducting the audit of the funds of local authorities and other authorities specified in the Schedule appended to the said Act. By virtue of this statutory position, the Director of State Audit, Hyderabad is the Auditor for the accounts of the Municipalities constituted in the State.
- 1.2. The Department has got Zonal Offices at 2 places and District Offices in all the Districts. The Regional Deputy Directors are the heads the Zonal Offices, and the Deputy Director / District Audit Officer, State Audit are the heads of the District Offices.
- 1.3. The Department conducts post audit of the Municipalities and Audit Reports are being issued to the Commissioners of the Municipal Council concerned who in turn has to take action for rectifying the defects pointed out in the Audit Report within a period of two months as per Section 9 (1) of the State Audit Act.
- 1.4. Under section 10 (1) Telangana State Audit Act, 1989 the Director is vested with the power of disallowing every item of the expenditure incurred contrary to the law and surcharge the same on the person incurring or authorizing the incurring of such expenditure and may charge against any person responsible there for, the amount of any deficiency, loss or unprofitable outlay occasioned by the negligence or misconduct of that person or of any such sum which ought to have been accounted for but is not brought into account by that person and shall, in every such case, certify the amount due from such person.

SCOPE OF AUDIT

2.1 The State Audit Department being one of the limbs of Government verifies the following aspects during the course of post audit on the accounts of Municipal councils.

- Whether the amounts collected like taxes, fees etc., by the Municipal Councils were properly accounted for with full details in the books of accounts of the Municipal Council concerned.
- Whether adequate care has been taken in periodical checking up of the funds with Treasury or Bank.
- Whether the expenditure incurred is provided for in the Budget of the Municipal Council and duly sanctioned by the competent authority under the relevant rules and executive instructions issued by the Government.

- Whether the funds are utilized only for the permitted and prescribed purposes under the Municipalities Act, 1965 Act / Rules.
- Whether the procedure prescribed by Government in incurring the expenditure or payments made is properly followed and accounted for with due classification in the books of accounts of the Municipal Council.
- Whether the vouchers for the expenditure incurred were maintained properly.
- Whether the grants received from different sources were properly accounted for and utilized for the purposes for which they were meant for.

2.2 The ULBs in the State have been maintaining and producing the accounts to the Audit Department in Single Entry System up to 2008-09. The Government has issued orders in GO Ms No. 233 MA & UD Department, dated 22.05.2002, with instructions to all the Urban Local Bodies / Corporations to adopt, with immediate effect the Accrual Based Accounting System within their jurisdiction. Further in G.O. Ms. No.619 MA & UD Department, 21.08.2007, the Government, directed all the ULBs in the State to implement the Municipal Accounting Manual (Double Entry Accrual Based Accounting System) which has been adopted by the State Government, from NMAM, with the help of Centre for Good Governance (CGG).

2.3 The Commissioner and Director of Municipal Administration got migrated the accounts maintained in Single entry into Double Entry Accrual Based Accounting System through reputed chartered Accountant firms using Software developed by the CGG as permitted by the Government vide GO.Rt.No.287 MA&UD (R) Dept, Dt.21-02-2011 in all ULBs.

GRANTS RECEIVED DURING THE YEAR BY THE MUNICIPAL COUNCILS

3.1 Municipal Councils are provided Grants by the State / Central Governments to implement the schemes entrusted to them and also for overall development of the area under their jurisdiction.

3.2 The Receipts and Payments are inclusive of the various Grants received from Central and State Governments during the year 2019-20 by the Municipal Councils. The various Grants received and payments by Municipal Councils are detailed in **Annexure-IX**.

STATUS OF AUDIT

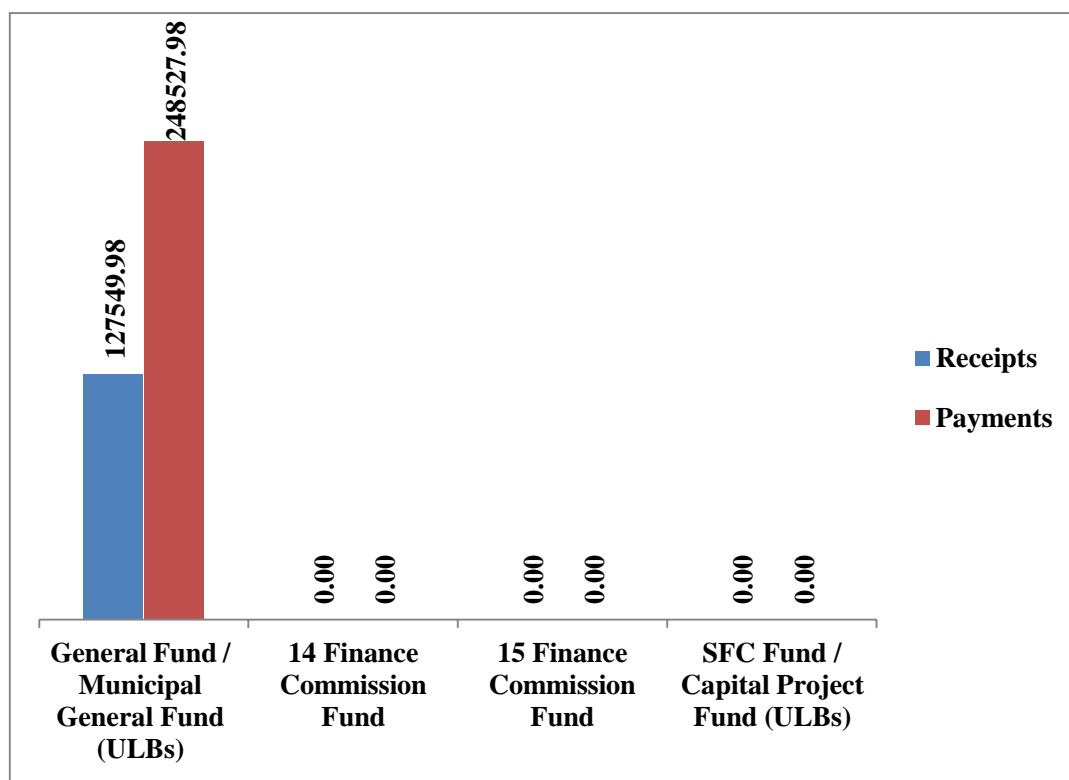
4.1 Audit of Municipal Councils for the year 2019-20 could be completed as mentioned below as there was a delay in furnishing of Annual accounts by the ULBs and also due to non-production of records from the executive authorities.

Demand	Completed	Balance
127	126	1

RECEIPTS & PAYMENTS

4.2 The Department has conducted the audit of the receipts amounting to **Rs.1,27,549.98 lakhs** and Payments of **Rs.2,48,527.98 lakhs** as detailed in the Annexure-IV(A).

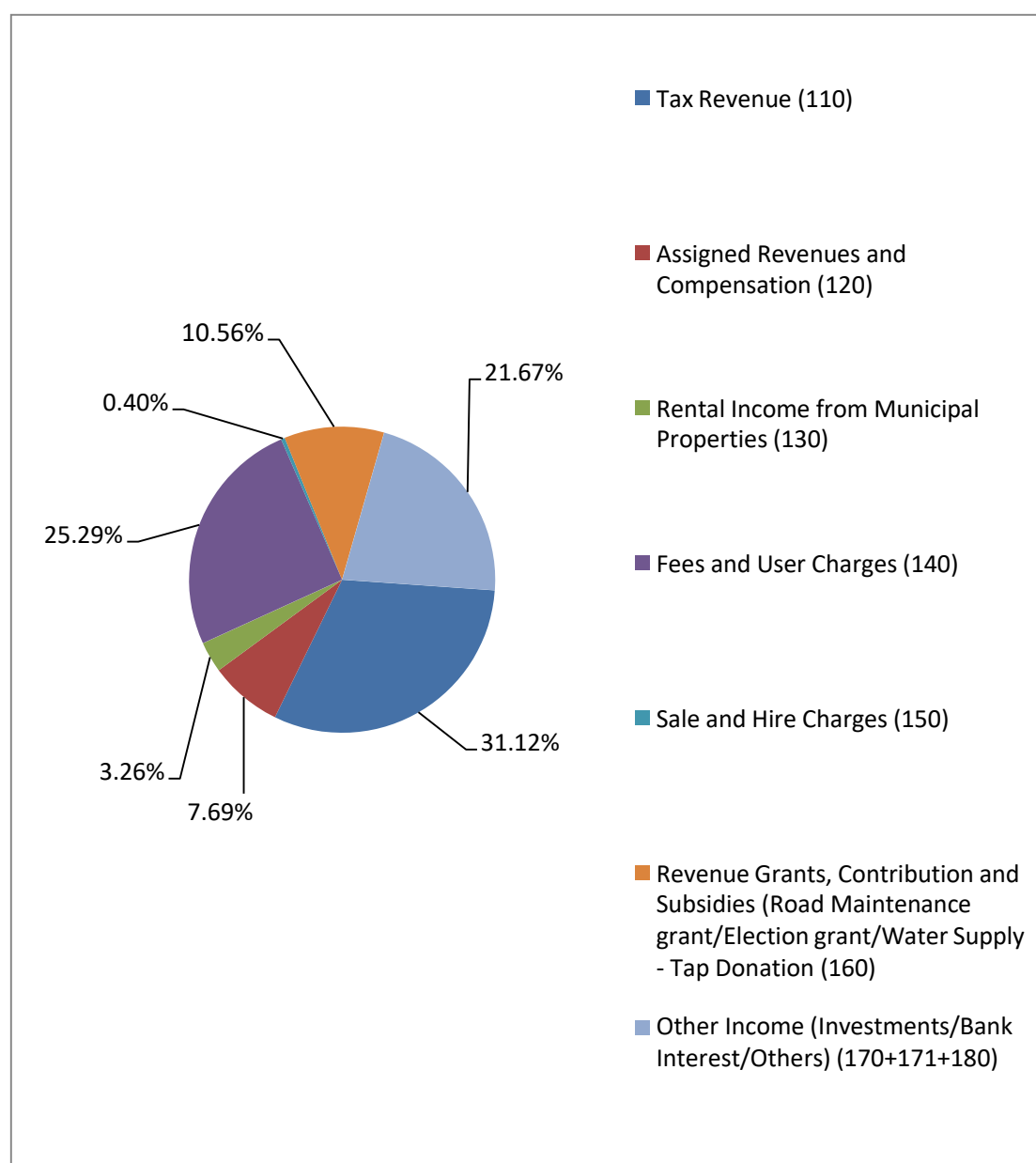
Bar Chart of Receipts and Payments of Municipalities for 2019-20



INCOME & EXPENDITURE

4.3. The Income & Expenditure of the above Municipal Councils for the year 2019-20 furnished District wise in **Annexure-IX** respectively. The income earned by the said municipalities during the year 2019-20 is **Rs.1,19,460.53 lakhs** and expenditure incurred is **Rs.2,37,814.31 lakhs**.

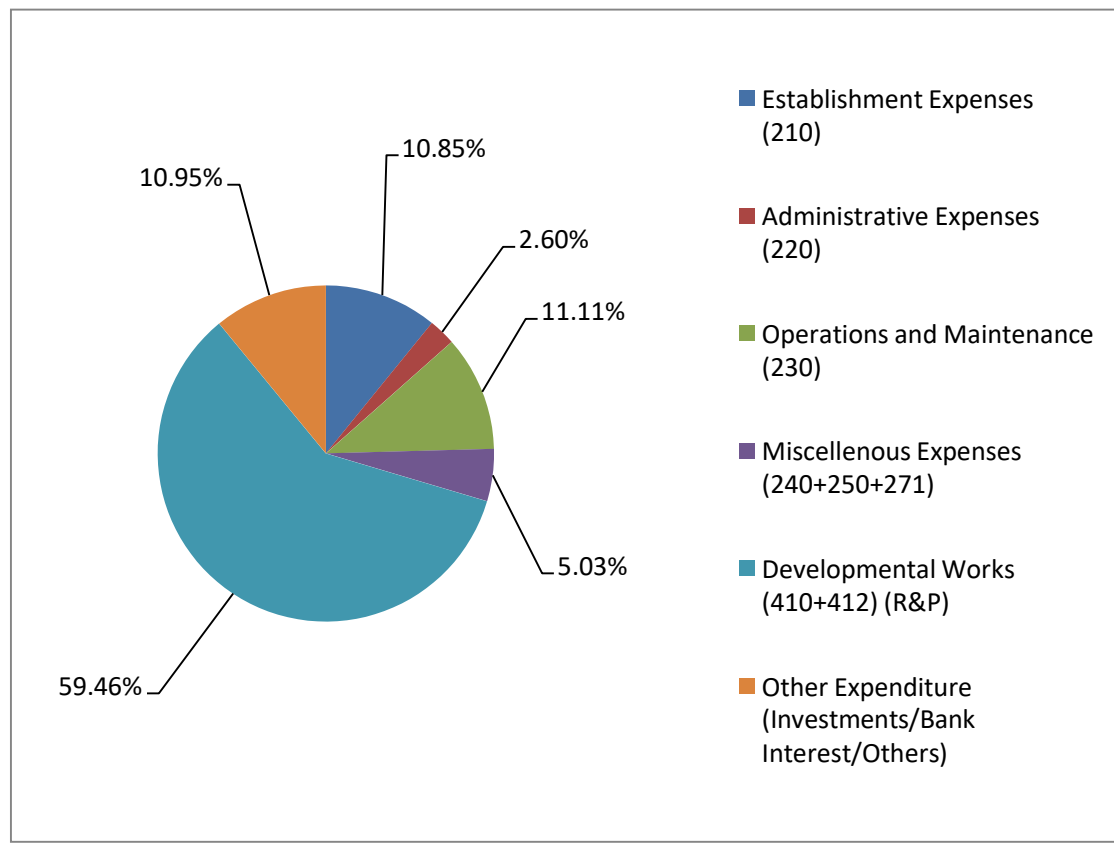
PIE Chart of Income of Municipalities for 2019-20



4.4 From the above chart it is seen that the Tax Revenue forms a major chunk of the total receipts of the Municipal Councils.

4.5 The Head Wise Expenditure of Municipal Councils for the year 2019-20 are exhibited below in a Pie chart.

PIE Chart of Expenditure of Municipalities for 2019-20



AUDIT OPINION

- 5.1. The financial statements furnished by the ULBs were assessed basing on the Registers / Records duly certified by the competent authorities.
- 5.2. The financial statements in all material respects, the financial position of the Municipal Councils, the results of operation and its cash flows for the year ended with 31.03.2020 are in-accordance with the accounting principles generally accepted.

AUDIT OBJECTIONS

- 6.1. During the course of audit of these Municipal Councils for the year 2019-20, various defects noticed were already pointed out in the relevant Audit Reports which were forwarded to the Municipal Commissioner concerned for further action at their end as per the procedure laid down under State Audit Act, 1989 & Rules issued there under.
- 6.2. A total number of **5051** audit objections involving an amount of **Rs.24017.72 lakhs** were raised in the audit of the Municipalities during the year under report.

6.3. The Consolidated Statements showing the amounts under category wise various Audit Objections raised in the Audit Reports are annexed to the Report [Annexure-III(2)].

6.4. The objections raised have been analyzed here under and observed that the records which were not furnished to audit i.e. 'Non-Production of Records' account for **31.80%** of objections followed by 'Violation of Rules' with **26.64%**.

An amount of **Rs.7638.13 lakhs** was objected pertaining to 'Non-Production of Records' followed by 'Violation of Rules' which constituted **Rs.6397.84 lakhs**. These two together speak the status of the maintenance of record and the inaction of the Municipalities in collecting the dues.

**STATEMENT SHOWING NUMBER OF AUDIT OBJECTIONS RAISED
(CATEGORY WISE) AND AMOUNT INVOLVED FOR THE YEAR 2019-20**

(Rs. In lakhs)					
Sl. No.	Name of the category	Code No.	No. of paras	Amount involved	% (Amount)
1	Non-Production of Records	11	1070	7638.13	31.80
2	Violation of Rules	9	1814	6397.84	26.64
3	Non-Collection of Dues	7	485	4812.75	20.04
4	Non-remittance of deductions	10	253	1997.84	8.32
5	Non-Utilisation of Grants before lapsable date	4	26	859.28	3.58
6	Diversion of grants/Funds	3	69	728.74	3.03
7	Variation in Account figures	1	130	422.80	1.76
8	Advances Pending adjustment	8	43	375.72	1.56
9	Others	18	823	361.52	1.51
10	Excess payments	13	143	185.08	0.77
11	Misappropriations	12	42	139.45	0.58
12	Excess utilisation of grants/Funds	2	25	56.86	0.24
13	Mis-utilisation of Grants/Funds	5	6	25.30	0.11
14	D.D's/cheques received but not realised in time.	19	4	8.57	0.04
15	Instances of cases unaccounted for cash/stores	15	11	4.49	0.02
16	Wasteful expenditure	14	5	2.21	0.01
17	Non-Utilisation of earmarked Funds	6	42	1.14	0.00
18	Pendency of utilisation certificates	16	58	0.00	0.00
19	Surcharge certificates recovery pending	17	2	0.00	0.00
	Total		5051	24017.72	100

AUDIT PARAS

Gist of some of the selected audit objections pertaining to the year 2019-20 is give below.

1. VARIATION IN ACCOUNT FIGURES (CODE 1)

It was observed in audit that there are certain variations between the Account figures of treasury and cash book like Opening Balance in the cash book of the current year not tallying with the Closing Balance of the cash book of previous year. Balance in the treasury Pass Book as per cash book not tallying with the actual closing balance in the Treasury Pass Book as on 31st March, non-crediting of receipts in the Treasury Pass Book by the Treasury Authorities, receipts shown as credited in the cash book by remittance through challans but not credited in the Treasury Pass Book by the treasury authorities, debiting the cheques issued by one D.D.O to another D.D.O by Treasury authorities, without explaining the differences some addition or subtraction done in the reconciliation by the D.D.O to arrive at the balance actually available in the Treasury Pass Book, wrong totaling of credits and debits either by D.D.O of Treasury, revision in the plus or minus memo in the Treasury Pass Book during the subsequent financial year by the Treasury authorities with retrospective effect and not tallying of Consolidated Closing Balance of all cash books with consolidated closing balance of annual account of the institutions etc., come under this category.

A Consolidated **Annexure-III (2)** showing the Variation in account figures is appended to the Report from which it could be seen that Non-reconciliation to a tune of **Rs.422.80 lakhs** was pointed out in **130** audit paras. A few such cases are given below.

1. **MC ANDOLE-JOGIPET – PROPERTY TAX COLLECTION - DIFFERENCE BETWEEN ANNUAL ACCOUNT AND DEMAND COLLECTION AND BALANCE STATEMENT- NEEDS RECTIFICATION**

During the course of audit, while cross checking the DCB with Annual Accounts for the year, difference was noticed in the amount collected under Property Tax. In the DCB, collection was shown as Rs.80.12 lakhs and in the Annual Accounts it was taken as Rs.71.64, thus resulting in a difference of Rs. 8.48 lakhs. Subsidiary Registers relating to Property Tax collection were not produced for verification as a result of which the reasons for such discrepancy could not be identified in audit.

The same needs to be rectified and intimated to audit.

(Rs in lakhs)

Sl. No.	Head of Account	Demand	Collection	Balance	Collection as per Annual Account	Difference
1	Property Tax	127.10	80.12	46.98	71.64	8.48

(Para No.5 of AR of MC Andole-Jogipet, Sanga Reddy district)

In a similar case in MC Tellapur for the same year, a difference of Rs.22.64 lakhs was found. In the DCB the amount collected under Property Tax was shown as Rs.333.88 lakhs whereas in the Annual Accounts it was taken as 356.52 lakhs, resulting in the above difference. The authorities concerned should rectify the same and intimated to audit.

(Para No.2 of Audit Report of MC Tellapur, Sanga Reddy district)

2.DIVERSION OF GRANTS (CODE 3)

Rule 39 of the Rules framed relating to Taxation and Finance in Schedule II under Section 130 of the Telangana Municipalities Act, 1965 prescribed the purposes to which the Municipal Fund is to be applied. According to the said rule, these include all objects expressly declared obligatory or discretionary by law or rules and in general everything necessary for or conducive to the safety, health, education and convenience of inhabitants or to the amenities of the Municipal Council and incidental to the administration and the fund should be applicable thereto within the Municipal Council. However, the expenditure incurred outside the Municipal Council is to be authorized either by the Act or specially sanctioned by government.

As per the orders issued by the Government in G.O. Ms. No.1886, Municipal Administration dated 22-11-1965, the Municipal Councils should not divert the following earmarked funds even temporarily for other purposes without the previous sanction of Government.

1. Water and Drainage Tax Funds.
2. Deposits including provident funds
3. Lighting Tax Fund
4. Loan Funds.
5. Special Government Grants.
6. Elementary Education Fund.
7. Capital receipts from sale of capital assets and
8. Endowments.

But it was observed in audit that diversion of funds/grants was frequently made in most of the Municipalities without the sanction of the Government. One of such diversions reported in the Audit Reports is cited hereunder.

A Statement of such **69** cases involving an amount of **Rs.728.74 lakhs** noticed in audit is appended to the Report in Annexure-III (2). One such case is given below.

2. MC ANDOLE-JOGIPET – MUNICIPAL GENERAL FUND AMOUNT SPENT FOR PURPOSE OF ELECTION – NOT REIMBURSED – NEEDS IMMEDIATE REIMBURSEMENT – Rs.10.16.110-00

During the course of audit, it was noticed that an amount of Rs.20,91,110-00 was spent for conducting Elections as detailed below from the General Fund. But an amount of Rs.10,75,000-00 was only received from C.D.M.A. Hyderabad leaving a balance of Rs.10,16,110-00 yet to be reimbursed. The same was not reimbursed till the closure of audit.

Immediate steps would need to be taken to get the remaining amount reimbursed and credited to the Municipal General Fund under intimation to audit.

Sl. No.	VR.No. / Date	Purpose of Expenditure	Name of the Fund	Amount (Rs.)
1	14-04/07/2019	Election	MGF	100000
2	15-17/07/2019	Election	MGF	75000
3	56-28/12/2019	Election	MGF	15000
4	58-30/12/2019	Election	MGF	47360
5	59-31/12/2019	Election	MGF	72000
6	62-09/01/2020	Election	MGF	36000
7	63-09/01/2020	Election	MGF	36000
8	64-09/01/2020	Election	MGF	30000
9	65-09/01/2020	Election	MGF	19500
10	66-09/01/2020	Election	MGF	30000
11	67-10/01/2020	Election	MGF	200000
12	68-15/01/2020	Election	MGF	90000
13	69-16/01/2020	Election	MGF	30000
14	73-18/01/2020	Election	MGF	10250
15	74-20/01/2020	Election	MGF	800000
16	76-13/02/2020	Election	MGF	500000
Grand Total				20,91,110

(Para No.6 of Audit Report of MC Andole-Jogipet, Sanga Reddy District)

3.NON-COLLECTION OF DUES (Code No. 7)

On verification of Revenue collections in various Municipal Councils, it was observed that huge amounts were found pending realization for a longer periods and barred by limitation of time in certain cases. No appropriate action seemed to have been initiated by the executive authorities before the dues became barred by limitation of time in spite of various statutory provisions existing like distraint prosecution or filing of suits. Dependency of Municipal councils on Government grants gets lowered if timely and appropriate action is taken by the Executive Authorities for collection of these dues. In most of the Municipal councils the details of year wise outstanding dues were not prepared and produced to audit, because of which it was not possible to ascertain in audit as to what extent the amounts became time barred during the year by limitation of time within the meaning of provisions under section 365(1) of T.S. Municipalities Act, 1965.

The provisions laid down under Sub –Section (1) of section 374 of T.S. Municipal Act, 1965 places the liability for loss on the officers of the Municipal Council if the loss is a direct consequence of their neglect. In most of the cases, the taxes and non-taxes became time barred as no action was taken before expiry of the period allowed for such recoveries and as such caused permanent loss to the municipal funds. No action seemed to have been taken against the officers for such neglect of duties in many of the Municipal Councils.

The demand for the Taxes and Non-taxes to be collected would be fixed at the beginning of the year and will be collected in a time bound manner. Effective steps should have been taken for their realization as these collections contribute to the total self reliance of the Municipal Councils. Though the executive authorities have to take appropriate steps to collect the revenues by enforcing the powers vested under section 56 of the Telangana Municipalities Act 1965, they have failed to take action in the following cases where the taxes/fee etc. were left uncollected at the end of year.

A sum of **Rs.4812.75 lakhs** found to be left uncollected by the Municipal Authorities towards various Taxes and Non-taxes etc., raised in **485** audit paras as detailed in the **Annexure-III (2)** are annexed to this report. Few such cases are given below.

3. MC ANDOLE – JOGIPET - RENTS – RENTS FROM THE TENANTS NOT COLLECTED –HUGE AMOUNTS SHOWN AS PENDING – NEEDS RECOVERY – Rs.17,38,100=00

During the course of audit, on verification of the Rents Collection Register, it was noticed that the shops were let out by the Municipal Council to different individuals on monthly rental basis. On further scrutiny, it was found that an amount of Rs.17,38,100-00 as detailed below was outstanding for more than a year. It was construed that the Executive Authorities did not initiate any steps for collection of rents which resulted causing a loss to the Municipality. The matter was brought to the notice of the Commissioner of MC vide Half Margin Letter No. Spl 02/2020-21, dated 9-2-2021 but the audit did not receive any reply from the Commissioner till the closure of audit.

It was also observed that the Rent Collection Register was being maintained by the Bill Collector and not supervised by any other higher authority. This may result in misappropriation of funds in future. Hence, the same needs to be attested by the Commissioner from time to time to vouch for the veracity of amounts collected. At a future date, loss if any found due to lack of supervision by the concerned authority shall be recovered from the person(s) responsible and credited to the M.C. funds.

(Amount in Rs)

Sl. No.	Shop No.	Name of the Tenant	Rent per month fixed	Due from	Total Due
1	1	Dannaram Padma	18100	2/20 to 1/21	217200
2	2	Pulugu Narsimha Rao	7100	2/20 to 1/21	85200
3	3	Lambadi Laxman	16900	11/19 to 1/21	253500
4	4	Artham Laxmi	10100	1/20 to 1/21	131300
5	5	Jetla Laxmi	7000	4/20 to 1/21	70000
6	6	Puram Lalithamma	7400	3/20 to 1/21	81400
7	7	Saara Saarika	8400	3/20 to 1/21	92400
8	8	Vadia Mohan	16800	2/20 to 1/21	201600
9	9	Ranga Hari Prasad	6200	11/19 to 1/21	93000
10	10	Patale Srinivas	20500	1/20 to 1/21	266500
11	11	Soma Subhash	20500	2/20 to 1/21	246000
12	12	H. Lavanya	6200	NIL	0
Total Due					17,38,100

(Para No.7 of Audit Report of MC Andole-Jogipet, Sangareddy District)

In a similar case, in the same Municipality it was found, on verification of Thai Bazar Files and Register, that Sri R. Hari Prasad, Contractor bid for Thai Bazar for an amount of Rs.5,62,900/- in the auction, but remitted only Rs.1,00,000/- to the Municipality leaving a balance of Rs.4,62,900/- which is yet to be remitted. It appears that the authorities have not initiated any action for collection of the amount.

The matter was taken to the notice of the executive authority vide Half Margin Lr.Spl.No.02/2020-21, dt.09.02.2021, but the Commissioner neither replied to the letter nor taken any steps for collection of above amounts.

Immediate action would need to be taken for collection of amounts from the individual concerned and get it remitted to Municipal General Funds under intimation to audit.

(Para No.8 of Audit Report of MC Andole-Jogipet, Sanga Reddy District)

In another similar case in Ieeja Municipality of Gadwal district, there was a short collection of amounts to a tune of Rs.4,55,000/-. In Thai Bazar auction, Sri Sundar Raj, Contractor had bid for Rs.18,20,000/- and since he was the highest bidder, the contract was given to him. The individual remitted an amount of Rs.13,65,000/- leaving a balance of Rs.4,55,000/-. The same was not remitted by him till the closure of audit despite issuing a notice vide Lr. No A1/321/MC Ieeja/ 2019-20 by Municipal Authorities.

The Executive Authority needs to initiate suitable action against the individual for recovery of the balance amount along with penal interest and got the same remitted to Municipal Funds.

(Para No.48 of Audit Report of MC Ieeja, Gadwal District)

In Boothpur Municipality of Mahabubnagar district, during the course of audit, on verification of files pertaining to Market Rents for the Year 2019-20, it was found that the Market shops were allotted to Sri L.Kishan Rao and L.Ramkishan, S/o Narsingh Rao for a bid amount of Rs.10,21,000-00. But an amount Rs.150000-00 only was collected and the remaining Balance of Rs.871000-00 was not collected till the Closure of the audit.

Immediate action would need to be taken to recover the balance amount from the individuals concerned and credited to the General Fund of Municipal Council, Bhoothpur under intimation to audit.

(Para No. 24 of Audit Report of MC Boothpur, Mahabubnagar District)

On similar lines in MC Andole-Jogipet, also the register was being maintained by the Bill Collector without any supervision of higher authority. This may result in misappropriation of funds in future. Hence, the same needs to be attested by the Commissioner from time to time to vouch for veracity of amounts collected. At a future date, loss if any found due to lack of supervision by the concerned authority becomes recovered from the person(s) responsible and credited to the M.C. funds.

(Para No.7 of Audit Report of MC Andole-Jogipet, District Sangareddy District)

In MC Sangareddy, on verification of the Rents Collection Register, it was noticed that the shops were let out by the Municipal Council to various persons and an amount of Rs.13,65,099-00 as detailed below was pending collection. The matter was taken to the notice of the Commissioner vide HM Lr.Spl.No.01/2020-21, dt.22.01.2021 and requested to furnish to audit the steps taken for collection of amounts. The Executive Authority neither replied nor took any steps to recover the amounts.

**STATEMENT SHOWING THE IDSMT SHOPS RENT TO BE COLLECTED IN
SANGAREDDY MUNICIPALITY**

(Amount in Rs)

Sl. No.	Shop No.	Name	Arrears	Due	Total Due
1	3	G.Venkateshwar Rao	22106	2/19 4741X1=4741 3/19 to 12/20 6321X22=139062	165909
2	4	A.Ramulu	16590	7/19 to 12/20 4741X18= 85338	101928
3	5	Md.Jalaluddin	11046	12/20 3159x1=3159	14205
4	6	B.Papaiah	Nil	9/20 to 12/20 3159X4=12636	12636
5	8	Md.Akram	Nil	9/20 to 12/20 3159X4=12636	12636
6	9	M.Eshwar Rao	11046	9/20 to 12/20 3159X16=50544	61590
7	10	Ramdas	Nil	7/20 to 12/20 (3159x6)=18954	18954
8	11	N.Shanker	Nil	9/20 to 12/20 4741x4=18964	18954
9	12	APCO	Nil	5/14 to 2/2015=2668 3/15 to 02/2018 (3556X36)=128016 3/18 to 5/19 (4741X15)=71115	225810
10	13	APCO	Nil	5/14 to 2/2015= 26679 3/15 to 02/2018 (3556X36)=128016 3/18 to 5/19 (4741X15)=71115	225810
11	12	Md.Jani Pasha	Nil	9/20 To 12/20 (8400X4)=33600	33600
12	13	M.Veeresham	Nil	9/20 To 12/20 (8600X4)=34400	34400
13	14	K.Srinivas	Nil	9/20 to 12/20 6321X4=25284	25284
14	16	A.Narsimlu	16590	5/20 to 12/20 4741X8=37928	54518
15	17	A.Narsimlu	16590	5/20 to 12/20 4741X8=37928	54518

16	18	Raju	Nil	1/14 to 2/15 =29357 3/15 to 2/19 = 170688 (3556X48) 3/19 to 12/20 (4741X22) =104302	304347
Total Due					13,65,099

(Para No.9 of Audit Report of MC Sanga Reddy, Sangareddy District)

In the same Municipality, on verification of Thai Bazar files and register, it was noticed that an amount of Rs.6,52,500-00 pertaining to 2018-19 and Rs.3,51,000-00 pertaining to 2019-20 total aggregating to Rs.10,03,500-00 was pending collection from the Contractors as detailed below:

2018-2019

Contractor : Sri P.K. Rama Krishna
Auction Amount : Rs.12,52,500
Collected : Rs. 6,00,000
Balance to be collected: Rs. 6,52,500

2019-2020(20.11.2019 to 30.04.2020)

Contractor : Sri Habeeb Rasool
Auction Amount : Rs.11,51,000
Collected : Rs. 8,00,000
Balance to be collected: Rs. 3,51,000

Total to be collected : Rs.10,03,500

But the same was not collected till the closure of audit. The matter was taken to the notice of the Executive Authority vide this office Half Margin No. Spl 01/2020-21, dt.22.01.2022 for recovering the amounts. But, the Municipal Commissioner neither replied to the Half Margin nor took any steps for collection of dues.

Immediate action needs to be taken for collection of dues from the concerned and remitted to Municipal General Funds under intimation to audit.

(Para No.10 of Audit Report of MC Sanga Reddy, Sangareddy District)

In Bhainsa Municipality of Nirmal district, on verification of the Rents Collection Register during the year under audit, it was found that a total amount of Rs.28,77,913/- was due towards Cell tower permission fee and renewal fee to Municipal Council Bhainsa as detailed in the statement below.

-Statement enclosed-

No action was initiated by the Commissioner, Municipal Council, Bhainsa for recovery of the same. Immediate action would need to be taken to recover an amount of Rs.28,77,913=00 and remitted to the Municipal Council funds under intimation to audit.

(Para No.3 of Audit Report of MC Bhainsa, Nirmal District)

LIST OF CELL TOWERS (MC Bhainsa, Nirmal District)									
(Amount in Rs.)									
SL No	Cell tower area name	Agency Name	Cell tower installed year	Scrutiny Fee	Permi Ssion Fee	ANNUAL RENTAL TO BE PAID 25000*7(2013) (12 Towers) 25000*2(2019) (3 Towers)	Total	Already Paid	Balance to be paid
1	On the house of D.Ramesh, Narsimha Nagar	Airtel Services	2013	10000	50000	175000	235000	10000	225000
2	On the house of Radheshyam Bai, Gujrigally	Airtel Services	2013	10000	50000	175000	235000	10000	225000
3	Gadhe Rajeshwar, Near Bus Station	Airtel Services	2013	10000	50000	175000	235000	10000	225000
4	On the House of D.Ramesh, Narsimha Nagar	Idea Cellular	2013	10000	50000	175000	235000	10000	225000
5	Jugal Darg House, Old Bazar	Idea Cellular	2013	10000	50000	175000	235000	10000	225000
6	Over house of Madhav Seth, Gujrigally	Vodafone	2013	10000	50000	175000	235000	10000	225000
7	Over Krishna Lifestyle, Beside Bus Station	Vodafone	2013	10000	50000	175000	235000	10000	225000
8	At Sitaram Bhosekar, Near Petrol Pump, Nirmal X	Tata Services	2013	10000	50000	175000	235000	0	235000
9	At Balu Biyani house, Gujrigally	Tata Services	2013	10000	50000	175000	235000	0	235000
10	At Gadhe Rajeshwar house, Near Kamala Talkies	Reliance Services	2013	10000	50000	175000	235000	0	235000
11	At Chandu Seth Factory, Nirmal X Road	Reliance Services	2013	10000	50000	175000	235000	0	235000
12	At Balkishan Biyani house, Gujrigally	Reliance Services	2013	10000	50000	175000	235000	0	235000
13	Khan Auto Nagar Bhainsa	Reliance	2019	10000	0	33332	43332	0	43332
14	Near Bus stand	Reliance	2019	10000	0	33332	43332	0	43332
15	Kubeer Road	ACT	2019	10000	0	31249	41249	0	41249
			Total	150000	600000	2197913	2947913	70000	2877913

4. ADVANCES PENDING ADJUSTMENT (CODE 8)

It was observed during the course of audit that the temporary advances paid for specific purposes were left unadjusted for a long time though they have to be get adjusted through detailed bills and vouchers as soon as possible as per Article 99 of the T.S. Financial Code. Non-settlement of advances leads to misuse of advances to avoid refund of unspent amounts. Several objections were raised on such outstanding advances in the relevant audit reports pointing out failure of the executive authorities to take necessary action to get these advances adjusted.

A statement showing such cases noticed is appended to the Report **Annexure-III(2)** containing **43** objections amounting to **Rs.375.72 lakhs**. One such case is given below.

4. MC KHANAPUR - ADVANCES SANCTIONED BUT NOT ADJUSTED – NEEDS EARLY ADJUSTMENT Rs.15,90,000=00

According to the provisions laid down in T.S.F.C. Volume. I, all advances that are paid to the employees for various purposes such as purchases, works etc. shall be adjusted through submission of a detailed bill with in a period of one month from the date of payment of such advance. In the event of non-submission of the adjustment bill within the stipulated period, the official concerned shall not be paid any further advance and the amount of advance outstanding shall be recovered from the official concerned in lump sum.

During the course of audit of MC Khanapur, as verified from the cash book, an amount of Rs,15,90,000/- was sanctioned as advance to the Municipal Employees towards various purposes as mentioned below. But the amounts were not adjusted till the closure of audit.

Sl. No.	Fund/ Account	Vr.No./ date	Cheq.No./dt	To whom Advance given	Amount (Rs)	Purpose	Remarks
1	001- Account	01/ 8-1-2020	040319002 838/18-01-2020	Bhojaram, BC	500000	Advance – towards Municipal Council Elections-2020	Pending Adjustme nt
2	001- Account	12/ 18-01-20	19003427/ 18-02-2020	M.Shanker, SI	590000	Advance – towards Municipal Council Elections-2020	Pending Adjustme nt
3	BP- Account	12/ 8-1-2020	-	D.Saikumar , Jr.Asst	500000	Advance – towards Municipal Council Elections-2020	Pending Adjustme nt
Total					1590000		

Immediate action need to be initiated to get the amounts adjusted or recovered from the person(s) concerned along with penal interest under intimation to audit.

(Para No.3 of Audit Report of MC Khanapur, Nirmal District)

5. VIOLATION OF RULES (CODE NO. 9)

It was noticed in audit that in some cases the Rules / Government instructions for incurring the expenditure from the funds of the Panchayat Raj bodies were violated either due to negligence or ignorance. In certain cases, the funds of the Panchayat Raj bodies were utilized for purposes other than the permitted ones under the Act /Rules. It was also noticed that in a few cases, Government instructions were misunderstood or misinterpreted. Such irregular expenditure incurred was objected in the relevant Audit Reports.

A Consolidated **Annexure-III (2)** showing audit objections on Violation of Rules is appended to the Report from which it could be seen that an amount of **Rs.6397.84 lakhs** was pointed out in **1814** audit paras. The defects relating to violation of Rules were pointed in the relevant ARs. A few such cases are shown below:

5. MC NIRMAL - FULL ADDITIONAL CHARGE ALLOWANCE PAID TO SRI. V.VENKATESHWARLU, PD, DRDA & COMMISSIONER (FAC) FROM MUNICIPAL GENERAL FUND – SPECIFIC SANCTION ORDER REQUIRED-NOT PRODUCED – OBJECTED - Rs.77,985=00.

During the course of audit, on verification of vouchers, it was noticed that an amount of Rs.77,985=00 was paid towards Full Additional Charge Allowance for first (03) months for the period from 09/2019 to 11/2019 to PD, DRDA, Nirmal.

On further verification of the Proceedings No. C1/575/2019, dated. 28.12.2019 of the District Collector, Nirmal, it was noticed that the District Collector, Nirmal has accorded sanction of Additional Charge Allowance for three months at the rate of 1/5th of his pay or half of initial pay of the time scale of additional post, whichever is less as per FR 49. But as per FR 49 under Note:

“In respect of two posts, which are borne in the same service or cadre or are in the same line of promotion, the scale of pay should be taken as criterion to decide whether one of the two posts is subordinate to the other, If the two posts are borne on different services and are not in the same line of promotion, the scale of pay need not be the criterion and in such cases additional charge arrangements, may be made, whenever necessary, As the two posts are to be regarded as independent posts, the second or the additional post not being subordinate to the first or regular post”.

In light of the above, audit construed that the incumbent Officer i.e. the Project Director, D.R.D.A., Nirmal was entitled to draw 1/5th of his pay in his regular cadre of PD, DRDA, Nirmal, whereas the bill was drawn taking the minimum scale of pay of Municipal Commissioner towards Addition Charge Allowance which is not correct.

It was further noticed that the Project Director, D.R.D.A., Nirmal was empowered to draw his Additional Charge Allowance from the office where his regular salary was being claimed, but in the instant case, he drew the Additional Charge Allowance from Nirmal Municipality which was against the rules.

(Para No.12 of Audit Report of MC Nirmal, Nirmal District)

In another case in MC Andole-Jogipet, on verification of work bills, it was noticed that the following amounts were paid to the contractors without check measurement of M.Books by the Dy. E.E., which is irregular and not admissible in audit. As per TSFC Article 176 read with, PW 'D' code Para 294, 295 & PW 'A' Code Para 297, every work should be check measured before making payment.

Sl. No.	Vr.No. & Date	Name of the work	MB No. & P.No.	Amount (Rs)	Name of the Fund
1	14/21.9.2019	Purchase of Motor, Burujavagu	13/AJPT/19-20 P.No.19	1,28,786	14 th FC
2	23/21.9.2019	Replacement of Old Pump set 7.5 HP, 15 HP, 20 HP Motor	13/AJPT/19-20 P.No.22	2,75,969	14 th FC
			Total	4,04,755	

Immediate action would need to be taken to get the M.Books check-measured by the higher authority and produced to audit.

(Para No.35 of Audit Report of MC Andole-Jogipet, Sangareddy District)

In MC Sangareddy, on verification of the paid vouchers with reference to the Cash Books, it was noticed that an amount of Rs.1,63,09,439-00 was paid to the Employees Provident Fund Organisation towards penalty.

The EPF contributions, which were recovered from the salary/wages is payable along with the employer's contribution within 15 days from the close of the month with an additional grace period of 5 days. If the employer did not pay within the stipulated period including the grace period, then the employer is liable to pay the penal charges under section 14 B of the Act read with Para 32A of the EPF Scheme.

In the instant case, the then Municipal authorities failed to remit the contribution in time regularly for the period from 02/2012 to 12/2017 as a result of which the EPF Organisation imposed the penal charges, causing huge loss to the institution. The payment of penal charges could not be admitted in audit as the same could occur due to the negligence of employer in remittance of the contribution in time to EPF.

Immediate steps would need to be taken to collect the penalty from person(s) who are responsible and credit. The same to the Municipal funds and report to CDMA.

(Para No. 26 of Audit Report of MC Sanga Reddy, Sangareddy District)

6. NON-REMITTANCE OF DEDUCTIONS / RECOVERIES FROM VOUCHERS / PAY BILLS / CONTINGENT BILLS (CODE NO. 10)

It was noticed during audit that various deductions / recoveries effected from the work bills / pay bills were either not remitted to Government or a part of them only were remitted in spite of statutory obligation to remit the same to Government account within a prescribed time under the relevant statutory provisions which also include penalty as well as prosecution for non adherence. The deductions normally made from work bills / pay bills that are to be remitted to Government account are:

Work Bills

Seigniorage Charges
Income Tax
VAT
QC
Labour Cess
NAC

Others

1. Library cess
2. User charges

A Consolidated Annexure-III (2) showing audit objections on Non-remittance of Deductions / Recoveries from work bills/Pay Bills/Contingent Bills is appended to the Report from which it could be seen that an amount of **Rs.1997.84 lakhs** was pointed out in **253** audit paras. Two exemplary paras are given below.

6. MC BOLLARAM - DEDUCTIONS MADE IN THE WORK BILLS – NOT REMITTED TO THE CONCERNED HEAD OF ACCOUNTS/DEPARTMENTS – NEEDS REMITTANCE – Rs.11,78,918.00

During the course of audit, on verification of Annual Accounts, amounts towards Income tax, Seigniorage charges and GST etc., were deducted as detailed below from work bills while making payments to contractors from General Fund and Capital project Fund. But the deductions so made were not remitted to the concerned head of accounts/departments which is irregular.

Immediate action would need to be taken for remittance of the following amounts to the concerned Head of Accounts under intimation to audit.

General Fund:

1. Income tax	Rs. 401134.00
2. S.C	Rs. 214306.00
3. GST	Rs. 311372.00
4. Labour Cess	Rs.133773.00
5. NAC	Rs. 14288.00
6. QC	Rs. 49333.00
Total	Rs.1124206.00

Capital Project fund:

1. Income tax	Rs. 35341.00
2. GST	Rs. 19371.00
Total	Rs. 54712.00

(Para No.27 of Audit Report of MC Bollaram, Sangareddy District)

In a similar case in MC Andole-Jogipet, Income tax, Seigniorage charges, QC, LC and GST etc., were deducted in the work bills while making payments to the contractors during the year under report. But the deductions so made were not remitted to the concerned head of accounts/departments.

STATUTORY DEDUCTIONS

1. Income Tax	:	Rs.2,73,879-00
2. G.S.T.	:	Rs.3,01,480-00
3. L.C.	:	Rs. 37,744-00
4. Seigniorage Charges	:	Rs. 17,522-00
5. Q.C.	:	Rs. 43,893-00
6. NAC	:	Rs. 171-00
Total	:	Rs.6,74,689-00

Immediate action needs to be taken to remit the amount of Rs.6,74,689/- to various authorities as shown above under intimation to the audit.

(Para No.23 of Audit Report of MC Andole-Jogipet, Sangareddy District)

7. MIS-APPROPRIATIONS (CODE 12)

There are cases of Misappropriation of money noticed in audit and were pointed out in the Audit Reports.

A consolidated statement of Mis-appropriations noticed in audit is annexed vide Annexure-III (2). A total number of **42** objections involving an amount of **Rs.139.45 lakhs** were pointed out in the relevant Audit Reports. Few such cases are given below.

7. MC BHEEMGAL - TAXES COLLECTED – SHORT/NOT REMITTED TO BANK/STO ACCOUNTS – NEEDS RECOVERY– RS. 21.128/-

In Bheemgal Municipality, on verification of tax collections with Daily Collection Statement and RR (Irsalnama) Register to Main Chitta Register, it was found that an amount of Rs.21,128/- was less remitted to Bank/STO thus resulting in misappropriation of collected amounts. The same was intimated to the executive authority vide Half margin letter No. 09/Audit-Camp/MC-BHM/DD/ SA/ NzB/2020-21, Dt. 18-02-2021. But no action was initiated to recover the amount till the closure of audit. The details of collection are shown below:

(Amount in Rs.)

Statement showing the list of amounts less deposited in STO/Bank from collected amount as per Main Chitta Register of Municipal Council, Bheemgal for the year 2019-20.				
Sl. No.	Chitta Register Date	Collected Amount as per Chitta Register	Amount Deposited in STO/Bank	Less Deposited
1	13.05.19	21367	21000	367
2	16.05.19	54602	54000	602
3	17.05.19-17.06.19	232577	225485	7092

4	29.06.19	41583	29949	11634
5	24.12.19	733	0	733
6	12.01.20	794	694	100
7	30.01.20	500	0	500
8	18.12.20	21620	21520	100
	Total	373776	352648	21128

Hence, the amount of Rs. 21,128/- needs to be recovered along with penal interest immediately as per art. 300 (4)(d) of TSFC Vol.I (RBI Interest rate +2%) from the person(s) responsible and got remitted to the Municipal funds under intimation to audit, besides taking action against the concerned.

(Para No.9 of Audit Report of MC Bheemgal, Nizamabad District)

In another instance, in Makthal Municipality it was found that the following staff of Municipality who were entrusted with the tax collection did not remit the collections made under various heads of receipts resulting in misappropriation of funds.

Therefore, the amount of Rs.659776-00 shown in the table given below shall be recovered from the person(s) responsible and credited to the General funds of Municipality under intimation to audit.

Sl. No.	Name of the B.C	Nature of Tax	Total amount collected (Rs.)	Amount not remitted (Rs.)
1	Devaiah	Misc	45800	45800
2			32350	32350
3			37250	37250
4			34360	34360
5			32130	32130
6			39330	39330
7			45130	45130
8			28550	28550
9	Murthy	P.Tax	30465	30465
10			44488	44488
11			34954	34954
12	Devaiah	P.Tax	38805	38805
13			40850	40850
14			40174	40174
15			33381	33381
16			52305	52305
17			49454	49454
		Total	659776	659776

(Para No.35 of Audit Report of MC Makthal, Mahabubnagar District)

8.EXCESS PAYMENTS (CODE 13)

It was observed that in several cases excess payments were made due to

- a) Incorrect Calculation
- b) Excess totaling in bills
- c) Admission of inadmissible claims
- d) Lack of knowledge of Government Instructions.

Consolidated statement of Excess payments **Annexure-III (2)** is appended to the Report. The excess payments pointed out in **143** audit paras were involving an amount of **Rs.185.08 lakhs**. Few such cases are given below.

8. MC SIDDIPET – LAYING OF BT ROAD IN KALLAKUNTA COLONY – BITUMEN RATE EXCESS ALLOWED IN DATA – EXCESS PAYMENT MADE – NEEDS RECOVERY – Rs. 654167.00

Vr.No. 10, Dt: 11.05.2019 – Rs. 20,84,526.00 (MB E1/172/2018-19)

Vr.No. 33, Dt: 20.11.2019 – Rs. 14,61,538.00 (MB E1/205/2018-19)

Vr.No. 37, Dt: 22.01.2020 – Rs. 01,22,607.00 (MB E1/206/2018-19)

On verification of the above said paid vouchers pertaining to the Plan Grants and cash book for the year 2019-20, it was noticed that an amount of Rs.654167.00 was paid in excess as the rate of Bitumen was taken over and above the rate allowed resulting in making of excess payment as detailed below.

Rate of Bitumen VG30 as per Indian Oil Corporation Ltd. Issued on 01.01.2019

Item	Rate to be allowed (Rs.)	Rate taken in DATA cum (Rs.)	Excess rate allowed cum (Rs.)
Bitumen VG30	31090.00 cum	32880.00 cum	1790.00

As detailed above, an amount of Rs. 1790.00 per cum was excess allowed in the DATA of the work, which resulted in excess rates in the estimates, as detailed below:

(Amount in Rs.)

Item of work	Rate allowed in Estimates	Rate to be allowed	Excess	Work done	Excess paid	Vr.No./Date
L/o 50mm DGBM	6647.04	5292.00	1355.00	94.16 cum	127590.00	10/11.5.19
P/o SDBC	7164.41	5774.27	1390.14	47.07 cum	65434.00	--do--
L/o 50mm DGBM	6647.04	5292.00	1355.00	60.32 cum	81736.00	33/20.11.19
P/o SDBC	7164.41	5774.27	1390.14	30.17 cum	41940.00	--do--
L/o 50mm DGBM	6329.23	5292.00	1037.23	151.14 cum	156767.00	37/22.1.20
P/o SDBC	7671.19	5774.27	1896.92	95.26 cum	180700.00	--do--
	Total				654167.00	

As such, an amount of Rs. 654167.00 was paid in excess by the Municipality. The same needs to be rectified and if any loss sustained, immediate action would need to be taken to recover the said amount from the person(s) responsible and remitted the same to the Municipal funds under intimation to the audit.

(Para No.15 of Audit Report of MC Siddipet, Siddipet District)

In the same Municipality in another instance excess payment was noticed in:

Vr. No. 33, Dt: 20.11.2019 – Rs. 14,61,538.00

On verification of the above said voucher pertaining to LRS funds cash book with reference to the MB E1/206/2018-19, Pg. 1-50 along with connected file, it was noticed that an amount of Rs. 48276.00 was paid in excess to the Contractor as detailed below.

(Amount in Rs.)

Item	Quantity as per MB Pg 50	Rate Allowed	Rate to be allowed	Excess allowed rate cum	Excess payment made
50mm thick DGBM	95.26 cum	7671.13	7164.41	506.72	48276.00

Hence, the amount of Rs. 48276.00 which was excess paid to the contractor was held under objection which is to be recovered from the Contractor and remitted to MC Funds under intimation to audit.

(Para No.21 of Audit Report of MC Siddipet, Siddipet District)

In MC Dubbak, on verification of Vr.No. 32/30.01.2020 for Rs. 324000.00 – PD.002 cash book for the year 2019-20, it was noticed that an amount of Rs. 324000.00 was drawn and paid to Sri. G.S. Bhasker, towards payment of Car Hire charges of Municipal Commissioner for the period from 04/2019 to 12/2019, i.e for (09) months period @ Rs. 36000/- per month. But, as per the instructions issued vide Cir. Memo No. 826/29/A2/DCM/2017, Dt: 16.06.2017 of the Finance (DCM) Department, the Hire Charges are limited Rs. 33000/- per month. As such, an excess amount of Rs. 3000/- per month for (09) months totaling to Rs. 27000.00 was paid in excess. Further, TDS @ 2%, which amounts to Rs. 6480.00 was also not deducted from the above payment.

As such, an excess payment of Rs.27000.00 and TDS of Rs. 6480.00, totaling to an amount of Rs. 33480.00 was paid in excess and needs to be recovered from the individual immediately and remitted to Municipal funds under intimation to the audit.

(Para No.23 of Audit Report of MC Dubbak, Siddipet District)

In MC Mahabubnagar, on verification of the work bills of different Schemes for the year 2019-20, it was noticed that the Seigniorage Charges were deducted from the said work bills.

According to Para No. 3(a) of G.O. Ms. No. 71, Dated: 30.11.2016 and as per G.O. Ms. No. 38, Dated: 31.05.2018 of Industries & Commerce (Mines-I) Dept., of Govt. of Telangana “30% D.M.F. and 02% S.M.E.T. on seigniorage Charges are to be deducted from Work bills”.

But in the following Works, 30% of D.M.F. and 02% of S.M.E.T. on seigniorage charges were not worked out and deducted:

(Amount in Rs.)

Sl. No.	Name of the Scheme	Seigniorage Charges Deducted	30% D.M.F. to be Deducted			02% S.M.E.T. to be Deducted		
			To be Deducted	Deducted	Less deducted	To be Deducted	Deducted	Less deducted
1	002	983910	295173	250759	44414	19678	16602	3076
2	Plan Grants	869582	260875	127737	133138	17392	8515	8877
3	L.R.S.	1422982	426895	373721	53174	28460	27001	1459
4	AMRUTH	56680	17004	2061	14943	1134	137	997
		Total	999947	754278	245669	66664	52255	14409

D.M.F. to be recovered Rs. 245669-00

S.M.E.T. to be recovered Rs. 14409-00

Total to be recovered Rs. 2,60,078-00

Therefore, an excess payment made for Rs.260078/- shall be recovered from the person(s) responsible and credited to concerned funds under intimation to audit.

(Para No.36 of Audit Report of MC Mahabubnagar, Mahabubnagar District)

In MC Siddipet, on verification of the following vouchers viz.,

Vr. No. 01, Dt: 20.04.2019 – Rs. 14,65,962.00

Vr. No. 16, Dt: 14.06.2019 – Rs. 18,11,734.00

Vr. No. 28, Dt: 06.08.2019 – Rs. 04,06,776.00

Vr. No. 31, Dt: 09.09.2019 – Rs. 01,90,524.00

With reference to the MB E1/190/2018-19,Pg. 1-49 along with connected files, it was noticed that vide Pg. No.49 of the MB, certain items of work were executed in excess over and above the approved estimate resulting in making of excess payment to the contractor, as detailed below.

(Amount in Rs.)

Item of work	Work Done as per MB Pg. No. 49	Work to be done	Excess over estimates	Rate allowed	Excess Paid
PCC (1:5:10)	295.44 cum	256.50 cum	38.94 cum	4015.80	156375
M30	396.11 cum	342 cum	54.11 cum	6342.20	343176
	Total				499551

Revised approval was not taken by the MC and as such excess payment was made to a tune of Rs. 4,99,551/-. The same needs to be recovered from the Contractor and remitted to the Municipal Funds under intimation to audit.

(Para No.13 of Audit Report of MC Siddipet, Siddipet District)

In another instance in MC Sangareddy, on verification of the below given paid vouchers, it was noticed that the executive authority paid the Usage Charges of Airtel in excess without restricting the amount to Rs. 625/- per employee as per the ceiling fixed by the Government. This resulted in making a excess payment for Rs. 1,64,756/-.

Hence, the amount needs to be recovered from the concerned individuals and remitted to MC Funds.

AIRTEL BILL EXCESS PAYMENTS						
(Amount in Rs.)						
SL. No.	Vr. No.	Cell Phone Charges paid for the Period	No. of Sims	Amount Eligible @625	Amount Paid	Excess
1	251 (26/06/2019)	23/06/2018 to 22/11/2018 (5 months)	41	128125	218513	90388
2	252 (26/06/2019)	23/11/2018 to 22/05/2019 (6 months)	34	127500	154265	26765
3	833 (24/10/2019)	23/05/2019 to 22/10/2019	18	56250	60309	4059
4	1029 (21/03/2020)	24/5/2019 to 24/8/2019 (3 months)	25	140625	184169	43544
Total					1,64,756	

(Para No.34 of Audit Report of MC Sanga Reddy, Sangareddy district)

In another instance in MC Kothakota, on verification of General Fund works, the following recoveries were not made from the work bills and remitted to respective Heads of Accounts which resulted in making of excess payments. The same would need to be recovered from the contractors and remitted to the concerned heads of account under intimation to audit.

(Amount in Rs.)

Sl. No.	M.B No./ Work Name	Scheme	Total Value of work	GST to be Deducted @12%	I.T @ 2%	L.Cess @ 1%	Total
1	C/s Side Drain M.B.No.A/127/13-14-29	P.D-002	200000	24000	4000	2000	30000
2	B/W of shopping Complex A/135/13-14-66	P.D-002	149762	17971	2995	1498	22464
3	C/s of Mini Water Tank A/136/13-14-72	P.D-002	100000	12000	2000	1000	15000

4	C/s of Side Drain A/148/13-14-69	P.D-002	100000	12000	2000	1000	15000
5	Repairs to internal Drains A/130/13-14-95	P.D-002	100000	12000	2000	1000	15000
6	C/s of C.C Road A/136/13-14-67	P.D-002	75000	9000	1500	750	11250
7	Maint of Int Roads A/132/13-14-86	P.D-002	200000	24000	4000	2000	30000
8	C/s of Side Drain A/148/13-14-63	P.D-002	100000	12000	2000	1000	15000
9	Maint of Int Roads A/124/13-14-91	P.D-002	200000	24000	4000	2000	30000
10	Maint of Library Building A/149/13-14-74	P.D-002	150000	18000	3000	1500	22500
11	Providing of Painting M.B.No.01/2019-20-10	P.D-002	52840	6341	0	0	6341
12	C/s of Brick Monsary wall M.B No.02/2019-20-11	P.D-002	86546	10385	0	0	10385
13	C/s of Shed for firestation 3/2019-20-6	P.D-002	87606	10513	0	0	10513
14	C/s of Side Drain A/138/13-14-83	P.D-003	150000	18000	3000	1500	22500
15	Removal of Silt A/138/13-14-84	P.D-003	200000	24000	4000	2000	30000
16	Laying of side Drain A/133/13-14-83	P.D-003	50000	6000	1000	500	7500
17	C/s Side Drain A/133/13-14-90	P.D-003	200000	24000	4000	2000	30000
18	C/s Side Drain A/133/13-14-95	P.D-003	150000	18000	3000	1500	22500
19	C/s Side Drain A/133/13-14-100	P.D-003	150000	18000	3000	1500	22500
20	C/s Side Drain A/135/13-14-59	P.D-003	150000	18000	3000	1500	22500
21	C/s Side Drain A/135/13-14-60	P.D-003	200000	24000	4000	2000	30000
22	C/s Side Drain A/129/13-14-85	P.D-003	150000	18000	3000	1500	22500
23	C/s Side Drain A/143/13-14-82	P.D-003	200000	24000	4000	2000	30000
24	C/s Side Drain A/124/13-14-73	P.D-003	200000	24000	4000	2000	30000
25	C/s of Compound Wall A/137/13-14-54	P.D-003	145934	17512	2919	1459	21890
26	B/W of shopping Complex A/150/13-14-28	P.D-003	200000	24000	4000	2000	30000

27	B/W of shopping Complex A/150/13-14-30	P.D-003	199953	23994	3991	2000	29985
28	C/s of Side Drain A/149/13-14-65	P.D-003	100000	12000	2000	1000	15000
29	C/s of Side Drain A/149/13-14-66	P.D-003	99554	11946	1991	996	14933
30	B/W of shopping Complex A/186/14-15-43	P.D-003	200000	24000	4000	2000	30000
31	B/W of shopping Complex A/186/14-15-45	P.D-003	200000	24000	4000	2000	30000
32	C/s Side Drain A/127/13-14-28	P.D-003	150000	18000	3000	1500	22500
33	C/s Side Drain A/145/13-14-92	P.D-003	100000	12000	2000	1000	15000
34	C/s Side Drain A/153/13-14-37	P.D-003	150000	18000	3000	1500	22500
			Total	593662	94396	47203	735261

(Para No. 14 of Audit Report of MC Kothakota, Wanaparthy District)

In MC Siddipet, on verification of the below paid vouchers pertaining to Development Account Funds with reference to the MB E1/274/2018-19, Pg. 1-12 along with connected file, it was noticed that, an amount of Rs. 271048.00 was paid vide Item No. 03 of Page No. 12 of the above said MB, “**Cutting of the C.C. Road**”. But, on verification of the connected estimates, it was noticed that there was no provision for the above said item in the approved estimates.

Vr. No. 05, Dt: 21.08.2019 – Rs. 22,91,129.00

Vr. No. 08, Dt: 10.12.2019 – Rs. 16,91,698.00

Vr. No. 14, Dt: 08.02.2020 – Rs. 04,78,587.00

Hence, an amount of Rs. 271048.00 which was paid to the contractor without provision in the approved estimates, was held under objection and needs to be recovered from the person(s) responsible and remitted to MC Funds under intimation to the audit.

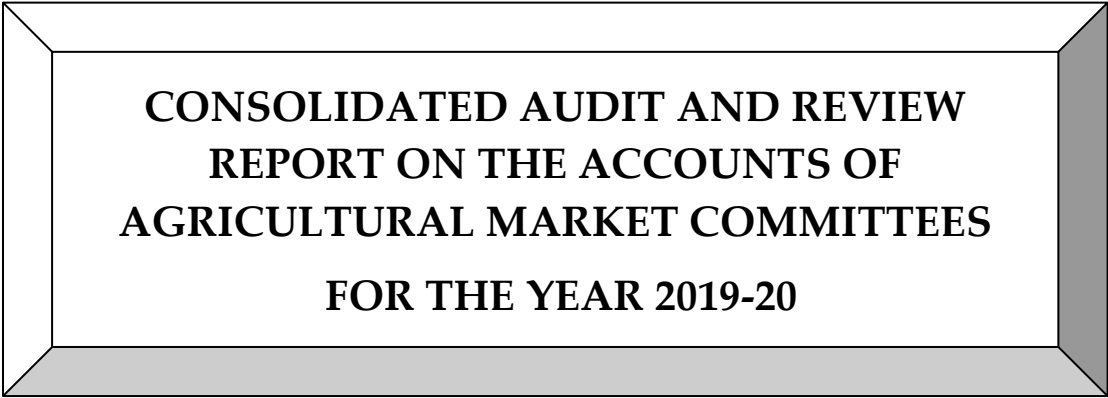
(Para No.14 of Audit Report of MC Siddipet, Siddipet District)

PLACE: HYDERABAD
DATE: 06-01-2024



DIRECTOR
STATE AUDIT
T.S. HYDERABAD

PART – IV



**CONSOLIDATED AUDIT AND REVIEW
REPORT ON THE ACCOUNTS OF
AGRICULTURAL MARKET COMMITTEES
FOR THE YEAR 2019-20**

**CONSOLIDATED AUDIT AND REVIEW REPORT ON THE ACCOUNTS OF
AGRICULTURAL MARKET COMMITTEES FOR THE YEAR 2019-20**

INTRODUCTION

- 1.1. Under the Telangana State Audit Act, 1989, the Director of State Audit, Hyderabad is in charge of the audit of the funds of Local Authorities and other Authorities specified in the Schedule prescribed in the said Act. By virtue of this legal position, the Director of State Audit, Hyderabad is the Auditor for the accounts of the AMCs in the State of Telangana. The Number of AMCs in the State is **189** in the year 2019-20.
- 1.2. The Department conducts post-audit of the AMCs and Audit Reports are issued to the Secretaries of the AMCs concerned, who have to take action for rectifying the defects pointed out in the Audit Report within the period of two months as per Section 9 (1) of the State Audit Act. The department also conducted pre-audit of the Expenditure bills in respect of AMCs during the year 2019-20 in accordance with the orders issued in Govt. Memo.No.28801/581/A1/Admn.II/2007, Dt.29-2-2008.
- 1.3. Under section 10 (1) of the State Audit Act, the Director is vested with the power of disallowing every item of the expenditure incurred contrary to the law and surcharge the same on the person incurring or authorizing the incurring of such expenditure and may charge against any person responsible thereof, the amount of any deficiency, loss or unprofitable outlay occasioned by the negligence or misconduct of that person or of any such sum which ought to have been accounted for but is not brought into account by that person and shall, in every such case, certify the amount due from such person.

SCOPE OF AUDIT

2.1 The State Audit Department works under the Finance Department of Government of Telangana and observes whether financial propriety has been followed by Executive Agencies in its day to day financial administration, as follows:

- i) Whether the Market fee, License fee and other amounts like leases/rents etc., collected by the AMCs were properly accounted for with full details in the books of accounts of the AMC concerned.
- ii) Whether adequate care is taken in periodical checking up of the funds with Treasury or Bank.
- iii) Whether the expenditure incurred is provided for in budget and availability of funds duly checking up of the funds with Treasury or Bank.
- iv) Whether the funds are utilized only for the permitted purposes prescribed under the Telangana (Agriculture Produce and Live Stock) Markets Act/ Rules.
- v) Whether the procedure prescribed by Government in incurring the expenditure / payments made is properly followed and accounted for with due classification in the books of accounts of the AMC.
- vi) Whether the vouchers for the expenditure incurred were maintained.

STATUS OF AUDIT

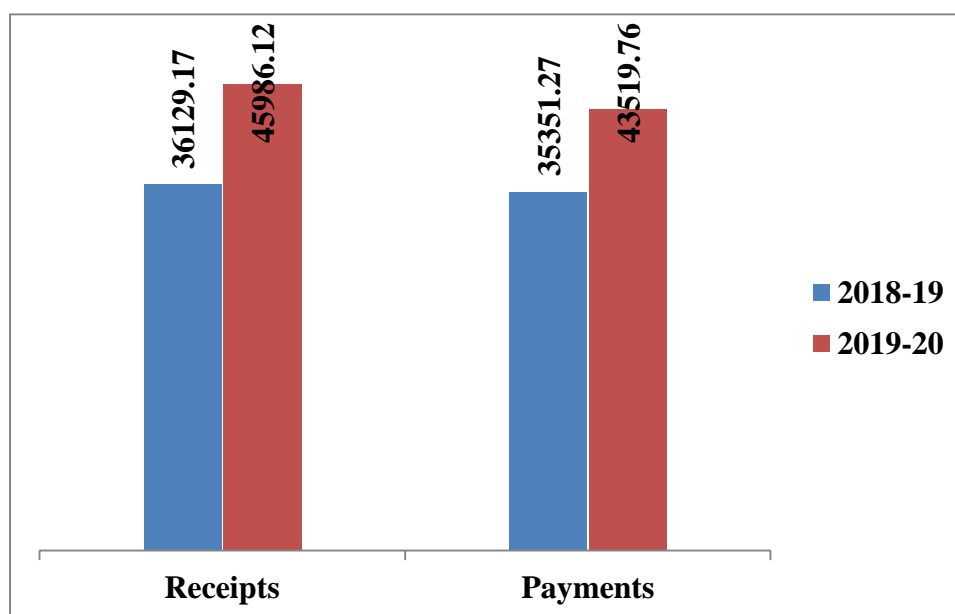
3.1 The audit on the accounts of total **189** AMCs was conducted during the year 2019-20.

RECEIPTS AND PAYMENTS

3.2 The Department has conducted the audit of the Receipts amounting to **Rs.45,986.12 lakhs** and Payments of **Rs.43,519.76 lakhs** shown in the **Annexure-IV(B)**.

3.3 The receipts and payments of AMCs for the years 2018-19 and 2019-20 are as follows.

TREND OF RECEIPTS AND PAYMENTS OF AMCs



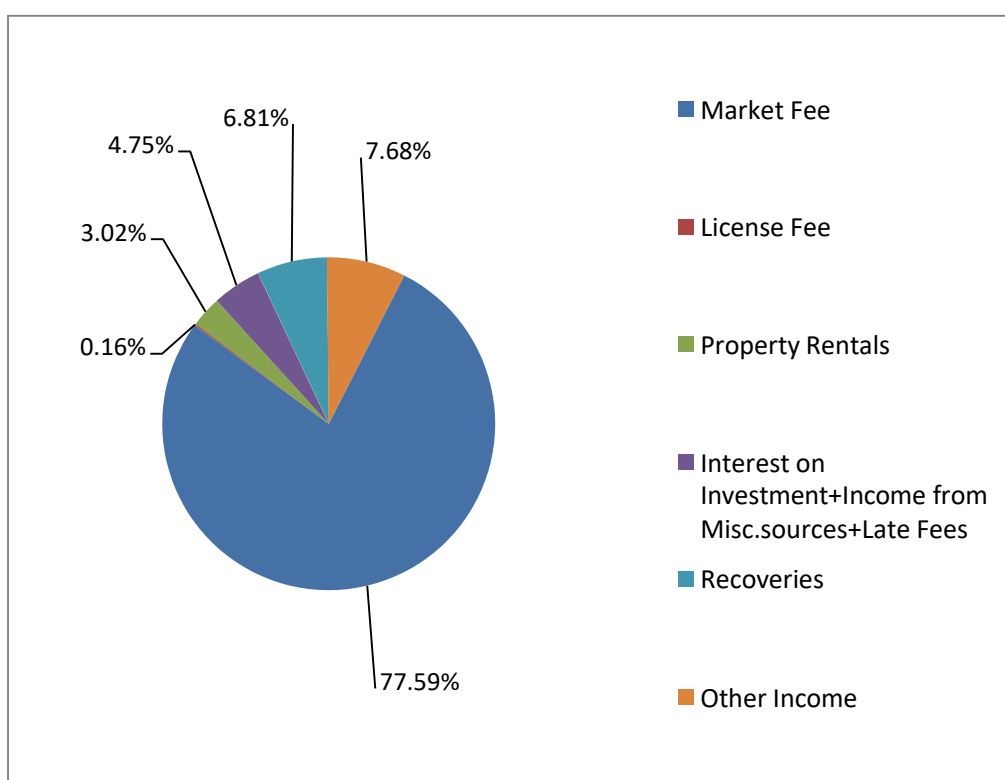
As shown above, there is increase in the Receipts and Payments when compared with the year 2018-19 to 2019-20.

INCOME AND EXPENDITURE

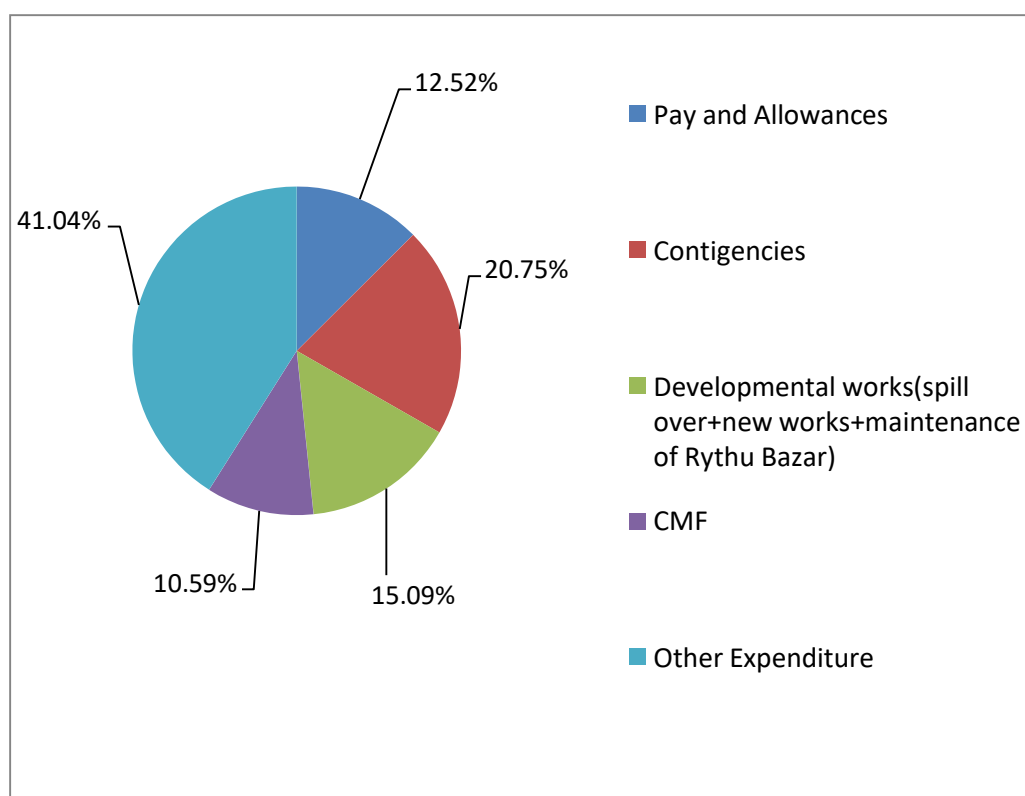
3.4 The Income & Expenditure of the said AMCs for the year 2019-20 are **Rs.45,986.12 lakhs** and **Rs.43,519.76 lakhs** respective as detailed district wise exhibited in **Annexure-X(A) & X(B)**.

3.5 The pie chart of proportional percentages of Income and Expenditure of AMCs during the year 2019-20 are placed below.

PIE CHART OF INCOME OF AMCs FOR 2019-20



PIE CHART OF EXPENDITURE OF AMCs FOR 2019-20



AUDIT OBJECTIONS

- 4.1. During the course of audit of the AMCs for the year 2019-20, various defects noticed were pointed out in the relevant Audit Reports which were forwarded to the Secretaries concerned for further action at their end as per the procedure laid down under the State Audit Act.
- 4.2. A total number of **3209** audit objections involving an amount of **Rs.20,490.80 lakhs** were raised in the audit of the AMCs during the year 2019-20.
- 4.3. Consolidated statements showing the various audit objections raised in the Audit reports with amounts involved category-wise are annexed to the Report in **Annexure-III (2)**.

STATEMENT SHOWING NUMBER OF AUDIT OBJECTIONS RAISED (CATEGORY WISE) AND AMOUNT INVOLVED FOR THE YEAR 2019-20

(Rs. In Lakhs)

#	Name of the Category	Code No.	No. of paras	Amount involved	% (Amount)
1	Violation of Rules	9	1225	7709.22	37.62
2	Non-Collection of Dues	7	312	3999.07	19.52
3	Non-Production of Records	11	518	3221.38	15.72
4	Others	18	658	2512.61	12.26
5	Variation in Account figures	1	157	1146.67	5.60
6	Diversion of grants/Funds	3	21	586.09	2.86
7	Non-remittance of deductions	10	193	492.19	2.40
8	Advances Pending adjustment	8	24	487.61	2.38
9	Excess utilisation of grants/Funds	2	29	274.36	1.34
10	Excess payments	13	47	38.70	0.19
11	Non-Utilisation of earmarked Funds	6	2	0.00	0.00
12	Misappropriations	12	17	22.90	0.11
13	Non-Utilisation of Grants before lapsable date	4	1	0.00	0.00
14	Mis-utilisation of Grants/Funds	5	1	0.00	0.00
15	Wasteful expenditure	14	0	0.00	0.00
16	Instances of cases unaccounted for cash/stores	15	0	0.00	0.00
17	Pendency of utilisation certificates	16	1	0.00	0.00
18	Surcharge certificates recovery pending	17	0	0.00	0.00
19	D.D's/cheques received but not realised in time.	19	3	0.00	0.00
	Total		3209	20490.80	100

Major part of objections constitutes 'Violation of Rules' which covers **37.62%** and it is followed by 'Non collection of dues' to a tune of **19.52%** of all objections.

AUDIT PARAS

Gist of some of the selected audit objections pertaining to the year under report is placed below:

1. VARIATION IN ACCOUNT FIGURES (CODE 1)

It was observed in audit that there are certain variations between the Account figures of treasury and cash book like Opening Balance in the cash book of the current year not tallying with the Closing Balance of the cash book of previous year, balance as per cash book not tallying with the actual Closing Balance in the Treasury Pass Book as on 31st March, Non-crediting of receipts into the Treasury Pass Book by the Treasury Authorities, receipts credited in the cash book by remittance through Challans are not credited in the Treasury pass book by the Treasury authorities and Debiting the cheques issued by one D.D.O. to another D.D.O. by the Treasury authorities without explaining the differences, addition or subtraction is being done in the reconciliation by the DDO to arrive at the balance actually available in the S. T. Pass book, wrong Totaling of Credits and Debits either by D.D.O. or Treasury. revision in the Plus or Minus Memo in the S. T. pass book during the subsequent financial year by the Treasury authorities with retrospective effect. Consolidated Closing Balance of all cash books not tallying with consolidated closing balance of annual account of the institutions etc.

A Consolidated **Annexure-III(2)** of Variation in Account figures is appended to the Report from which it could be seen that **157** Nos of audit objections involving an amount of **Rs.1146.67 lakhs** were raised. A few such cases are detailed below:

1. AMC GADDIANNARAM - CLOSING AND OPENING BALANCES WERE TAKEN WRONGLY AND NOT RECONCILED WITH BANK AND TREASURY - VARIATION BETWEEN CASH BOOK AND PASS BOOK BALANCES- NEEDS ACTION.

On verification of the cash book with reference to Pass Book, it was noticed that there was a huge variation between the Opening and Closing Balances of Cash Book, Bank and Treasury Pass Book and the same was not reconciled by the Authorities as a result of which correctness of the closing balances could not be verified in audit.

OPENING BALANCES

(Amount in Rs.)

	CASH BOOK	BANK OF BARODA	STO
CASH BOOK	302937	27222194	26723412
BANK		26877240.76	26723412

CLOSING BALANCES

(Amount in Rs)

	CASH BOOK	BANK OF BARODA	STO
CASH BOOK	5670	15516148	18097440
BANK		4514882.52	6890266

Further observations were as follows: - STO BALANCES

(Amount in Rs)

Sl. No.	MONTH	CASH BOOK	BANK	DIFFERENCE
1	4/2019	19083646	12344868	6738778
2	5/2019	29675261	24374634	5300627
3	6/2019	27675261	17040029	10635232
4	7/2019	27575738	14697141	12878597
5	8/2019	35924728	29911720	6013008
6	9/2019	26587523	14310569	12276954
7	10/2019	11046097	33087820	-22041723
8	11/2019	21507780	13417289	8090491
9	12/2019	24668422	15011341	9657081
10	1/2020	21487043	13024789	8462254
11	2/2020	20900358	8858802	12041556
12	3/2020	23637231	6890266	16746965
	Total	28,97,69,088	20,29,69,268	8,67,99,820

The details of cash in the cash book and Bank of Baroda Pass Book were as follows: -

(Amount in Rs)

Sl. No.	MONTH	CASH BOOK	BANK	DIFFERENCE
1	4/2019	40465436	30143536	10321900
2	5/2019	36582630	36591047	-8417
3	6/2019	37768429	38702006	-933577
4	7/2019	39130562	39041550	89012
5	8/2019	21096290	21376845	-280555
6	9/2019	31294549	31989897	-695348
7	10/2019	42259022	11479109	30779913
8	11/2019	33392485	22657409	10735076
9	12/2019	20923975	10368767	10555208
10	1/2020	18598533	8081559	10516974
11	2/2020	20807588	10089838	10717750
12	3/2020	15516148	4514882	11001266
	Total	35,78,35,647	26,50,36,445	9,27,99,202

On verification of the cash book, it was noticed that the above amounts were transferred from bank of Baroda to treasury. Even though the amounts were transferred to treasury, the Bank of Baroda was showing huge amounts as closing balance. As per the provisions of Financial code, AMC must deposit their funds in the treasury. But in this case, the AMC was lodging its funds in Bank of Baroda and periodically transferring to treasury account by keeping huge balances in bank of Baroda. The closing balances were also wrongly recorded in the cash book. This may result in misappropriation of funds in future if not rectified now.

Therefore, immediate action would need to be taken to get the figures reconciled with treasury/Bank and furnish the reconciled figures to audit.

(Para No. 2 of Audit Report of AMC Gaddiannaram, Hyderabad District)

In AMC Gudimalkapur, on verification of the cash books of previous and current year, a discrepancy between previous year closing balance and current year opening balance was noticed as mentioned below.

(Amount in Rs.)			
Sl.No.	In Cash Book	In office	SBI
1	Closing Balance in 2018-19	Not Closed	Not Closed
2	Opening Balance in 2019-20	0	5,86,29,041

Cash book for the year 2018-19 was not closed and without closing the previous cash books, the opening balance in office column was taken as NIL. The bank column too was not closed, in short reconciliation statement was not prepared by the Authorities.

Hence, reconciliation is to be done immediately and furnished the same to audit.

(Para No.1 of Audit Report of AMC Gudimalkapur, Hyderabad District)

2. EXCESS UTILIZATION OF GRANTS / FUNDS (CODE 2)

It is observed that AMCs have utilized excess grant/funds than the budget provision without sanction of the competent authority. Such expenditure incurred has to be ratified by the authority competent in that regard.

A consolidated statement **Annexure-III(2)** of Excess Utilization of grants/funds is appended to the Report from which it could be seen that Excess Utilization of grants/funds of **Rs.274.36 lakhs** was pointed out in **29** number of audit paras. One such case is as detailed below:

2. AMC ZAHEERABAD - PENSION PAYMENT MADE EXCESS OVER BUDGET PROVISION- NEEDS RATIFICATION Rs.1,39,940.00

During the course of audit, it was noticed that an amount of Rs.36,39,940-00 was drawn and paid towards Pension Payment from AMC Zaheerabad funds during the year 2019-20. On verification of budget, it was found that an amount of Rs.35,00,000-00 was only provided. Hence, an amount of Rs.1,39,940-00 was held under objection and ratification needs to be obtained from the Director of Agricultural Marketing, Hyderabad for the same.

Budget provision (Rs.)	Expenditure (Rs.)	Excess over budget provision (Rs.)
Rs.35,00,000.00	36,39,940.00	1,39,940.00

(Para No. 6 of Audit Report of AMC Zaheerabad, Sangareddy District)

3.NON COLLECTION OF DUES (CODE 7)

During scrutiny of records, it was noticed that dues viz. Market fee, shop rents & Leases etc., were not collected properly in the AMCs.

A consolidated **Annexure-III (2)** of Non-collection of dues is appended to the Report from which it could be seen that an amount of **Rs.3999.07 lakhs** was not collected which was pointed out in **312** number of audit paras. A few such paras are detailed below.

3. AMC HYDERABAD - COLLECTION OF MARKET FEE THROUGH CHEQUES - CHEQUES RETURNED BY THE BANK AUTHORITIES DUE TO INSUFFICIENCY IN BALANCE OF CONCERNED AGENCY - LOSS TO AMC'S FUNDS - NEEDS RECOVERY - Rs.31,97,420-00.

During the audit of AMC, Hyderabad, on verification of cheques and Pass Book, it was noticed that the following cheques were received from certain agencies and the said cheques were deposited in the Bank for adjustment to AMC funds. But the same were returned by the respective Bank authorities stating that there was insufficiency of funds in the accounts of the agencies.

The Executive Authority of the Market Committee did not take any steps to collect the amount from the Agencies which resulted in a loss to a tune of Rs. 31,97,420-00 nor took any action to recover under sec-138 of Negotiable Instruments Act. Necessary action would need to be taken to collect the amount of Rs.31,97,420-00 from the concerned agencies along with late fee and remitted to AMC funds under intimation to audit.

Annexure (Cheques returned due to insufficient balances in the Banks)

Sl. No.	Ch.No. & date	Returned on	Amount (Rs.)
1	115539/03-04-19	115539/03-04-19	21411
2	899706/04-04-19	899706/04-04-19	39838
3	763379/11-04-19	763379/11-04-19	675
4	008425/11-04-19	008425/11-04-19	17413
5	000731/11-04-19	000731/11-04-19	31202
6	000200/11-04-19	000200/11-04-19	47838
7	001052/15-04-19	001052/15-04-19	45597
8	000453/29-04-19	000453/29-04-19	2771
9	357736/14-05-19	357736/14-05-19	380
10	023721/12-11-19	023721/12-11-19	14151
11	123953/12-11-19	123953/12-11-19	13412
12	137081/12-11-19	137081/12-11-19	11165
13	123958/12-11-19	123958/12-11-19	24454
14	136386/12-11-19	136386/12-11-19	37204
15	135104/12-11-19	135104/12-11-19	26091
16	131872/12-11-19	131872/12-11-19	19720

17	133569/12-11-19	133569/12-11-19	28502
18	136404/12-11-19	136404/12-11-19	89182
19	053048/12-11-19	053048/12-11-19	177304
20	139087/12-11-19	139087/12-11-19	70604
21	034779/12-11-19	034779/12-11-19	10819
22	126603/12-11-19	126603/12-11-19	17021
23	137094/12-11-19	137094/12-11-19	13680
24	023729/12-11-19	023729/12-11-19	42127
25	137167/13-11-19	137167/13-11-19	364976
26	131879/12-11-19	131879/12-11-19	10975
27	127570/12-11-19	127570/12-11-19	30449
28	127561/12-11-19	127561/12-11-19	19141
29	034784/12-11-19	034784/12-11-19	10814
30	187752/14-11-19	187752/14-11-19	2385
31	868417/15-11-19	868417/15-11-19	229510
32	126609/15-11-19	126609/15-11-19	4848
33	002629/20-11-19	002629/20-11-19	167962
34	141624/16-12-19	141624/16-12-19	114636
35	158350/16-12-19	158350/16-12-19	181131
36	019097/23-12-19	019097/23-12-19	95578
37	829891/01-01-20	829891/01-01-20	33753
38	00867/01-01-20	00867/01-01-20	48194
39	564455/01-01-20	564455/01-01-20	110565
40	03-01-20/ Reversal entry	Remaining Amount Mamatha Traders 31-12-19	192169
41	001738/15-01-20	001738/15-01-20	28356
42	143310/15-01-20	143310/15-01-20	83321
43	143312/15-01-20	143312/15-01-20	28593
44	000790/15-01-20	000790/15-01-20	63946
45	408030/15-01-20	408030/15-01-20	39095
46	511821/15-01-20	511821/15-01-20	158791
47	053783/15-01-20	053783/15-01-20	6255
48	145644/15-01-20	145644/15-01-20	25820
49	000558/29-01-20	000558/29-01-20	137680
50	000972/29-01-20	000972/29-01-20	117070
51	000589/28-02-20	000589/28-02-20	40674
52	000600/16-03-20	000600/16-03-20	48172
Total			3197420

(Para No. 9 of Audit Report of AMC, Hyderabad, Hyderabad District)

In the same AMC, in another instance Market Fee was collected from a few Traders through cheques and deposited in Bank of Baroda for adjustment. But some cheques were dishonored/ returned by the Bank authorities and the AMC had to pay return charges to the Bank as detailed in the Annexure:

The Executive Authority of Market Committee did not take any action against the defaulters to collect the return charges. Immediate action would need to be taken to collect the return charges from the defaulters concerned and remitted to AMC funds under intimation to audit.

Annexure (Direct debits in Bank)

Date	Particulars	Amount (Rs.)
03-04-19	Inward return charges	148
04-04-19	Inward return charges	148
11-04-19	Inward return charges	675
11-04-19	Inward return charges	148
11-04-19	Inward return charges	148
11-04-19	Inward return charges	148
15-04-19	Cheq. / Cash handling charges for 3/19	1829
15-04-19	Inward return charges	148
29-04-19	Inward return charges	148
14-05-19	Inward return charges	148
24-06-19	Inward return charges	295
26-05-19	Inward return charges	295
16-11-19	Inward return charges	295
16-11-19	Inward return charges	295
01-01-20	Inward return charges	177
01-01-20	Inward return charges	177
01-01-20	Inward return charges	295
29-01-20	Inward return charges	295
13-02-20	Inward return charges	295
28-02-20	Inward return charges	177
16-03-20	Inward return charges	177
	Total	6461

(Para No. 8 of Audit Report of AMC, Hyderabad, Hyderabad District)

During the course of audit on the accounts of Agriculture Market Committee, Dharmaram for the year 2019-20, it was noticed that an amount of Rs.3,61,236/- towards godown rent was due from GBY/NABARD as detailed below:

(Amount in Rs.)

Sl.No.	Particulars	Demand	Collection	Balance
1	GBY	37668	0	37668
2	NABARD	323568/-	0	323568/-
	Total	361236	0	361236

Early action would need to be taken to collect the rent along with interest and credited the same to AMC Funds.

(Para No. 4 of Audit Report of AMC Dharmaram, Peddapalli District)

In AMC Parigi, on verification of the pay bills of employees for the year 2019-20, it was observed that the employees' welfare fund subscription @ Rs 20/- each was not recovered from the pay bills of staff as required as per G.O. Ms.No.28, of Fin Dept. Dt.24.02.2002. The same objection was also raised in previous years but no action was initiated by the Secretary, AMC Parigi to recover the amounts.

Action would need to be taken to recover the said subscription amount from the employees and remitted to the concerned head of account under intimation to audit.

Sl. No.	Category of Employees	No. of Employees	Rate (Rs.)	Amount (Rs.)
1	Secretary	01	20/-	20/-
2	Supervisor	01	20/-	20/-
3	Attender	01	20/-	20/-
Total				60/-

(Para No.7 of Audit Report of AMC Parigi, Vikarabad District)

In another case in AMC Kosigi, Narayanpet district, it was found that the AMC extended loans to other AMCs viz., Atmakur (Rs. 20,00,000/-) in Wanaparthi district and Nawabpet (Rs. 40,00,000) in Mahabubnagar district vide DD No: 340867, dt. 7-4-2016 and Cheque No. 750279, dated 12-10-2017. The AMC did not receive either the principal amount or the interest amount from the above two AMCs till date. The Secretary of AMC should take the matter to the notice of the Director, Marketing, Telangana, Hyderabad and see that the principal amount along with interest @12.5% is collected from the AMCs in question.

(Para No.8 of Audit Report of AMC Kosigi, Narayanpet District)

On verification of Shops Rent Register, it was noticed that an amount of Rs.3,28,374-00 as detailed below was pending realization as noted against tenants for a long period.

Immediate action would need to be taken to collect the amount without any further loss of time.

Sl. No.	Shop No.	Name of the Tenant	Period	Amount (Rs.)
1	Commercial No.1	S. Beem Rao	2/20 to 5/20 @ 2249	6,747
2	Commercial No.2	Govind Naik	2/20 to 5/20 @ 2249	6,747
3	Commission Agent Office No.1	Vijaya Traders	2/18 to 5/20 @1870	52,360
4	Commission Agent Office No.2	Sadguru Krupa Traders	11/18 to 5/20 @ 1870	35,530
5	Commission Agent Office No.3	Pentaiah Traders	11/19 to 5/20 @ 4220	29,540
6	Commission Agent Office No.5	M.L. Trading Co.	8/18 to 5/20 @1870	41,140

7	Commission Agent Office No.6	Venkateswara Traders	2/18 to 5/20 @ 1870	52,360
8	Commission Agent Office No.7	Mahalaxmi Traders	3/19 to 5/20 @ 1870	28,050
9	Commission Agent Office No.8	Raja Rajeswari Traders	3/19 to 5/20 @ 1870	28,050
10	Commission Agent Office No.10	Sri Manjunadha Traders	3/19 to 5/20 @ 1870	28,050
11	Commission Agent Office No.13	Venkateswara Traders	9/19 to 5/20 @2200	19,800
		Total		3,28,374

(Para No.9 of Audit Report of AMC Watpally, Sangareddy District)

During the audit of AMC Khanapur, it was noticed that the Godowns No.1&2 were lying vacant from 1-12-2017 and the reasons for keeping them vacant was not explained to audit. The Godown No.3 was allotted to TSCSC but the rent was not collected for the period from July-2018 to May-2020 which amounts to Rs.2249856-00 (rent was Rs.97520/- per month) and the connected file of the Godown No.3 was also not produced to audit.

No action was taken by the Executive Authority for recovery of rent which resulted in causing loss to AMC funds.

Immediate action would need to be taken to recover Rs.22,49,856/- from the concerned and remitted to AMC funds.

(Para No.1 of Audit Report of AMC Khanapur, Nirmal District)

4.ADVANCES PENDING ADJUSTMENT (CODE 8)

It was observed during the course of audit that temporary advances paid for specific purposes were outstanding for a long time though they should have been got adjusted through detailed bills and vouchers as soon as possible as per Article 99 of the T.S. Financial Code. Non-settlement of advances leads to misuse of advances and avoid refund of unspent amounts. Several objections were raised on such outstanding advances in the relevant audit reports pointing out failure of the executive authorities to take necessary action to get these advances adjusted.

A Consolidated **Annexure-III (2)** of Advances Pending Adjustment district-wise is appended to the Report. **24** Audit paras involving **Rs.487.61 lakhs** were pointed out during the year 2019-20. One such case is shown below.

4. AMC BOWENPALLY - ADVANCES –ADVANCES DRAWN AND PAID TO THE EXECUTIVE ENGINEER –NOT ADJUSTED –NEEDS RECOVERY –Rs. 93.14,000-00

According to the provisions laid down in T.S.F.C. Volume. I, all advances that are paid to the employees for various purposes such as purchases, works etc. shall be adjusted through submission of a detailed bill with in a period of one month from the date of payment of such advance. In the event of non-submission of the adjustment bill within the stipulated period the official concerned shall not be paid any further advance and the amount of advance outstanding shall be recovered from the official in lump sum.

During the course of audit of AMC Bowenpally, it was observed that the following advances were drawn and paid to the Executive Engineer for carrying out the following works:

Sl. No.	Vr.No. & Date/Cheque No. Date	Name of the work	Amount (Rs.)
1	13/2019-2020 / 025244 4-5-19	Construction of Dining Hall for staff training centre	2500000
2	Cheque No.250219023754/ 20-9-2019	Allotment of Cash and Carry building of marketing Department	650000
3.	Cheque No.30257/ 21-3-2020	New work constructions of 10 TPD Biogas plant	2200000
4.	Cheque No.24458/ 18-10-2019	New work constructions of 10 TPD Biogas plant	2346000
5	Cheque No.025243/4-5-19	New work constructions of 10 TPD Biogas plant	1618000
		Total	9314000

Immediate action would need to be taken either to adjust the advances drawn or to effect recovery and credited to AMC funds.

(Para No.6 of Audit Report of AMC Bowenpally, Hyderabad District)

5.VIOLATION OF RULES (CODE NO. 9)

It was noticed in audit that in some cases the Rules / Government instructions for incurring the expenditure from the funds of the Panchayat Raj bodies were violated either due to negligence or ignorance. In certain cases, the funds of the Panchayat Raj bodies were utilized for purposes other than the permitted ones under the Act /Rules. It was also noticed that in a few cases, Government instructions were misunderstood or misinterpreted. Such irregular expenditure incurred was objected in the relevant Audit Reports.

A Consolidated **Annexure-III (2)** showing audit objections on Violation of Rules is appended to the Report from which it could be seen that an amount of **Rs.7709.22 lakhs** was pointed out in **1225** audit paras .The defects relating to violation of Rules were pointed in the relevant ARs. A few such cases are shown below:

5. AMC HYDERABAD - TAX DEDUCTION AT SOURCE (TDS ON GST) – NON-DEDUCTION OF TDS & NON-REGISTRATION AS TAX DEDUCTOR– NEEDS IMMEDIATE ACTION - AMOUNT HELD UNDER OBJECTION -Rs.1,84,104/-.

Section 51 of CG.S.T Act 2017 stipulates 2% deduction of TDS in G.S.T in all types of contracts wherein the value exceeds Rs.2.5 Lakh with effect from 1.10.2018 as per Notification No. 50/2018 of GoI. Further Govt of India in Department of Finance vide their Circular No. 65/39/2018-DOR Dt. 14.09.2018 issued executive instructions to all the DDOs in Govt departments, PSUs, Local bodies and Commissions etc., on the registration as Tax Deductor and remittance of the TDS to the Govt. heads.

Sl.No.	Voucher No.	Amount (Rs.)	TDS-GST @2% (Rs.)
1	33	144846	2897
2	57	72423	1448
3	78	71537	1431
4	99	71537	1431
5	148	71537	1431
6	136	3290616	65812
7	306	384975	7700
8	318	107445	2149
9	317	143188	2864
10	315	379806	7596
11	316	487944	9759
12	81	367078	7342
13	74	344102	6882
14	117	126190	2524
15	120	125286	2506
16	118	220421	4408
17	230	248875	4978
18	266	107443	2149
19	235	109519	2190
20	234	125288	2506
21	231	239914	4798
22	267	103789	2076
23	297	1861416	37228
Total			184104

As seen from the above bills paid to the supplier and others, it was observed that the Executive Authority did not deduct TDS on GST @2% which was contrary to rules. Hence, the amount of Rs.1,84,104-00 is held under objection.

(Para No.18 of Audit Report of AMC Hyderabad, Hyderabad District)

In another case in AMC Hyderabad, on verification of the expenditure vouchers, it was noticed that certain expenditure was incurred without Pre- audit, which is irregular and contrary to the rules.

Details of expenditure without pre audit are as follows:-

Sl. No.	Voucher No.	Particulars	Amount (Rs.)
1	33	Paid to M/S. Jyothi Computer Services	144846
2	57	Paid to M/S. Jyothi Computer Services	72423
3	148	Paid to M/S. Jyothi Computer Services	71537
4	306	Paid to M/S. ENAM WIRELESS, Bottuguda, Nalgonda towards E-Nam internet Wi-Fi	384975
5	325	Hire Vehicle charges of SGS and Chairmen of AMC, Hyderabad	58528
6	318	Paid to M/S. Guardian Security Services	107445
7	317	Paid to M/S. Guardian Security Services	143188
8	328	Purchases of Hand sanitizers and masks for the Staff of AMC, Hyderabad	53500
9	315	Paid to G.Sudhakar Reddy, Electrical & Civil contractor towards purchase of Electrical items for the year 2019-20	379806
10	316	Paid to G.Sudhakar Reddy, Electrical & Civil contractor towards purchase of Barricades along with Chains and Locks	487944
11	316/1	Paid to M/S. Jyothi Computer Services	71537
Total			19,75,729

Hence, the entire amount of expenditure of Rs.19,75,729/- is held under objection.

(Para No.17 of Audit Report of AMC Hyderabad, Hyderabad District)

On verification of Measurement books of AMC, Bhainsa, it was noticed that the AMC had given the following work to a contractor and recorded it in the measurement books. But the contractor neither completed the work within the agreement period nor took the extension of time from the competent authority. The AMC paid the amount to contractor on installment basis from the date of agreement till the completion of work without watching the delay period. Thus, the Contractor violated the agreement without completing the work in time.

Sl No.	Name of the Work	MB No.	Date of Agreement	Time of Completion of work	work should be complete as per Agreement Date	Date of completion of work	Delay period of work	EOAT Penalty (Rs.)
A	Construction of (34 No's) Shops at Market Yard Bhainsa	285/2017-18 & 286/2017-18	23.7.2018	6 Months	22.01.2019	Work is still in progress 31.03.2020	1Y, 2 M & 9 days	1559431
							Total	1559431

EOAT :- $\frac{(\text{ECV})}{1/10} \times 1\% = \text{Per Day}$ (it should not exceed more than 10% of ECV)

A)

$\frac{15594316}{10} = \frac{1559431.6 \times 1}{100} 15594 \text{ per Day (1Y, 2 M \& 9 days) } 434 \text{ Days} \times 15594 = 6767930$

Limited to (10% of ECV = 1559431)

Immediate action shall be taken to impose Liquid Damage charges (penalty) of Rs.1559431=00 for not taking Extension of Agreement time as shown above. The penalty amount has to be recovered from the concerned contractor and be remitted to AMC Funds under intimation to audit.

(Para No.18 of Audit Report of AMC Bhainsa, Nirmal District)

6. NON-REMITTANCE OF DEDUCTIONS / RECOVERIES FROM VOUCHERS / PAY BILLS / CONTINGENT BILLS (CODE 10)

It was noticed during audit that various deductions / recoveries effected from the work bills / pay bills were either not remitted to Government or a part of them only were remitted in spite of statutory obligation to remit the same to Government account within a prescribed time under the relevant statutory provisions which also include clauses for imposition of penalty as well as prosecution for non-adherence.

A Consolidated Annexure-III (2) of Non-Remittance of Deductions/ Recoveries from Vouchers/Pay Bills/Contingent Bills are appended to the Report for **Rs. 492.19 lakhs** was pointed out in **193** Audit Paras.

6. AMC SADASHIVPET - INCOME TAX/ GST AND OTHER DEDUCTIONS MADE FROM CONTRACTORS WORK BILLS – NOT REMITTED TO CONCERNED DEPARTMENT - RS.10.61.868/-.

On verification of the works payments during the year of, AMC-Sadashivpet, the following deductions towards Income tax, Seigniorage charges and GST, L.C were made in the work bills paid to the contractors from General Fund. But the deductions so made were not remitted to the concerned heads of accounts/departments. The Non-remittance of the deductions to the concerned heads/departments stops directly the flow of the funds to the Government exchequer in time.

Every Government office shall get itself mandatorily registered under GST. Here the role of DDO is very important as he is responsible for deducting tax while making/crediting payment under GST in applicable cases and, unless & until the process of registration is completed, the DDO will not be able to deduct any tax.

(Amount in Rs.)

Sl. No.	Head	Amount deducted	Amount Remitted	Balance to be Remitted
1	Income Tax	253387.00	0	253387.00
2	GST	253388.00	0	253388.00
3	Seignorage Charges	428399.00	0	428399.00
4	Labour Cess	126694.00	0	126694.00
	Total	1061868.00	0	1061868.00

Immediate action needs to be taken to remit the amount of Rs.1061868.00 as shown above to the concerned head of accounts under intimation to the audit.

(Para No.25 of Audit Report of AMC Sadashivpet, Sangareddy District)

7.NON-PRODUCTION OF RECORDS (CODE 11)

The AMCs have to exhibit effective financial management skills and maintain sound accountability practices. All these functions would need to be reflected on the record when they are accounted for as per the provisions contained in various codes. These initial accounts are to be kept ready and should have to be produced to Audit for verification. Then only the transparency in incurring expenditure of public money and their utility to the General Public can be reasonably judged. Such an important function on the part of the Drawing and disbursing officers of the AMCs in the maintenance and production of records to audit was not properly discharged. Thereby the access to verify whether the expenditure incurred from public money was properly spent or not could not be ascertained in audit to that extent. In spite of all guidelines and instructions, the DDOs of Agriculture Market Committees have failed to maintain the records and produce the same to Audit whenever the local teams visited their institutions. Under the category of non – production of records to Audit, the major part was records relating to execution of works such as M Books, estimate files, tenders etc. The others are non-production of vouchers along with the related files and registers. The paras on non-production of records have been drawn from the individual Audit Reports of the institutions concerned and their details are furnished hereunder. Further it is surprising to note that the heads of the institutions could not explain why the records could not be maintained in the office and not produced whenever they were sought to be produced to audit parties and other agencies during their local visits.

A Consolidated **Annexure-III (2)** of Non-production of records is appended to the report for **Rs. 3221.38 lakhs** pointed out in **518** audit paras. Two such cases are given below:

7. AMC HYDERABAD - COLLECTION OF MARKET FEE AND FINES THROUGH E-SERVICES - DETAILS OF REMITTANCES THROUGH CHALLANS TO TREASURY WERE NOT PRODUCED -- AMOUNT HELD UNDER OBJECTION - Rs.Rs.7,39,140/-.

During the course of audit, on verification of the receipts collected through e-Services towards Market fee, License fee, Gate fee, Late fee, the details of such cash remittance, challans and Bank deposit slips to Treasury/Bank particulars etc were not produced to audit. This was brought to the notice of the Executive Authority for rectification through Half Margin Letter No.02/Team-1,SA,HYD/2020-21,Dt.15.07.2020 and 03/Team-1,SA,HYD /2020-21,Dt. 31.07.2020. But, no reply was received from the concerned authorities till the end of the audit. In the absence of the same the correctness of the remittance could not be ascertained.

Immediate action would need to be taken to obtain and produce the same to audit, else an inquiry may be initiated to take disciplinary action against the person(s) responsible to recover an amount of Rs.7,39,140/- and credit the same to the funds of AMC under intimation to audit.

(Para No.20 of Audit Report of AMC Hyderabad, Hyderabad District)

In AMC Dharmaram, it was noted that an amount of Rs. 9,82,442-00 was spent on maintenance of MSP Equipment but the connected tender files and Measurement Books were not produced for verification in audit. Therefore, the above amount was held under objection.

(Para No. 3(6) of Audit Report of AMC Dharmaram, Peddapalli District)

During the course of audit in AMC Patancheru, the following Measurement Books and connected files were not produced to audit for verification. Due to non-production of the Measurement Books and files, the correctness of the expenditure could not be verified and the amount was held under objection.

Sl. No.	Vr.No. & Date	Name of the work	M.B. No.	Amount (Rs)
1	101/10.10.2019	Construction of Toilet block at Market Yard	-	5,00,000
2	126/28.12.2019	Construction of Toilet block at Market Yard	-	2,50,000
3	127/27.1.2020	Providing Arch at NH Road Gate & Gate Pillars	-	2,04,562
4	148/7.2.2020	Construction of Toilet block at Market Yard	-	3,90,000
		Total	-	13,44,562

(Para No.12 of Audit Report of AMC Patancheru, Sangareddy District)

8.MIS-APPROPRIATIONS (CODE 12)

Cases of misappropriation of money noticed in audit were pointed out in the audit reports concerned. Number of misappropriations 17 paras is annexed in **Annexure-III (2)** involving an amount of **Rs.22.90 lakhs** were pointed out. One such case is given below:

8. AMC VIKARABAD - AMOUNT COLLECTED BUT NOT REMITTED- MISAPPROPRIATION OF FUNDS - NEEDS TO BE REMITTED ALONG WITH PENAL INTEREST: RS. 1,12,157 /-

During the course of Audit on the accounts of AMC Vikarabad, it was noticed that the following amounts were stated to have been remitted but not adjusted in treasury and the challan copies were also not produced for verification in audit.

collected vide receipt No./date:	(Rs.)
126 dt 19.03.2019 Shiva Traders	56198 /-
10337dt 27.04.2019 Shiva Traders	27169 /-
3374 dt 11.02.2020 Vijay Kumar Shop rent	26798 /-
128745 dt 12.02.2020 Dharani Cotton Mill	2000 /-
Total	112157/-

As per Rule 80 of the T.S. Agriculture Produce & Livestock Market Rules, 1969, the Secretary of AMC should arrange to inspect and check periodically the cash and account of the officers and servants authorized to collect fees on behalf of the AMC.

As per article 7 of the Telangana Treasury Code the amount collected shall be deposited into treasury on the same day or next working day. But the Secretary failed to monitor the accounts of the AMC and could not curtail the misappropriation of funds.

Hence, immediate action would need to be taken to recover the misappropriated amount of Rs. 112157 /- from the person(s) responsible along with penal interest @ RBI rate + 2% as per G.O. Ms. No. 33 Fin(TFR-I) Dept. dt. 09.02.2006 and credit the same to AMC funds under intimation to audit.

(Para No.13 of Audit Report of AMC Vikarabad, Vikarabad District)

9.EXCESS PAYMENTS (CODE 13)

It was observed that in several cases that excess payments were made due to incorrect Calculation, Excess totaling in bills, admission of inadmissible claims, lack of knowledge of Government Instructions. A Consolidated **Annexure-III (2)** of objections is appended to the Report for **Rs.38.70 lakhs** pointed out in 47 audit para. A few of such instances are given below:

9. AMC HYDERABAD - INCOME TAX NOT DEDUCTED FROM THE BILLS - EXCESS AMOUNT PAID –IRREGULAR AND CONTRARY TO RULES - NEEDS TO BE RECOVERED - Rs.1,97,381/-.

During the course of audit, on verification of the following vouchers, it was noticed that an amount of Rs.1,97,381/- was paid in excess to different agencies towards various bills by the Executive Authority without deducting Income Tax @2%.

Sl.No	Voucher No.	Amount (Rs.)	IT @ 2% (Rs.)
1	4	27669	553
2	33	144846	2897
3	57	72423	1448
4	78	71537	1431
5	99	71537	1431
6	148	71537	1431
7	264	71537	1431
8	250	24750	495
9	251	24750	495
10	295	300575	6012
11	136	3290616	65812
12	306	384975	7700
13	318	107445	2149
14	317	143188	2864
15	315	379806	7596
16	316	487944	9759
17	316/1	71537	1431
18	185	71537	1431
19	215	71537	1431
20	81	367078	7342
21	74	344102	6882
22	117	126190	2524
23	120	125286	2506
24	118	220421	4408
25	230	248875	4978
26	266	107443	2149
27	235	109519	2190
28	234	125288	2506
29	231	239914	4798
30	267	103789	2076
31	297	1861416	37228
Total		9869067	197381

Immediate action needs to be taken to recover the excess amount period for Rs.1,97,381/- to different individuals and remitted the same to IT department under intimation to audit.

(Para No.23 of Audit Report of AMC Hyderabad, Hyderabad District)

In a similar case, in AMC Bhainsa, an excavation of earth work was given to a contractor. The Contractor adopted Labour rates instead of Machine rates for the given work. As per G.O.Ms. No.94 Irrigation and CAD (PW-COD) Department, dated 01.07.2003 ANNEXURE – 1 Para 1 (d), Machine rates are to be adopted in all the cases of earth work excavation where the quantities exceed 1000 cum. But the AMC Bhainsa did not object to it and made payment to the Contractor, the labour rate @ Rs. 322.58 per cum instead of Rs. 101.30 per cum which was given in SSR 2017-18 or 2018-19. The details were as follows:

Cheque. No. 040219 Dated: 27.02.2020 Rs.15,00,000

Name of the Work: Construction of 35 No's Shops at Market yard AMC Bhainsa

Name of the Contractor: M/s Decent Construction

Measurement Book No. 235/2017-18, 236/2017-18, 285/2017-18 & 286/2017-18

The excess payment made was as follows:

	<u>Quantity</u>	<u>Rate</u>	<u>Amount (Rs)</u>
As per MB and Estimate (Labour Rate)	1378.22cum	x 322.58 =	444586.00
As per G.O No 94 (Machine Rates)	1378.22cum	x 101.30 =	139613.68

		Excess paid Amount of Rs.	304972.32

Hence immediate action would need to be taken for recovery of the excess amount paid from the contractor under intimation to audit.

(Para No.29 of Audit Report of AMC Bhainsa, Nirmal District)

During the course of audit of AMC Bowenpally, it was observed that an amount of Rs. 20,83,000-00 vide Cheque No.30550/Dt.27-3-2020 was paid towards installation charges of cold rooms for vegetables in Manakuragayalu shed in CC 2nd and final bill. On further verification of the bill, it was noticed that the amount of Rs.20,83,000-00 was restricted to Rs.17,03,675-00 in the pre-audit.

But Contrary to the pre-audit, the Executive Authority paid the full amount of Rs.20,83,000-00 instead of restricting it to Rs.17,03,675=00 which is highly irregular.

Therefore immediate action would need to be taken to recover the excess amount of Rs.3,79,325-00 from the contractor and remit to A.M.C. Funds.

(Para No.18 of Audit Report of AMC Bowenpally, Hyderabad District)

PLACE: HYDERABAD
DATE: 06-1-2024


DIRECTOR
STATE AUDIT
T.S. HYDERABAD

PART - V

**CONSOLIDATED AUDIT AND REVIEW REPORT
ON THE ACCOUNTS OF ZILLA GRANDHALAYA
SAMASTHAS FOR THE YEAR 2019-20**

**CONSOLIDATED AUDIT AND REVIEW REPORT ON THE ACCOUNTS OF
ZILLA GRANDHALAYA SAMSTHAS FOR THE YEAR 2019-20**

INTRODUCTION

1.1 The Director of State Audit, Telangana is the Statutory Auditor for the Local Authorities including Zilla Grandhalaya Samsthas under section 3(1) of the State Audit Act, 1989. The Department has got offices at all the district headquarters headed by the Deputy Director / District Audit Officer. The Deputy Director / District Audit Officer causes conducting of post audit of ZGS of the district in the month of June every financial year and approves and issues Audit Report to the Secretary of the ZGS of district concerned. These Audit Reports contain

- (a) every payment which is contrary to law
- (b) the amount of any deficiency, waste or loss which has been caused by the gross negligence or misconduct of any person in the performance of his duties.
- (c) the amount of any sum received which ought to have been accounted for but is not brought into account by any person; and
- (d) any material impropriety or irregularity which the auditor may observe in the expenditure or in the recovery of money due.

1.2 The Audit is conducted by an Audit Party headed by the Assistant Audit Officer. The Deputy Director / District Audit Officer scrutinizes the Draft Audit Report along with Annual Accounts submitted by the Assistant Audit Officer and approves the Audit Report. The Audit Report will be issued to the Secretary, ZGS of the District concerned with a request to furnish replies to each para of the Report after getting due approval of the District Grandhalaya Committee within 60 days from the receipt of the Audit Report. The DD / DAO scrutinizes the approved replies furnished and settles the objections. In case the approved replies are not acceptable, the DD / DAO issues further remarks to the Secretary, ZGS on what action required to be taken. The Secretary, ZGS should furnish the replies to further remarks. In case the replies furnished to further remarks are satisfactory, the DD / DAO drops the objections. If replies are not satisfactory, the DD / DAO initiates Surcharge Action and submits Draft Surcharge Certificate to the Regional Deputy Director for approval and issue against the Secretary fixing the responsibility for the loss so sustained by the ZGS with a direction to make good the loss within 60 days. The amount so surcharged should be recoverable from the Surchargee even resorting to Revenue Recovery Act till the amount surcharged is recovered in full. In case the Surchargee has any grievance, he may appeal to the Secretary, Finance, GOT or file a suit in civil court.

The Director of State Audit / his Subordinate Officers are vested with the powers of disallowing every amount/item of the expenditure incurred contrary to the law and surcharge the same on the person incurring or authorizing the incurring of such expenditure and may charge against any person responsible there for, the amount of any deficiency, loss or unprofitable outlay occasioned by the negligence or misconduct of that person or of any such sum which ought to have been accounted for but not brought into account by the person and shall, in every such case, certify the amount due from such person.

SCOPE OF AUDIT

2.1 The Scope of the Post Audit of ZGS encompasses the following items:

- (i) Whether Library Cess (a) has been levied by all the Gram Panchayats in the State on House Tax and all the ULBs in the State on Property Tax @ 8%, (b) collected by all the Gram Panchayats and ULBs and (c) the collected library Cess has been properly adjusted to funds of Zilla Grandhalaya Samsthas concerned.
- (ii) Whether adequate care is taken in periodical checking up of the funds with Treasury or Bank.
- (iii) Whether expenditure incurred is provided for in the Budget of the Zilla Grandhalaya Samstha and duly sanctioned by the competent authority under the relevant rules and executive instructions issued by the Government.
- (iv) Whether funds are utilized only for the permitted purposes prescribed for Zilla Grandhalaya Samstha under the Public Libraries Act, 1960 / Rules.
- (v) Whether the procedure prescribed by Government in incurring the expenditure / payments made is properly followed and accounted for with due classification in the books of accounts of the Zilla Grandhalaya Samstha.
- (vi) Whether vouchers for the expenditure incurred were maintained.
- (vii) Whether prescribed Registers have been maintained.
- (viii) Whether the Annual Accounts prepared with reference to the Actual Transactions of the ZGS express true and fair value of the ZGS.

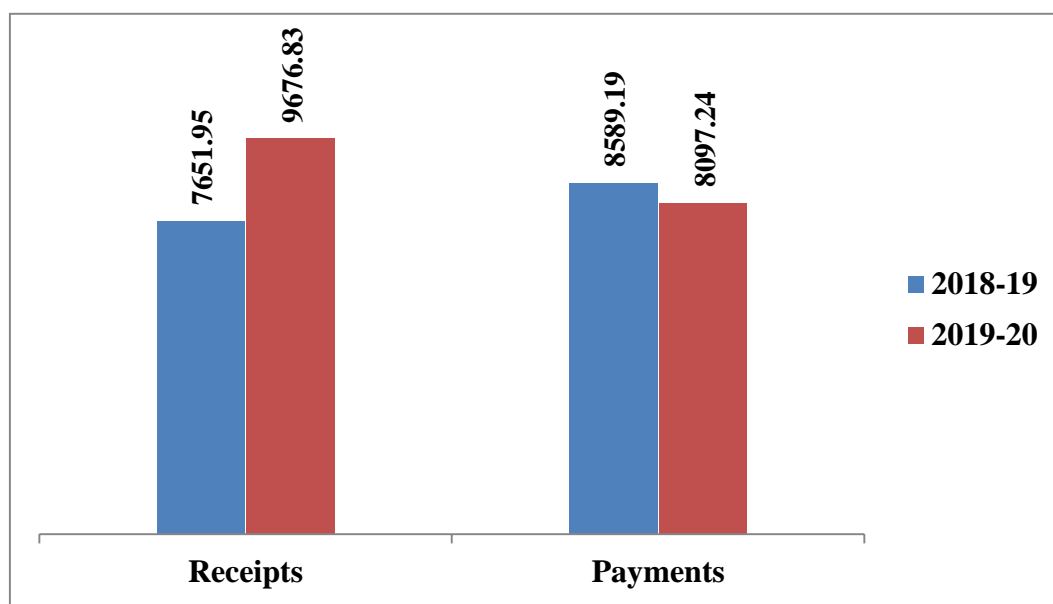
STATUS OF AUDIT

3.1 The total current audit of **31** ZGSs for the year 2019-20 were conducted.

RECEIPTS AND PAYMENTS

3.2 The receipts and payments of ZGSs for the years 2018-19 and 2019-20 are shown in Bar chart as follows.

CHART-1

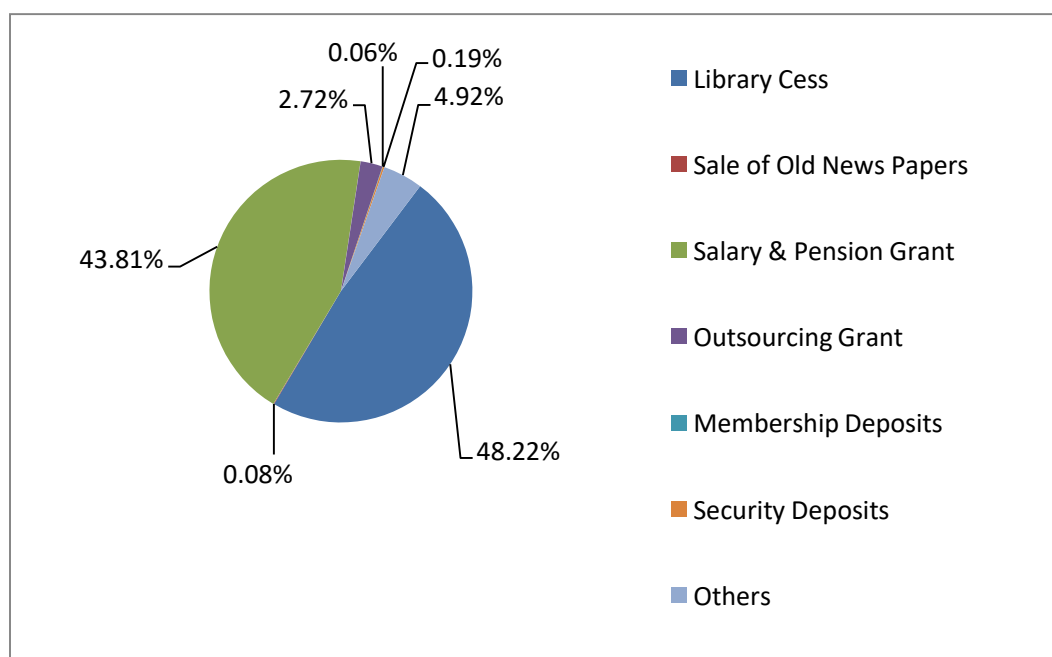


As shown above, there is increase in the Receipts and partial decrease in Payments when compared with the year 2018-19 to 2019-20.

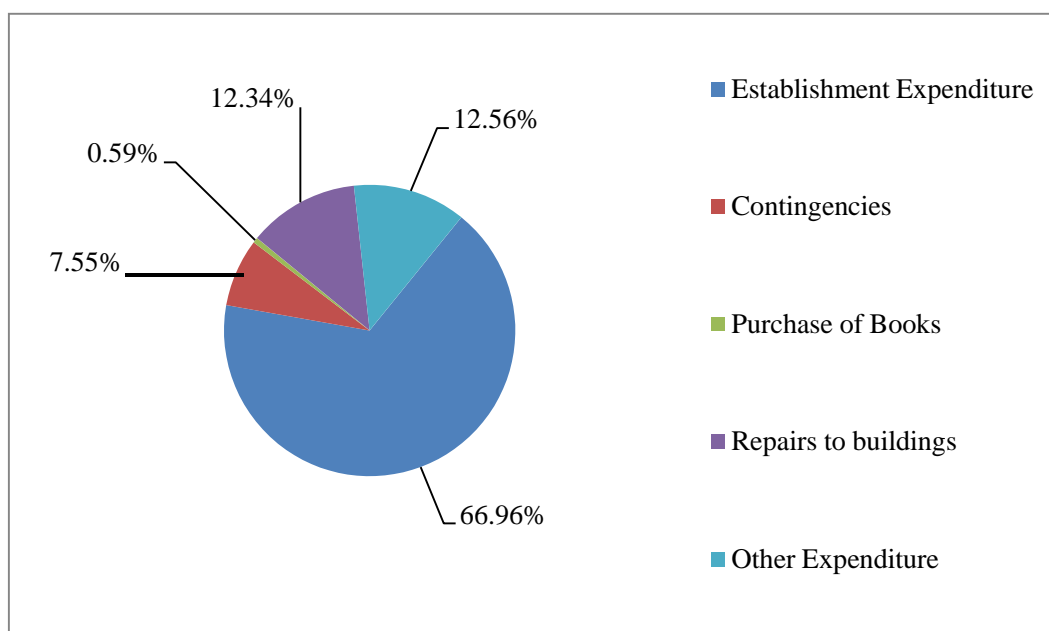
INCOME AND EXPENDITURE

- 3.3 The Income & Expenditure of ZGS for the year 2019-20 are **Rs.9676.83lakhs** and **Rs.8097.24 lakhs** respectively as detailed district wise exhibited in Annexure-XI (A) & (B).

PIE CHART OF INCOME OF ZGS FOR 2019-20



PIE CHART OF EXPENDITURE OF ZGS FOR 2019-20



GRANTS RECEIVED DURING THE YEAR BY 31 ZILLA GRANDHALAYA SAMSTHAS IN THE STATE.

- 4.1. The Zilla Grandhalaya Samsthas are provided grants by the State Government towards Salaries, Pensions, Contingent Expenditure and other Grants for books, furniture etc. The receipts and payments are inclusive of the grants received from Government during the year 2019-20 by Zilla Grandhalaya Samsthas.
- 4.2. The Pie chart of proportional Percentages of Receipts and Payments of Zilla Grandhalaya Samsthas during the year 2019-20 is placed below.
- 4.3. The bulk of receipts come from 'Library Cess' Grant (48.22%) followed by 'Salary & Pension Grant (43.81%).
- 4.4. Library Cess: This department has observed that the Local Bodies have remitted Library Cess to a tune of **Rs.4666.64 lakhs** which formed **48.22%** income of Zilla Grandhalaya Samsthas during the year 2019-20.
- 4.5. The bulk of payments are for Establishment Expenditure (66.96%) followed by 'Others' (12.56%). The percentage of expenditure on purchase of books and periodicals is only 0.59%. The primary objective of the Zilla Grandhalaya Samsthas is to improve Library service in the respective districts and the increase in expenditure on purchase of books and periodicals. Hence, steps may be taken to increase expenditure on the purposes for which the organization is created and to decrease other ancillary expenses.

4.6. The income and expenditure of previous 9 years in respect of ZGSs is as detailed below.

(Rs. In Lakhs)

Sl. No.	Year	Income	% Change (Year to Year)	Library Cess	% Change (Year to Year)	Expenditure	% Change (Year to Year)
1	2011-12	4433.31	32.00	2409.36	119.21	3701.29	5.58
2	2012-13	11887.94	168.15	7753.37	221.80	5078.80	37.22
3	2013-14	4296.82	-63.86	1838.62	-76.29	3814.10	-24.90
4	2014-15	3896.50	-9.32	1504.17	-18.19	3731.65	-2.16
5	2015-16	4975.44	27.69	2151.32	43.02	4614.80	23.67
6	2016-17	4383.56	-11.90	1204.97	-43.99	4280.60	-7.24
7	2017-18	10869.62	147.96	2517.34	108.91	9267.68	116.50
8	2018-19	9095.89	-16.32	2254.15	-10.46	8560.89	-7.63
9	2019-20	9676.83	6.39	4666.64	107.02	8097.24	-5.42

It was noticed that in certain cases that the Demand of Library Cess is not being arrived at and the amount collected only is being taken as Demand, which is not correct. The Demand of Library Cess may be assessed by preparing DCB Statement and steps may be taken to collect the balance amount as soon as possible.

AUDIT OBJECTIONS

- 5.1. During the course of audit of these Zilla Grandhalaya Samsthas for the year 2019-20, various defects noticed were already pointed out in the relevant Audit Reports which were forwarded to the Secretaries concerned for further action at their end as per the procedure laid down under the State Audit Act.
- 5.2. A Total number of **283** audit objections involving an amount of **Rs.531.55 Lakhs** were raised in the audit of the ZGS during the year.
- 5.3. A Consolidated Statement showing the number of objections raised, amount involved with Zilla Grandhalaya Samstha-wise break-up is annexed vide **Annexure-III (2)**.
- 5.4. Gist of some of the selected audit objections pertaining to the year under report is enumerated below:

STATEMENT SHOWING THE No. OF OBJECTIONS (CATEGORY - WISE)
AND AMOUNT INVOLVED FOR THE YEAR 2019-20

(Rs. In Lakhs)

Sl. No.	Name of the Category	Code No.	No. of Paras	Amount involved	% on (Amount)
1	Non-Production of Records	11	42	189.35	35.62
2	Variation in Account figures	1	10	90.35	17.00
3	Diversion of grants/Funds	3	4	76.75	14.44
4	Non-remittance of deductions	10	19	65.62	12.34
5	Others	18	67	36.61	6.89
6	Excess payments	13	10	32.04	6.03
7	Violation of Rules	9	99	24.39	4.59
8	Excess utilisation of grants/Funds	2	10	15.21	2.86
9	Non-Utilisation of earmarked Funds	6	3	1.18	0.22
10	Misappropriations	12	2	0.05	0.01
11	Non-Utilisation of Grants before lapsable date	4	0	0.00	0.00
12	Mis-utilisation of Grants/Funds	5	0	0.00	0.00
13	Non-Collection of Dues	7	10	0.00	0.00
14	Advances Pending adjustment	8	1	0.00	0.00
15	Wasteful expenditure	14	0	0.00	0.00
16	Instances of cases unaccounted for cash/stores	15	0	0.00	0.00
17	Pendency of utilisation certificates	16	6	0.00	0.00
18	Surcharge certificates recovery pending	17	0	0.00	0.00
19	D.D's/cheques received but not realised in time.	19	0	0.00	0.00
	Total		283	531.55	100.00

As seen from the above, majority of objections pertain to ‘Non-Production of Records’ which are **Rs.189.35** lakhs followed by ‘Variation in Account figures’ **Rs.90.35 lakhs** which reflects the administrative lapses on part of executive authorities.

As seen from the below table, the receipt on Library Cess to the Total Income is vastly varying from one district to another district. In the district of Rangareddy, the percentage of Library Cess collection to its total income is **94.80%**, whereas in case of ZGS, J. Bhupalapally it is only **1.28%**. Total State average is **48.22%** In view of the above variation among the districts, the Director of Public Libraries is requested to take necessary steps to maximize the Collection of the Library Cess every year from the Executive Authorities of the Local Bodies in the State.

STATEMENT SHOWING DISTRICT WISE LIBRARY CESS COLLECTED

(Rs. In lakhs)				
Sl. No.	Name of the District	Library Cess Collected	Total Income of ZGS	% Library Cess to total Income
1	Adilabad	56.05	344.56	16.27
2	Bhadradi Kothagudem	38.71	98.42	39.33
3	Hyderabad	765.25	1912.61	40.01
4	Jayasankar Bhupalapally	0.46	36.08	1.28
5	Jogulamba Gadwal	28.37	123.68	22.94
6	Jagityal	53.43	82.18	65.02
7	Jangaon	6.28	124.70	5.04
8	Kamareddy	52.37	140.27	37.34
9	Karimnagar	380.31	629.43	60.42
10	Khammam	5.45	303.64	1.80
11	K.Asifabad	7.76	48.93	15.85
12	Mahabubabad	17.73	52.53	33.75
13	Mahabubnagar	116.19	423.69	27.42
14	Mancherial	42.21	140.36	30.07
15	Medak	33.21	90.74	36.60
16	Medchal Malkajgiri	257.92	311.16	82.89
17	Nagarkurnool	29.72	112.54	26.41
18	Nalgonda	91.71	390.26	23.50
19	Nirmal	24.67	125.50	19.66
20	Nizamabad	136.97	479.98	28.54
21	Peddapalli	54.25	110.62	49.04
22	R.Sircilla	30.16	63.24	47.69
23	Rangareddy	1688.46	1781.16	94.80
24	Sangareddy	208.07	447.43	46.50
25	Siddipet	60.09	123.48	48.66
26	Suryapet	89.04	153.67	57.94
27	Vikarabad	60.87	265.14	22.96
28	Wanaparthy	27.17	71.36	38.07
29	Warangal (Rural)	18.24	58.84	31.01
30	Warangal (Urban)	220.99	477.83	46.25
31	Yadadri	64.52	152.82	42.22
	Total	4666.63	9676.85	48.22

AUDIT PARAS

Gist of some of the selected audit objections pertaining to the year under report is placed below:

1. VARIATION IN ACCOUNTS FIGURES (CODE 1)

It was observed in audit that there are variations in Annual Account figures between the Treasury Pass Book and Cash Book of Executive Agencies viz.

- i. Non-tallying of Closing balance of cash book as on 31-03-2020 and opening balance as on 01-04-2020.
- ii. Non-tallying of Closing balance of Cash book as on 31-03-2020 and closing balance of Treasury Pass Book as on 31-03-2020.
- iii. Non-crediting of Receipts into the Treasury Pass Book by the Treasury Authorities.
- iv. Receipt credited in the Cash Book by remittance through Challans is not credited in the Treasury Pass book by the Treasury authorities.
- v. Debiting the cheques issued by one DDO to another DDO by Treasury authorities.
- vi. Without explaining the differences addition or subtraction is being done in the Reconciliation by the DDO to arrive at the balance actually available in the Sub-Treasury Pass book.
- vii. Wrong totaling of credits and debits either by DDO or Treasury.
- viii. Revision in the Plus or Minus Memo in the Sub-Treasury pass book during the subsequent financial year by the Treasury authorities with retrospective effect.

A consolidated **Annexure-III (2)** of Variation in Account figures is appended to the Report from which it could be seen that Variation in Account figures of **Rs.90.35 Lakhs** was pointed out in **10** paras.

1. CITY GRANDHALAYA SAMSTHA HYDERABAD – VARIATION IN ACCOUNT FIGURES - NON-RECONCILIATION OF CASH BOOK WITH BANK PASS BOOK – NEEDS RECTIFICATION

During the course of audit, on verification of Annual accounts along with the cash book and bank statement for the year 2019-2020 of City Grandhalaya Samstha Hyderabad District, the following variations were noticed between cash book, annual accounts and bank statement balances:

I. OPENING BALANCES

(Amount in Rs.)

Sl No	Head of Account	As per cash book	As per Bank statement	As per Annual account	Remarks
1	SBH Treasury Branch A/C NO:52089955699	430461.00	430461.00	430461.00	Bank statement w.e.f.29/02/2020 to 31/03/2020 not furnished. Hence balance is not certified in audit.
2	SBI Ashok Nagar	3906793.35	3906793.35	Not found in the Annual accounts	Reasons for not taking in annual accounts not explained to audit.
3	SBI Tank bund Hyderabad A/C NO 52082155475	2876293.00	287762930.00	28772220.00	Reasons for variation between cash book and annual accounts to be furnished.
4	SBI MC Tank Bund Hyd A/C NO 52082174033	Not found	72783.93	Not found	Reasons not furnished for not taking head in cash book and annual account.
5	Provident Fund A/C	-	-	10304598.00	Reasons not furnished for not showing in Cash book and Bank statement
6	Part-IB Advances	-	-	(-)1059810.00	
7	Part-IC Deposits	-	-	108922.00	
8	Part-III Insurance and pension fund, salary grant A/C	-	-	3535	

II. CLOSING BALANCES

(Amount in Rs.)

Sl. No	Head of Account	As per cash book	As per Bank statement	As per Annual accounts	Remarks
1.	SBH Treasury Branch Hyderabad A/C NO.52089955699	Not closed in cash book	Bank statement w.e.f29/02/2020 to 31/03/2020 not furnish	13237818	Closing balances could not be certified due to non-furnishing of Bank statement
2.	Andhra Bank	6806122.30	6806122.30	6754849	Reasons for variation between cash book and annual accounts not furnished to audit.
3.	SBI Ashok Nagar	Not closed in cash book	2058567.60	Not found in the annual accounts	Reasons not furnished for not taking the head in annual account.
4.	SBI.MC Tank bund Hyderabad A/C NO 52082155475	55444381	55444381	62227228	Reasons for variation between cash book and annual accounts not explained to audit.
5.	SBI .MC Tank bund Hyd A/C NO 52082174033	Not found	561620.43	Not found	Reasons not furnished for not taking head in cash book and annual accounts
6.	Provident fund	-	-	13904806.00	Reasons not furnished for not taking in Cash book and Bank
7.	Part- IB Advances	-	-	(-)966770	
8.	Part –IC Deposits	-	-	38625.00	
9.	Part –III Insurance and pension & salary	-	-	3535.00	

Due to above reasons the annual account for the year 2019-2020 was not certified in audit. The Executive Authority would need to take immediate action to reconcile the above differences under intimation to audit.

(Para No.1 of Audit Report of CGS Hyderabad, Hyderabad District)

2. DIVERSION OF GRANTS/FUNDS (Code-3)

On verification it was observed that 'Diversion of funds/grants' was frequently made in most of the in Zilla Grandhalaya Samsthas without the sanction of the Government. A few such diversions reported in the Audit Report.

A consolidated **Annexure-III (2)** of 'Diversion of funds/grants' is appended to the report from which it could be seen that an amount of **Rs.76.75 lakhs** which was pointed out in 4 number of audit paras. One such para is detailed below:

2. ZGS MAHABUBNAGAR –TDS ON VEHICLE HIRE CHARGES PAID FOR OTHER DISTRICTS - NEEDS REIMBURSEMENT - Rs.25, 126/-

During the course of audit, on verification the T.D.S. Challan No.116996, Dated:31.03.2020 and the connected file, it was noticed that an amount of Rs. 33,994/- was remitted to IT Department towards TDS on Vehicle Hire Charges which pertain to the present Mahabubnagar and other districts viz., Nagarkurnool, Jogulamba Gadwal and Wanaparthi districts amounting to Rs. 25,126/- as detailed below:

1) Nagarkurnool	Rs. 8868/-
2) Jogulamba Gadwal	Rs. 8868/-
3) Wanaparthi	Rs. 7390/-

The authorities have not made any effort to get the amounts reimbursed from the concerned districts till the close of audit. The same may be got reimbursed from the above Districts.

(Para No.13 of Audit Report of ZGS, Mahabubnagar District)

3.VIOLATION OF RULES (CODE NO. 9)

It was noticed in audit of the ZGSs that in some cases the Rules and Government instructions for incurring the expenditure from the funds of the ZGSs were violated either due to negligence or ignorance. Certain times, the funds of the ZGSs were utilised for purposes other than the permitted ones under the Act / Rules. It was also noticed that in a few cases Government instructions were misunderstood or misinterpreted. Such irregular expenditure incurred was objected to in the relevant audit reports.

A consolidated **Annexure-III (2)** of Violation of Rules is appended to the report. It could be seen that an amount of **Rs.24.39 Lakhs** was pointed out in 99 paras. A few such paras are given below:

3. ZGS GADWAL - LIBRARY CESS - DEMAND, COLLECTION & BALANCE PARTICULARS NOT PREPARED - IRREGULAR.

Library Cess is the major source of income for Zilla Grandhalaya Samsthas. There are 255 Gram Panchayats, 04 Municipalities, in the District and according to Sec.20 of the Telangana Public Libraries Act, 1960, every Zilla Grandhalaya Samstha shall levy in its area Library Cess in the form of surcharge on property tax or

house tax levied in such area at the rate of 8 paise for every rupee. The property tax or house tax levied including the Cess shall be collected by Urban Local Bodies and by Grampanchayats in the respective areas. According to rule 18 of Telangana Public Libraries Rules 1961 Cess shall be collected promptly by the Municipal councils and the Grampanchayats and 75% of the Cess collected in a particular year be remitted to Library Authorities concerned. Immediately after close of the financial year the balance of 25% shall be remitted after the audited figures become available. As per the instructions issued in Government Circular Memo. No. 2072/H2/73-74/MA,Dt.4-5-1974, the Executive Authorities of the Municipalities should remit cess collections to Library fund once in a quarter. It appears that the local authorities concerned are not prompt in remittance of collections.

On verification of records of the Zilla Grandhalaya Samstha, J. Gadwal, it was noticed that no action was taken by the authorities to maintain the DCB of Library Cess. Further, they do not have any idea as to how many Local Authorities are remitting the cess and what is the balance to be adjusted. As a result, there may be a possibility of losing a considerable income by the Zilla Grandhalaya Samstha. Moreover, as per Sub Rule (2) of Rule 18 of the TSPL Rules, 1961, the Secretary, Zilla Grandhalaya Samstha shall report to the Director of Public Libraries the failure of a Local Authority to collect the Cess so that the Director in turn shall take it to the notice of the Director of Municipal Administration / Commissioner of Panchayat Raj as the case may be. From the information available in the ZGS, an amount of Rs.33,37,464 -00 was only remitted by the Municipalities and Grampanchayats during the year 2020-21 towards Library Cess and exact amount to be remitted could not be arrived due to non-maintenance / updation of DCB Register by the ZGS.

Hence, steps need to be taken to maintain DCB Register, identify the Local Authorities who failed to collect the Cess and report the same to the Director of Public Libraries.

(Para No.2 of Audit Report of ZGS, Gadwal, Gadwal District)

In ZGS, Nirmal during the course of audit, it was evidentially noticed that the demand of Library Cess for the year 2019-20 was not arrived and fixed though it was obligatory function of the executive authority to contact the Municipal Commissioners and District Panchayat Officer of the district and arrive at the Library Cess Demand.

(Para No.1 of Audit Report of ZGS, Nirmal District)

During the course of audit of CGS, Hyderabad, on verification of GPF savings Bank Account bearing No.52082174033 of SBH, Ashok Nagar branch, it was observed that an amount of Rs.5,61,620.43/-was credited by the bank towards interest.

But the above bank interest amount was not credited to the individual subscribers as instructed in G.O Ms. No. 10 Education, dt.04-02-2002. Hence steps need to be taken to credit the interest amount to the individual accounts under intimation to audit.

(Para No.7 of Audit Report of CGS, Hyderabad District)

During the course of audit on the accounts of ZGS, Adilabad, it was observed that (3) persons were working on outsourcing basis through outsourcing agency Durgam S.C. Labour Contract Co-operative Society Limited, Adilabad and the Secretary ZGS Adilabad paid remuneration (Honorarium plus employer's share of EPF, ESI subscription amount and service tax) to the Outsourcing Agency in the form of DDs as per Govt. norms. But the remittance challans / certificates of EPF, ESI subscription amount were not collected from the Outsourcing Agency. As per the orders issued in G.O. Rt.No.4271, Finance (SMPC) Dept, Dated: 01-11-2008, it is the duty of the DDO concerned to check whether the Outsourcing Agencies are remitting the amounts to the respective departments or not.

In view of the above, the Employees EPF, ESI Contributions and Service Tax of Rs.62882/-, Rs.21942/- and Rs.57101/- respectively paid to the outsourcing agency from April'2019 to February'2020 was held under objection.

(Para No.2 of Audit Report of ZGS, Adilabad District)

4. ZGS SANGAREDDY – NON - IMPLEMENTATION OF CONTRIBUTORY PENSION SCHEME TO ZGS STAFF APPOINTED AFTER 01-09-2004 - NEEDS IMMEDIATE IMPLEMENTATION.

The Govt of TS decided to adopt the Govt of India's new pension scheme based on defined contribution for the employees of the state including all the new recruits of all the rural and urban local bodies etc. who are recruited on or after 1-9-2004 as introduced vide G.O.Ms.No.653 Fin (Pension-1) Dept.dt.22-9-04.

The following ZGS staffs were appointed after 1-9-2004 as shown in the Annexure enclosed. The head of the office should get the index numbers from the A/G for all the new employees who have joined in service on or after 1-9-2004, within a month from the date of the order, to admit in the New Scheme. But in the instant case, no such action was taken by the Secretary ZGS till the close of audit which definitely causes consequential loss to newly recruited ZGS employees. Therefore, the non-adoption of new pension scheme guidelines is brought to the notice of the executive authority for necessary action.

It is mandatory for all the new employees to pay a monthly contribution of 10% of the Basic Pay and D.A from their salary to the Contributory Pension Scheme. The new employees who joined the ZGS after 1-9-2004 shall remit the amounts along with current month subscription i.e. one month subscription for current month and one additional for subscription arrears.

Sl. No.	Name of the employees & Place of working	Designation	Present Scale (Rs.)	Basic Pay (Rs.)	Date of Joining
1	Y.Madhusudhan Reddy BL Narsapur	Record Assistant	15460-47330	23100	03-07-2005
2	A.Bharathi, BL Dubbak	Sweeper	13390-41380	18400	17-01-2009
3	D.Lalitha Bai, BL Shankarampet(A)	Librarian Gr III	19500-58330	23100	28-02-2009
4	R.Venkaiah, BL Jagadevpur	Attender	13390-41380	17380	10-06-2009

5	B.Prashanth Kumar, DCL Sangareddy	Gardener	6700-20110	6900	20-05-2010
6	Smt.K.Buchamma, BL Zaheerabad	Attender	13390-41380	16870	15-11-2010
7	L.Prashanth Kumar O/o ZGS Sangareddy	Librarian Gr III	18400-55410	20640	14-08-2012
8	Ch. Kanaka Laxmi, DCL Siddipet	Record Assistant	15030-46060	15460	22-07-2013
9	R.Shoba Rani O/o ZGS Sangareddy	Typist	16400-49870	16870	25-07-2013
10	R.Srinivas, BL Jharasangam	Librarian Gr III	18400-55410	20050	12-09-2013
11	B.Vara Laxmi, BL Sadashivapet	Record Assistant	15030-46060	16400	16-09-2013
12	K.Raju, BL Mulugu	Librarian Gr III	18400-55410	18950	26-05-2015
13	B.Murali, BL Tekmal	Record Assistant	15030-46060	15030	23-01-2016
14	K.Mamatha, DCL Medak	Watchman	13000-40270	13000	31-07-2017

(Para No.9 of Audit Report of ZGS, Sanga Reddy District)

4. NON-PRODUCTION OF RECORDS (CODE 11)

The ZGSs have to maintain effective financial management skills and accountability practices. All these functions would be reflected on the record when they are accounted for as per the provisions contained in T.S. Account code. These initial accounts are to be kept ready and should have to be produced to Audit for verification. Then only the transparency in incurring of public money and their utility to the General Public can reasonably be judged. Such an important function on the part of the Drawing and disbursing officers of all the ZGSs in the maintenance and production of records to audit is not properly being discharged. Thereby the main access to clear the doubt of transparency in public expenditure has not been availed. In spite of all guidelines and instructions, the DDOs of ZGSs have failed to maintain the records and to produce the same to Audit whenever the local teams visited their institutions. Under the category of non – production of records to Audit, the major part is in works and the related records such as M Book, estimate file, tenders etc. The others are non-production of vouchers along with the related files and registers. The paras on non-production of records have been drawn from the individual ARs of the institution concerned. Further it is surprising to note that the heads of the institutions could not explain why the records could not be maintained in the office and produced whenever they are being demanded by the audit parties and other agencies during their local visits.

A consolidated **Annexure-III (2)** of Non production of records is appended to the report. It was objected **42** paras amount involved **Rs.189.35 lakhs**. One such para is given hereunder:

During the course of audit of ZGS, Mahabubnagar, the following Registers and connected files were not produced to audit due to which audit could not vouch for the authenticity of claims made:

1. Income Tax Register
2. Pension Payment Register (Monthly/Year wise)
3. Gratuity payment Register
4. Commutation payment Register
5. PRC allowed sanctioned proceedings and file
6. Life certificate file
7. Acquaintance Register

Therefore, immediate action would need to be taken by the concerned Executive Authority to produce all relevant records for verification.

(Para No.15 and 16 of Audit Report of ZGS, Mahabubnagar District)

5. EXCESS PAYMENTS (CODE NO. 13)

It was observed in audit that in several cases excess payments were made due to either.

- (a) Incorrect calculations or
- (b) Excess totaling in Bills or
- (c) Admission of inadmissible claims or
- (d) Lack of knowledge of Government instructions.

A Consolidated **Annexure-III (2)** of showing audit objections on “Excess Payments is appended to the Report from which it could be seen that an amount of **Rs.32.04 lakhs** was pointed out in **10** audit paras. Two such instances are given below for example.

5. ZGS MAHABUBNAGAR - 2% T.D.S. AMOUNT TOWARDS IT NOT DEDUCTED FROM THE HIRE CHARGES - IRREGULAR NEEDS ACTION - Rs.3300.00

During the course of audit, it was noticed that the Executive authority had not deducted the T.D.S. @ 2% from the hire charges of vehicle.

As per the rules in vogue, the Executive authority should deduct 2% of T.D.S from the hire charges and remit the same to the Income Tax department. But in the instant case, payment towards hire charges of vehicle was done without deducting 2% T.D.S. Charges which is irregular. Therefore, action would need to be taken to collect the 2% of T.D.S. amount from the concerned and remit the same to the Income Tax Department under intimation to audit.

Secretary Vehicle Hire Charges $165000 \times 2\% = 3300.00$

(Para No. 10 of Audit Report of ZGS, Hyderabad District)

In a similar case in ZGS Peddapalli, while making the payment for Hire Vehicle, TDS charges amounting to Rs. 7,756/- were not deducted and remitted to IT Department. The same needs to be recovered and remitted to IT Department under intimation to audit.

(Para No. 2(4) of Audit Report of ZGS, Peddapalli District)

6.OTHERS (CODE 18)

Other objections which were not fallen in the above categories are incorporated under this category. Such objections numbering **67** were raised for an amount of **Rs.36.61 lakhs** as detailed in **Annexure-III (2)**.

6. ZGS SANGAREDDY - OLD NEWS PAPERS AND MAGAZINES NOT DISPOSED OF AND SALE PROCEEDS NOT REALISED

During the course of audit, it was noticed that an amount of Rs.6,63,890.00 was drawn and paid towards the cost of purchase of news Papers and periodicals for the use of Branch libraries in the district during the year 2019-20.


The period of retention of newspapers is one year i.e.1st January to 31st December, after which the accumulation would be disposed of not later than 30th June every year.

The old newspapers should be disposed of in Public auction after due notification and sell to the highest bidder. The market rate should be ascertained and starting bid and maximum bid should not be less than 10% of the Market rate. The sale amount collected from the bidder to be remitted on the same day to the library funds. The Zilla Grandhalaya Samastha should maintain a Register in Prescribed form to watch the disposal of papers in time.

In spite of above, the old newspapers were not disposed of by the ZGS Authorities. Action would need to be taken to dispose the old News Papers and periodicals of other Libraries and sale proceeds realized to Zilla Grandhalaya Samastha, Sangareddy funds.

(Para No. 15 of Audit Report of ZGS Sangareddy District)

PLACE: HYDERABAD
DATE: 06-1-2024



DIRECTOR
STATE AUDIT
T.S. HYDERABAD

ANNEXURES

ANNEXURE-I

INSTITUTION WISE AUDIT DEMAND, COMPLETION AND BALANCE FOR THE YEAR 2019-20

Sl. No.	Institution Type	Demand	Audits Completed	Balance
1	Zilla Parishad	32	32	0
2	Mandal Parishad	540	540	0
3	Gram Panchayats	12765	12765	0
4	Municipal Corporations	13	13	0
5	Municipal Councils	127	126	1
6	Agriculture Market Committees	189	189	0
7	ZGS / CGS	31	31	0
	Total	13697	13696	1

ANNEXURE-II

INSTITUTION WISE AUDIT OBJECTIONS RAISED FOR THE YEAR 2019-20

Sl. No.	Institution Type	Total No. of Audits Conducted	No. of Audit Objections Raised for the year 2019-20	
			No. of Paras	Amount Involved (Rs. in Lakhs)
1	Zilla Parishad	32	557	30989.86
2	Mandal Parishad	540	5325	1874.16
3	Gram Panchayats	12765	89348	33952.34
4	Municipal Corporation	13	653	41166.31
5	Municipal Councils	126	5051	24017.72
6	Agriculture Market Committees	189	3209	20490.80
7	Zilla Grandhalaya Sansthas / CGS	31	283	531.56
	Total	13696	104426	154728.91

ANNEXURE-III (1)

CATEGORY WISE AUDIT OBJECTIONS RAISED FOR THE YEAR 2019-20

(Rs. in Lakhs)

Code No.	Objection Category	Zilla Parishad		Mandal Parishad		Gram Panchayats		PRIs Total	
		No. of Paras	Amount	No. of Paras	Amount	No. of Paras	Amount	No. of Paras	Amount
1	Variation in Account figures	12	772.42	53	24.26	341	99.95	406	896.63
2	Excess utilisation of grants/Funds	3	154.79	193	168.12	33	14.66	229	337.57
3	Diversion of grants/Funds	6	26.00	72	89.12	439	560.06	517	675.18
4	Non-Utilisation of Grants before lapsable date	4	7.83	62	9.08	762	96.38	828	113.28
5	Mis-utilisation of Grants/Funds	0	0.00	4	1.59	26	20.63	30	22.22
6	Non-Utilisation of earmarked Funds	26	4406.17	515	280.32	9	0.71	550	4687.20
7	Non-Collection of Dues	35	23652.30	206	98.01	829	352.88	1070	24103.18
8	Advances Pending adjustment	8	46.22	25	64.78	925	1772.52	958	1883.51
9	Violation of Rules	130	782.93	872	172.20	23115	6293.11	24117	7248.24
10	Non-remittance of deductions	45	134.02	592	501.82	44801	10509.86	45438	11145.71
11	Non-Production of Records	98	243.23	576	265.27	9191	12112.32	9865	12620.82
12	Misappropriations	0	0.00	18	19.23	974	777.21	992	796.44
13	Excess payments	12	7.55	60	18.05	3296	392.03	3368	417.63
14	Wasteful expenditure	2	1.07	3	0.07	27	24.33	32	25.47
15	Instances of cases unaccounted for cash/stores	0	0.00	0	0.00	21	5.89	21	5.89
16	Pendency of utilisation certificates	43	661.68	192	16.98	1470	697.54	1705	1376.20
17	Surcharge certificates recovery pending	0	0.00	0	0.00	7	11.89	7	11.89
18	Others	133	93.66	1875	145.25	3071	200.37	5079	439.29
19	D.D's/cheques received but not realised in time.	0	0.00	7	0.00	11	10.01	18	10.01
Total		557	30989.87	5325	1874.15	89348	33952.35	95230	66816.36

ANNEXURE-III (2)

CATEGORY WISE AUDIT OBJECTIONS RAISED FOR THE YEAR 2019-20

(Rs. in Lakhs)

Code No.	Objection Category	Municipal Corporation		Municipal Councils		Agriculture Market Committees		Zilla Grandhalaya Samsthas / CGS	
		No. of Paras	Amount	No. of Paras	Amount	No. of Paras	Amount	No. of Paras	Amount
1	Variation in Account figures	34	92.40	130	422.80	157	1146.67	10	90.35
2	Excess utilisation of grants/Funds	1	0.00	25	56.86	29	274.36	10	15.21
3	Diversion of grants/Funds	8	139.03	69	728.74	21	586.09	4	76.75
4	Non-Utilisation of Grants before lapsable date	4	0.00	26	859.28	1	0.00	0	0.00
5	Mis-utilisation of Grants/Funds	1	0.00	6	25.30	1	0.00	0	0.00
6	Non-Utilisation of earmarked Funds	5	0.00	42	1.14	2	0.00	3	1.18
7	Non-Collection of Dues	69	1747.24	485	4812.75	312	3999.07	10	0.00
8	Advances Pending adjustment	13	455.58	43	375.72	24	487.61	1	0.00
9	Violation of Rules	215	17403.16	1814	6397.84	1225	7709.22	99	24.39
10	Non-remittance of deductions	17	4072.68	253	1997.84	193	492.19	19	65.62
11	Non-Production of Records	158	9442.96	1070	7638.13	518	3221.38	42	189.35
12	Misappropriations	15	79.82	42	139.45	17	22.90	2	0.05
13	Excess payments	42	454.15	143	185.08	47	38.70	10	32.04
14	Wasteful expenditure	4	18.86	5	2.21	0	0.00	0	0.00
15	Instances of cases unaccounted for cash/stores	4	0.00	11	4.49	0	0.00	0	0.00
16	Pendency of utilisation certificates	6	1.84	58	0.00	1	0.00	6	0.00
17	Surcharge certificates recovery	1	0.00	2	0.00	0	0.00	0	0.00
18	Others	55	7258.59	823	361.52	658	2512.61	67	36.61
19	D.D's/cheques received but not realised in time.	1	0.00	4	8.57	3	0.00	0	0.00
Total		653	41166.31	5051	24017.72	3209	20490.8	283	531.55

ANNEXURE - IV (A)
CONSOLIDATED FUND WISE RECEIPTS & PAYMENTS FOR THE YEAR 2019-20

(Rs. in Lakhs)

SL. No.	Institution Type	General Fund / Municipal General Fund (ULBs)		XIV Finance Commission Fund		XV Finance Commission Fund		SFC Fund / Capital Project Fund (ULBs)		Total	
		Receipt	Payment	Receipt	Payment	Receipt	Payment	Receipt	Payment	Receipt	Payment
1	Zilla Parishad	47576.54	48715.30	186.97	8.67	0.00	0.00	71.28	139.39	47834.78	48863.36
2	Mandal Parishad	21607.38	22803.42	0.00	186.28	187.58	22.28	389.93	208.78	22184.89	23220.76
3	Gram Panchayats	46890.47	54083.62	148711.78	144158.67	10082.22	9605.75	80566.51	54817.18	286250.97	262665.22
4	Municipal Corporations	388503.62	737219.39	0.00	0.00	0.00	0.00	0.00	0.00	388503.62	737219.39
5	Municipal Councils	127549.98	248527.98	0.00	0.00	0.00	0.00	0.00	0.00	127549.98	248527.98
	Total	632127.98	1111349.71	148898.74	144353.63	10269.79	9628.03	81027.72	55165.35	872324.23	1320496.71

ANNEXURE - IV (B)

**CONSOLIDATED FUND WISE RECEIPTS & PAYMENTS FOR THE
YEAR 2019-20**

(Rs. in Lakhs)

Sl. No.	Institution Type	Receipt	Payment
1	Agriculture Market Committees	45986.12	43519.76
2	Zilla Grandhalaya Sansthas / CGS	9676.83	8097.24
	Total	55662.95	51617.00

ANNEXURE-V (A)
DISTRICT WISE INCOME OF ZILLA PARISHAD FOR THE YEAR 2019-20

(Rs. In lakhs)

Sl. No.	District	Surcharge on Stamp Duty	Percapita Grant (Rs.4)	Seigniorage Fee	Sand Auction Charges	Meeting Hall + Quarter Rent + Sale Proceeds	Advances	Deposits	SCs (15%)	STs (6%)	W&CW (15%)	Others	Total
1	Adilabad	0.00	0.00	59.99	18.00	1.01	0.00	0.00	0.00	0.00	0.00	690.12	769.12
2	Bhadradi Kothagudem	0.00	0.00	0.00	172.58	0.00	0.00	0.00	0.00	0.00	0.00	176.49	349.07
3	J. Bhupalapally	0.00	0.00	576.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	576.43
4	J. Gadwal	0.00	45.36	58.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.47	174.11
5	Jagityal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	617.64	617.64
6	Jangaon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.65	12.66	31.65	190.95	266.91
7	Kamareddy	0.00	0.00	0.00	44.45	0.00	0.00	5.10	0.00	0.00	0.00	216.62	266.17
8	Karimnagar	0.00	0.00	0.00	0.00	24.55	0.00	10.00	0.00	0.00	0.00	1386.29	1420.84
9	Khammam	0.00	0.00	0.00	10.68	3.46	0.38	491.45	0.00	0.00	0.00	7913.64	8419.61
10	Komaram Bheem	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	113.85	114.25
11	Mahabubabad	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	302.57	303.07
12	Mahabubnagar	246.31	0.00	0.00	41.05	1.00	0.00	0.00	43.25	17.30	43.25	9.45	401.61
13	Mancherial	0.00	0.00	145.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	183.44	328.71
14	Medak	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	1196.25	1196.35
15	Medchal	703.52	0.00	0.00	0.00	617.61	0.00	0.00	0.00	0.00	0.00	0.00	1321.13
16	Mulugu	0.00	0.00	264.49	0.00	0.00	0.00	0.00	23.38	9.35	0.00	129.67	426.89
17	Nagarkurnool	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.35	3.34	8.35	35.64	55.68
18	Nalgonda	0.00	0.00	274.91	0.00	0.00	0.00	444.83	0.00	0.00	0.00	8.41	728.15
19	Narayanpet	0.00	0.00	8.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66.42	75.26
20	Nirmal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	448.10	448.10
21	Nizamabad	0.00	0.00	5.13	6.39	2.75	0.00	0.00	0.00	0.00	0.00	498.51	512.78
22	Peddapalli	0.00	0.00	46.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	437.21	483.48
23	Rajanna Siricilla	0.00	0.00	96.47	0.00	0.00	0.00	397.71	18.34	7.47	16.98	8.95	545.92
24	Ranga Reddy	2025.10	0.00	0.00	0.00	1.53	0.00	22.68	0.00	0.00	0.00	705.54	2754.85
25	Sangareddy	792.78	0.00	0.00	0.00	18.08	0.00	18.04	0.00	0.00	0.00	588.32	1417.22
26	Siddipet	0.00	346.32	66.50	0.00	0.00	0.00	0.00	0.00	0.00	109.00	114.31	636.13
27	Suryapet	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.91	135.91
28	Vikarabad	0.00	0.00	2.30	0.00	0.00	0.00	1.11	0.00	0.00	0.00	4740.45	4743.86
29	Wanaparthi	0.00	0.00	56.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.36	102.22
30	Warangal (R)	0.00	0.00	0.00	0.00	0.00	8.10	328.24	0.00	0.00	0.00	0.00	336.34
31	Warangal (U)	80.99	0.00	0.00	40.28	16.44	0.00	0.00	35.61	14.24	36.51	0.00	224.07
32	Yadadri	0.00	0.00	0.00	14.80	0.00	0.00	0.00	2.22	0.89	2.22	236.75	256.88
Total		3848.70	391.68	1662.14	348.73	686.43	8.48	1719.26	162.80	65.25	247.96	21267.33	30408.76

ANNEXURE-V (B)
DISTRICT WISE EXPENDITURE OF ZILLA PARISHAD FOR THE YEAR 2019-20

(Rs. In lakhs)

S.No	District	Establishment Charges / Honorarium	Maintenance of Assets	SCs(15%)	STs (6%)	W&CW (15%)	Drinking Water	Unforeseen Charges	Others	Total
1	Adilabad	1140.92	55.66	0.00	0.00	0.00	0.00	0.00	170.27	1366.85
2	Bhadradi Kothagudem	91.63	19.18	0.00	0.00	4.89	2.93	4.50	26.69	149.83
3	J. Bhupalapally	17.96	35.92	0.00	0.00	0.00	0.00	0.00	0.00	53.89
4	J. Gadwal	5.07	0.00	0.00	0.00	0.00	0.00	0.45	38.54	44.06
5	Jagityal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	144.74	144.74
6	Jangaon	19.00	0.00	0.00	0.00	0.00	0.00	0.00	9.91	28.91
7	Kamareddy	114.68	17.50	0.00	0.00	0.00	0.00	0.00	0.00	132.18
8	Karimnagar	196.10	170.83	0.00	0.00	0.00	93.09	0.00	3461.06	3921.08
9	Khammam	31.61	31.61	34.31	2.03	18.19	97.09	1.47	9248.80	9465.10
10	Komaram Bheem	31.71	2.68	0.00	0.00	0.00	0.00	0.00	0.00	34.39
11	Mahabubabad	23.78	0.00	0.00	0.00	0.00	0.00	0.00	26.17	49.95
12	Mahabubnagar	31.87	313.69	27.86	19.33	40.04	29.21	0.00	445.80	907.79
13	Mancherial	3.13	6.72	0.00	0.00	0.00	0.00	0.00	126.00	135.85
14	Medak	18.60	13.27	0.00	0.00	0.00	0.00	0.00	180.12	211.98
15	Medchal	56.39	19.58	0.00	0.00	0.00	0.00	0.00	0.00	75.97
16	Mulugu	21.23	212.98	0.00	0.00	0.00	0.00	0.00	0.00	234.22
17	Nagarkurnool	7.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.89
18	Nalgonda	357.36	407.65	140.14	43.26	4.00	94.60	25.00	174.23	1246.24
19	Narayanpet	16.54	0.00	0.00	0.00	0.00	0.00	0.04	1.43	18.01
20	Nirmal	8.59	29.04	0.00	0.00	0.00	0.00	0.00	105.83	143.46
21	Nizamabad	6535.41	130.65	27.22	12.47	54.21	20.15	0.00	623.04	7403.15
22	Peddapalli	10.91	0.00	0.00	0.00	0.00	4.03	0.00	91.37	106.30
23	Rajanna Siricilla	29.21	55.89	0.00	0.00	0.00	0.00	0.00	0.00	85.10
24	Ranga Reddy	131.15	591.80	54.30	19.80	177.47	48.82	0.00	6776.31	7799.65
25	Sangareddy	78.52	0.00	97.56	78.41	75.71	26.30	0.00	2534.68	2891.17
26	Siddipet	29.70	66.68	0.00	0.00	0.00	0.00	0.00	26.73	123.11
27	Suryapet	3.00	36.99	0.00	0.00	0.00	0.00	0.00	0.00	39.99
28	Vikarabad	37.13	429.66	51.41	26.89	36.14	0.97	30.78	0.60	613.57
29	Wanaparthi	4.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.24
30	Warangal (R)	16.20	45.90	0.00	0.00	0.00	0.00	0.00	0.00	62.10
31	Warangal (U)	49.79	14.83	0.00	0.00	23.89	0.48	0.00	1784.39	1873.38
32	Yadadri	147.65	5.18	2.22	0.89	2.22	1.33	0.59	18.31	178.39
Total		9266.97	2713.89	435.02	203.08	436.75	419.00	62.83	26015.00	39552.53

ANNEXURE-VI (A)
DISTRICT WISE INCOME OF Mandal Parishad for the Year 2019-20

(Rs. In lakhs)

Sl. No.	District	Surcharge on Stamp Duty	Percapita Grant (Rs.8)	MPP / MPTC Honorarium	Seigniorage Fee	Sand Auction Charges	Meeting Hall + Quarter Rent + Sale Proceeds	Advances	Deposits	EMF allotment	SCs (15%)	STs (6%)	W&CW (15%)	15 th FC	SFC	Others	Total
1	Adilabad	3.78	0.00	35.12	0.01	0.00	0.00	0.00	30.34	0.00	0.00	0.00	0.00	0.00	0.00	1562.01	1631.25
2	Bhadradi Kothagudem	4.32	1.96	34.76	0.00	2.23	0.85	5.00	13.38	0.99	0.40	0.85	0.10	0.00	0.90	32.91	98.66
3	J. Bhupalapally	832.19	2.94	122.24	198.36	0.00	0.00	0.00	0.98	0.00	0.00	0.00	0.00	1.86	0.00	7.05	1165.61
4	J. Gadwal	11.31	0.00	40.20	0.00	0.00	0.83	0.00	6.13	0.07	0.03	0.07	0.40	0.00	4.21	19.05	82.30
5	Jagityal	1.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.44	0.00	2.18	381.96	387.86
6	Jangaon	37.22	0.00	170.90	4.71	0.00	0.00	9.00	2.75	0.00	0.00	1.96	0.00	0.00	48.06	40.06	314.65
7	Kamareddy	21.71	6.35	93.00	0.33	0.00	0.70	2.94	8.70	0.00	0.00	0.00	1.08	0.00	1.65	7.19	143.64
8	Karimnagar	54.84	0.00	176.95	74.84	0.00	2.28	0.40	43.88	0.00	0.00	0.00	1.38	0.00	12.91	248.69	616.16
9	Khammam	27.71	15.15	37.12	0.44	0.00	5.82	0.00	4.19	0.00	0.00	3.82	0.00	0.00	0.00	128.06	222.31
10	Komaram Bheem	3.56	1.86	38.70	0.01	0.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00	3.00	504.41	554.55
11	Mahabubabad	64.78	0.00	188.07	9.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	65.95	4923.08	5251.32
12	Mahabubnagar	57.43	0.00	50.79	13.30	0.00	13.56	0.00	4.63	12.63	5.05	12.63	0.00	0.00	2.89	27.45	200.37
13	Mancherial	19.80	1.80	37.04	54.61	8.69	112.20	138.36	26.56	0.00	0.00	0.00	0.82	176.76	63.10	258.47	898.21
14	Medak	36.36	8.59	150.12	0.33	0.00	1.73	0.60	15.11	3.73	4.99	3.97	3.30	0.70	6.55	44.49	280.56
15	Medchal	326.47	0.00	470.05	3.75	0.00	206.44	20.67	22.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1049.47
16	Mulugu	0.56	0.00	78.89	206.12	0.00	0.00	0.00	0.55	0.00	0.00	0.00	0.00	0.00	11.12	38.13	335.36
17	Nagarkurnool	31.11	0.00	67.05	0.00	0.00	8.88	0.00	0.00	1.34	0.36	0.91	0.00	0.10	6.98	13.77	130.50
18	Nalgonda	67.89	0.00	114.67	1.00	0.00	14.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.75	7.71	220.43
19	Narayanpet	8.60	2.75	22.76	1.78	0.00	0.00	0.00	0.00	1.42	0.57	1.42	0.00	0.00	0.00	35.77	75.07
20	Nirmal	8.27	172.44	66.20	0.35	0.00	5.43	0.00	13.62	0.05	0.00	1.34	63.86	3.02	51.14	285.53	671.24
21	Nizamabad	36.49	1.30	244.30	1.60	0.00	0.00	0.00	4.58	0.00	0.00	0.00	113.91	0.00	0.00	374.91	777.08
22	Peddapalli	16.79	0.00	145.60	23.74	0.00	1.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.43	165.73	361.07
23	Rajanna Siricilla	5.97	23.80	56.30	3.02	0.00	2.77	0.00	4.82	13.29	10.24	0.00	0.00	0.00	3.96	135.27	259.44
24	Ranga Reddy	1894.23	0.00	192.22	0.12	0.00	6.28	0.00	32.19	20.18	8.07	20.09	0.00	0.14	0.00	259.96	2433.48
25	Sangareddy	334.13	7.74	166.22	0.00	0.00	0.00	0.07	106.22	3.55	0.71	1.00	0.00	0.00	8.76	239.71	868.10
26	Siddipet	53.27	3.63	133.12	1.14	0.00	0.00	0.00	1.76	0.00	0.00	0.00	0.02	0.00	11.79	114.04	318.76
27	Suryapet	34.78	0.00	82.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.79	217.42
28	Vikarabad	7.71	1.66	58.73	18.25	4.64	0.00	18.62	3.02	12.39	0.34	0.43	0.65	4.62	10.10	47.80	188.95
29	Wanaparthy	19.58	0.00	39.30	0.00	0.00	0.00	0.00	0.00	3.88	1.68	3.73	2.79	0.00	12.77	32.79	116.52
30	Warangal (R)	13.63	675.75	301.22	3.01	0.00	37.91	19.04	7.09	0.00	0.00	0.00	0.00	0.00	25.49	1.17	1084.31
31	Warangal (U)	11.33	0.00	83.15	6.25	0.00	0.01	7.48	0.76	0.00	0.00	0.00	2.18	0.38	3.71	6.17	121.44
32	Yadadri	76.31	0.00	66.58	8.67	0.00	0.00	0.00	29.31	1.18	0.47	1.18	0.00	0.00	10.55	914.55	1108.80
Total		4123.43	927.71	3564.21	635.00	15.56	421.89	222.17	385.63	74.70	32.92	53.40	193.07	187.58	389.93	10957.67	22184.89

ANNEXURE-VI (B)
DISTRICT WISE EXPENDITURE OF MANDAL PARISHAD FOR THE YEAR 2019-20

(Rs. In lakhs)

Sl. No.	District	General Fund							XIV FC Grant	XV FC Grant	SFC	Others	Grand Total
		Establishment Charges / Honorarium	Maintenance of Assets	SCs (15%)	STs (6%)	W&CW (15%)	Drinking Water	Unforeseen Charges					
1	Adilabad	1194.04	3.11	5.05	0.50	0.00	0.33	0.00	0.00	0.00	0.00	278.27	1481.29
2	Bhadradi	42.73	35.25	0.21	0.18	0.00	0.00	2.17	1.06	0.00	3.03	25.94	110.57
3	J. Bhupalapally	117.34	423.19	0.00	0.00	0.00	0.00	0.00	0.90	0.00	0.00	8.43	549.87
4	J. Gadwal	49.02	31.73	1.23	1.99	0.00	0.17	0.64	0.00	0.05	6.16	13.30	104.29
5	Jagityal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.47	0.00	8.68	410.64	431.79
6	Jangaon	167.66	35.48	0.00	0.00	2.97	0.00	28.97	0.00	0.00	21.59	38.75	295.42
7	Kamareddy	110.36	67.89	4.73	1.91	1.99	6.50	0.40	0.25	0.00	3.99	38.03	236.05
8	Karimnagar	328.13	278.01	2.94	1.13	0.00	45.64	16.49	3.99	0.00	9.91	23.97	710.21
9	Khammam	101.22	88.16	4.27	3.30	8.01	4.68	9.87	1.68	0.58	0.00	64.99	286.77
10	Komaram Bheem	139.23	428.62	0.86	0.13	0.00	2.87	0.00	2.00	0.00	3.55	34.16	611.42
11	Mahabubabad	281.10	604.46	0.00	0.00	0.00	10.82	0.00	2.82	0.00	7.96	4056.13	4963.29
12	Mahabubnagar	75.30	50.34	9.72	7.11	2.25	29.20	1.21	0.00	0.00	4.87	25.81	205.81
13	Mancherial	156.15	244.78	0.51	0.87	0.00	0.00	16.18	0.00	0.17	12.22	572.72	1003.60
14	Medak	222.98	8.18	3.00	0.00	0.00	7.68	0.00	3.88	0.90	0.13	19.67	266.43
15	Medchal	525.47	585.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1111.08
16	Mulugu	63.52	1.47	0.00	0.00	0.00	0.07	0.00	0.00	0.00	6.55	81.60	153.21
17	Nagarkurnool	63.09	75.43	5.91	2.05	0.20	0.00	0.00	10.52	0.41	3.89	4.29	165.78
18	Nalgonda	235.53	94.65	6.75	3.72	3.27	0.93	0.00	0.00	0.00	16.41	141.58	502.83
19	Narayanpet	49.97	55.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44	106.19
20	Nirmal	232.52	25.99	0.71	0.21	0.08	0.00	22.99	17.32	0.00	3.66	320.29	623.77
21	Nizamabad	255.31	207.40	0.00	0.00	0.00	7.70	2.89	111.00	0.00	0.00	300.41	884.71
22	Peddapalli	146.05	74.23	0.07	0.03	6.30	8.85	0.52	0.00	0.00	4.41	261.69	502.14
23	Rajanna Siricilla	139.50	210.04	0.65	0.26	0.00	29.11	0.14	10.82	0.00	50.70	398.03	839.24
24	Ranga Reddy	933.60	481.88	51.23	19.75	8.58	25.34	0.30	0.00	0.00	0.00	395.40	1916.08
25	Sangareddy	272.15	886.47	76.01	25.80	0.00	28.44	1.76	1.40	2.00	10.22	297.72	1601.96
26	Siddipet	149.91	119.82	6.93	1.71	4.19	1.84	0.00	1.22	0.00	1.71	105.02	392.36
27	Suryapet	41.44	58.05	2.29	8.45	14.12	4.13	0.00	0.00	0.00	4.51	129.86	262.86
28	Vikarabad	32.19	21.60	5.26	1.25	1.00	0.29	0.00	0.00	0.00	2.03	155.15	218.76
29	Wanaparthy	44.36	52.47	7.17	2.78	2.10	0.10	0.25	4.91	0.00	9.76	0.00	123.91
30	Warangal (R)	912.26	67.96	5.77	0.41	0.00	5.26	22.05	0.00	0.00	10.43	45.61	1069.76
31	Warangal (U)	138.68	5.86	4.78	0.55	0.28	0.00	0.00	0.00	0.00	2.37	2.35	154.87
32	Yadadri	404.85	292.68	1.55	4.32	0.00	4.27	13.70	0.05	18.17	0.05	594.80	1334.43
Total		7625.69	5616.59	207.59	88.40	55.34	224.22	140.55	186.28	22.28	208.78	8845.03	23220.76

ANNEXURE-VII (A)
DISTRICT WISE RECEIPTS OF GRAMAPANCHAYATS FOR THE YEAR 2019-20

(Rs. In lakhs)

Sl. No.	District	General Fund					XIV FC Grant	XV FC Grant	S.F.C Grant	Total Grants (6+7+8)	Total Receipts (5+9)
		Taxes	Non-Taxes	Honorarium Grant	Other Receipts	Total (1+2+3+4)					
		1	2	3	4	5					
1	Adilabad	385.01	38.90	107.12	448.99	980.03	4095.53	0.00	2304.01	6399.55	7379.58
2	B. Kothagudem	1287.89	258.85	249.05	94.59	1890.39	6031.19	494.38	3439.37	9964.94	11855.32
3	J. Bhupalapally	226.17	179.05	155.00	528.76	1088.98	2857.54	27.21	1407.39	4292.15	5381.13
4	J. Gadwal	106.66	36.86	178.88	125.59	447.99	3808.46	100.59	1792.63	5701.67	6149.66
5	Jagityal	651.21	324.07	270.11	148.75	1394.14	4994.33	845.22	2736.03	8575.59	9969.73
6	Jangaon	247.89	309.29	191.25	217.41	965.84	3664.27	12.08	1825.28	5501.63	6467.47
7	Kamareddy	743.46	410.37	297.49	130.20	1581.53	6163.87	119.43	3147.80	9431.11	11012.64
8	Karimnagar	511.51	538.79	221.90	153.95	1426.15	4534.50	0.00	2435.40	6969.90	8396.05
9	Khammam	1028.63	400.27	342.03	260.42	2031.35	7570.44	619.98	4231.28	12421.70	14453.05
10	Komaram Bheem	284.53	171.94	216.60	64.77	737.83	3512.72	0.00	1887.77	5400.49	6138.32
11	Mahabubabad	288.64	265.58	296.15	68.19	918.57	5033.57	5.20	2771.01	7809.79	8728.35
12	Mahabubnagar	451.42	62.49	292.63	389.26	1195.79	5509.13	8.00	2565.26	8082.39	9278.18
13	Mancherial	365.06	117.16	135.16	155.75	773.13	3242.50	183.17	1864.80	5290.47	6063.60
14	Medak	448.81	45.93	155.67	457.98	1108.39	4817.53	104.32	2613.06	7534.91	8643.30
15	Medchal	956.43	302.65	22.45	700.66	1982.19	817.27	5.69	513.44	1336.40	3318.59
16	Mulugu	281.90	206.93	90.80	87.97	667.60	2435.72	0.00	1161.54	3597.25	4264.85
17	Nagarkurnool	311.93	195.84	309.72	137.39	954.87	5754.00	6.61	3026.93	8787.54	9742.41
18	Nalgonda	1042.56	423.06	558.09	395.52	2419.23	9229.80	17.78	5013.77	14261.35	16680.58
19	Narayanpet	181.44	77.44	189.40	60.99	509.26	4074.31	0.00	1912.29	5986.60	6495.86
20	Nirmal	449.24	79.69	260.73	92.11	881.76	4775.59	95.83	2152.75	7024.17	7905.93
21	Nizamabad	1678.02	967.54	265.30	273.05	3183.91	7953.51	85.56	4086.65	12125.72	15309.63
22	Peddapalli	415.45	140.04	178.80	146.07	880.36	3678.12	6.33	1811.40	5495.85	6376.21
23	Rajanna Siricilla	353.78	347.21	176.74	151.17	1028.90	3303.74	0.00	1582.63	4886.37	5915.27
24	Ranga Reddy	1997.37	500.69	354.95	1802.51	4655.52	6549.21	94.95	3535.53	10179.69	14835.21
25	Sangareddy	1814.95	427.55	442.39	1549.70	4234.58	7873.15	3.10	3961.18	11837.44	16072.02
26	Siddipet	718.74	289.44	340.40	256.23	1604.82	544.27	5371.93	3182.11	9098.32	10703.13
27	Suryapet	793.59	106.33	319.95	99.60	1319.48	4885.61	1387.96	3267.83	9541.40	10860.88
28	Vikarabad	628.43	98.19	378.24	137.89	1242.76	6099.89	44.04	3030.27	9174.21	10416.96
29	Wanaparthi	165.67	21.20	156.55	197.33	540.74	3575.57	17.57	1788.49	5381.63	5922.37
30	Warangal (R)	409.38	447.91	256.18	62.94	1176.42	4463.25	146.84	2352.94	6963.03	8139.45
31	Warangal (U)	184.77	284.99	88.50	507.49	1065.74	2109.47	211.41	876.32	3197.19	4262.93
32	Yadadri	910.93	531.84	224.08	335.38	2002.23	4753.72	67.02	2289.33	7110.07	9112.30
Total		20321.45	8608.10	7722.31	10238.61	46890.47	148711.78	10082.22	80566.51	239360.50	286250.97

ANNEXURE-VII (B)-1

DISTRICT WISE EXPENDITURE OF GRAMAPANCHAYATS FOR THE YEAR 2019-20

(Rs. In lakhs)

SNo	District	General Fund					XIV FC Grant		
		Staff Salaries	Honorarium Grant	Other Administrative Expenditure	Maintenance Expenditure	GF TOTAL	Development Works Expenditure	Maintenance Expenditure	XIV FC Grant Total
1	Adilabad	228.32	258.82	2.07	386.85	876.06	1293.77	2621.61	3915.38
2	Bhadradi Kothagudem	653.19	209.60	76.33	676.93	1616.05	1438.17	4190.80	5628.97
3	J. Bhupalapally	245.92	141.90	146.67	329.18	863.67	177.18	2475.04	2652.22
4	J. Gadwal	112.59	157.93	127.57	104.51	502.60	2017.45	1556.17	3573.62
5	Jagityal	733.86	231.24	193.42	275.59	1434.11	1951.16	3018.00	4969.17
6	Jangaon	466.78	171.96	49.97	356.34	1045.04	1385.39	1911.82	3297.21
7	Kamareddy	819.23	290.00	212.64	348.28	1670.14	2797.72	3323.21	6120.93
8	Karimnagar	878.46	181.90	3689.03	482.79	5232.19	1099.53	3182.06	4281.59
9	Khammam	700.11	314.50	271.90	798.24	2084.74	3515.28	4451.85	7967.13
10	Komaram	271.10	214.75	37.36	199.97	723.19	1306.41	2354.77	3661.18
11	Mahabubabad	358.38	288.12	96.25	68.47	811.23	2307.22	2400.82	4708.05
12	Mahabubnagar	304.37	273.11	464.23	472.46	1514.17	2757.11	3190.84	5947.95
13	Mancherial	285.83	202.70	101.18	166.35	756.06	709.53	2504.86	3214.39
14	Medak	364.69	237.27	47.45	473.87	1123.28	1080.06	3410.39	4490.45
15	Medchal	694.15	12.31	540.04	1403.41	2649.91	464.40	287.28	751.68
16	Mulugu	237.18	79.42	123.93	169.87	610.40	1726.72	605.73	2332.45
17	Nagarkurnool	368.75	290.53	146.02	270.73	1076.03	2799.94	2487.45	5287.39
18	Nalgonda	779.85	517.15	119.03	1038.31	2454.34	3365.13	6181.93	9547.06
19	Narayanpet	140.42	144.88	52.79	142.18	480.27	1323.30	2408.90	3732.20
20	Nirmal	261.36	237.49	133.70	94.51	727.05	1493.75	2392.74	3886.49
21	Nizamabad	1575.67	341.22	335.74	1036.28	3288.91	2626.30	5220.94	7847.24
22	Peddapalli	452.69	153.92	97.71	237.26	941.59	1978.31	1627.46	3605.76
23	Rajanna Siricilla	547.06	165.52	129.61	197.71	1039.89	1597.48	1804.41	3401.90
24	Ranga Reddy	1580.40	309.77	202.87	4082.39	6175.43	2882.01	3531.74	6413.75
25	Sangareddy	855.38	349.97	2068.06	1968.97	5242.38	3312.62	3663.58	6976.20
26	Siddipet	732.68	262.95	205.19	399.39	1600.21	184.27	285.33	469.60
27	Suryapet	376.67	287.28	188.94	343.89	1196.78	2530.70	2260.65	4791.35
28	Vikarabad	283.45	330.33	162.75	576.64	1353.18	1814.20	4624.90	6439.11
29	Wanaparthy	133.06	167.95	13.37	244.02	558.40	912.84	2506.22	3419.06
30	Warangal (R)	540.63	206.69	152.56	289.89	1189.76	2854.22	1861.64	4715.86
31	Warangal (U)	373.08	71.47	133.57	179.75	757.87	1212.08	788.62	2000.69
32	Yadadri	788.70	200.98	286.67	1126.57	2402.92	2869.95	1242.70	4112.65
Total		17144.01	7303.63	10608.64	18941.60	53997.88	59784.21	84374.46	144158.67

ANNEXURE-VII (B)-2

DISTRICT WISE EXPENDITURE OF GRAMAPANCHAYATS FOR THE YEAR 2019-20

(Rs. In lakhs)

Sl. No.	District	XV FC Grant			S.F.C Grant			Others	Total Expenditure
		Development Works Expenditure	Maintenance Expenditure	XV TOTAL	Development Works Expenditure	Maintenance Expenditure	SFC Total		
1	Adilabad	0.00	0.00	0.00	225.37	1363.85	1589.22	1.91	6382.57
2	Bhadradi Kothagudem	95.65	285.45	381.10	530.10	1716.60	2246.70	0.26	9873.07
3	J. Bhupalapally	0.00	7.61	7.61	141.76	677.86	819.62	3.66	4346.78
4	J. Gadwal	49.27	68.86	118.14	656.54	840.36	1496.90	4.02	5695.28
5	Jagityal	119.52	439.41	558.93	623.45	956.05	1579.50	0.76	8542.46
6	Jangaon	0.95	11.18	12.13	365.92	669.69	1035.61	0.00	5389.98
7	Kamareddy	64.35	67.79	132.14	1091.82	1202.11	2293.93	28.25	10245.39
8	Karimnagar	0.00	10.47	10.47	228.54	839.42	1067.96	2.18	10594.38
9	Khammam	195.04	425.53	620.57	1427.64	1920.68	3348.32	1.34	14022.10
10	Komaram Bheem	0.00	0.00	0.00	548.77	1131.29	1680.06	0.00	6064.43
11	Mahabubabad	3.62	0.00	3.62	1122.45	1224.01	2346.46	0.00	7869.35
12	Mahabubnagar	5.81	20.37	26.18	521.04	1103.20	1624.25	0.00	9112.55
13	Mancherial	59.86	104.78	164.64	310.66	1005.49	1316.15	3.80	5455.05
14	Medak	14.31	68.46	82.77	582.58	1194.29	1776.87	0.00	7473.37
15	Medchal	0.00	9.52	9.52	159.26	210.39	369.64	1.50	3782.26
16	Mulugu	0.00	0.00	0.00	507.06	230.82	737.88	0.00	3680.73
17	Nagarkurnool	42.61	22.58	65.19	361.58	1494.20	1855.79	0.15	8284.55
18	Nalgonda	17.00	66.91	83.90	1001.64	2809.45	3811.09	0.00	15896.40
19	Narayanpet	0.00	0.00	0.00	259.35	1031.65	1291.00	3.39	5506.86
20	Nirmal	0.00	0.00	0.00	501.58	1427.97	1929.55	2.16	6545.25
21	Nizamabad	10.68	59.19	69.87	607.15	2010.10	2617.24	3.70	13826.96
22	Peddapalli	7.29	10.56	17.85	761.58	292.42	1054.00	0.00	5619.20
23	Rajanna Siricilla	0.00	0.00	0.00	343.91	538.24	882.16	24.64	5348.59
24	Ranga Reddy	22.20	9.89	32.08	668.75	1807.23	2475.98	0.00	15097.25
25	Sangareddy	0.00	23.95	23.95	1154.67	1627.04	2781.70	0.00	15024.24
26	Siddipet	625.88	4879.12	5504.99	142.02	1656.53	1798.55	0.00	9373.34
27	Suryapet	656.19	689.40	1345.59	1099.70	1265.30	2365.00	3.02	9701.74
28	Vikarabad	0.00	23.61	23.61	641.62	1441.74	2083.36	0.00	9899.25
29	Wanaparthy	0.00	0.00	0.00	191.39	757.99	949.38	0.00	4926.84
30	Warangal (R)	104.58	38.83	143.41	978.76	604.03	1582.79	0.00	7631.82
31	Warangal (U)	0.00	0.00	0.00	343.33	325.03	668.36	0.00	3426.93
32	Yadadri	167.09	0.39	167.48	819.95	522.22	1342.17	1.01	8026.24
Total		2261.90	7343.85	9605.75	18919.93	35897.25	54817.18	85.74	262665.22

ANNEXURE-VIII (A)

DISTRICT WISE INCOME OF MUNICIPAL CORPORATION FOR THE YEAR : 2019-20

(Rs. In lakhs)

Sl. No	Municipal Corporation	Tax Revenue (110)	Assigned Revenues and Compensation (120)	Rental Income from Municipal Properties (130)	Fees and User Charges (140)	Sale and Hire Charges (150)	Revenue Grants, Contribution and Subsidies (Road Maintenance grant/Election grant/Water Supply - Tap Donation (160)	Other Income (Investments/ Bank Interest/Others) (170+171+180)	Total Income
1	GHMC, Hyderabad	159753.30	42060.58	641.18	109209.92	54.94	248.67	2650.89	314619.48
2	GWMC, Warangal	1.00	651.06	756.34	68.47	8069.36	1.23	0.16	9547.63
3	Karimnagar	2002.54	761.68	17.68	2723.73	3.02	109.06	6357.33	11975.03
4	Khammam	2357.41	555.16	74.87	2689.21	0.00	6.00	368.89	6051.54
5	Boduppal	931.15	215.78	14.91	2476.18	11.25	34.95	32.53	3716.75
6	Jawaharnagar	406.12	0.00	2.40	72.09	0.00	0.00	5.09	485.70
7	Nizampet	2645.49	206.72	0.00	631.00	0.10	0.00	136.29	3619.59
8	Peerjadiguda	706.53	211.04	11.94	1006.46	0.38	31.34	0.26	1967.95
9	Nizamabad	2223.96	859.71	148.99	15336.97	0.08	44.72	35.66	18650.09
10	Peddapalli	1064.32	366.00	21.29	1119.80	4.35	36.30	8228.17	10840.23
11	Meerpet	508.56	59.62	0.00	666.34	0.40	0.00	91.30	1326.22
12	Bandlaguda Jagir	1347.31	249.82	2.08	818.04	0.17	106.86	0.00	2524.29
13	Bandangpet	819.44	344.31	0.17	1851.96	1.21	0.00	162.04	3179.12
Total		174767.12	46541.49	1691.85	138670.16	8145.25	619.13	18068.62	388503.62

ANNEXURE-VIII (B)

DISTRICT WISE EXPENDITURE OF MUNICIPAL CORPORATION FOR THE YEAR : 2019-20

(Rs. In lakhs)

Sl. No	Municipal Corporation	Establishment Expenses (210)	Administrative Expenses (220)	Operations and Maintenance (230)	Miscellaneous Expenses (240+250+271)	Developmental Works (410+412) (R&P)	Other Expenditure (Investments/Bank Interest/Others)	Total Expenditure
1	GHMC, Hyderabad	113431.22	8365.09	59754.50	9821.65	0.00	37843.29	229215.75
2	GWMC, Warangal	509.55	689.66	5383.04	187.75	439263.35	69.49	446102.84
3	Karimnagar	2413.80	2127.76	1564.59	271.32	2942.90	1338.71	10659.09
4	Khammam	1485.26	185.02	1852.06	24.17	306.78	2837.13	6690.42
5	Boduppal	490.44	35.98	904.59	0.05	128.70	0.00	1559.76
6	Jawaharnagar	139.11	31.65	153.26	1.00	44.94	0.00	369.96
7	Nizampet	671.22	31.45	953.83	0.67	60.48	0.00	1717.64
8	Peerjadiguda	428.28	28.30	1091.53	0.09	114.97	0.00	1663.17
9	Nizamabad	1566.44	134.68	2374.51	378.08	627.83	10461.18	15542.71
10	Peddapalli	750.14	289.87	918.06	316.95	4060.06	0.00	6335.08
11	Meerpet	284.33	151.88	580.96	43.30	893.33	0.00	1953.80
12	Bandlaguda Jagir	291.89	75.20	482.32	40.48	400.57	0.00	1290.47
13	Bandangpet	466.12	246.27	1039.35	77.54	12289.41	0.00	14118.69
Total		122927.80	12392.82	77052.61	11163.06	461133.31	52549.80	737219.39

ANNEXURE-IX (A)
DISTRICT WISE INCOME OF MUNICIPAL COUNCILS FOR THE YEAR 2019-20

(Rs. In lakhs)

Sl. No.	District	Tax Revenue (110)	Assigned Revenues and Compensation (120)	Rental Income from Municipal Properties (130)	Fees and User Charges (140)	Sale and Hire Charges (150)	Revenue Grants, Contribution and Subsidies (Road Maintenance grant/Election grant/Water Supply - Tap Donation (160))	Other Income (Investments/Bank Interest/Others) (170+171+180)	Total Income
1	Adilabad	457.44	22.87	84.52	465.93	0.05	0.00	98.40	1129.21
2	Bhadradi	959.14	76.91	43.25	1449.31	6.21	24.73	73.50	2633.05
3	J. Bhupalapally	522.59	8.13	3.00	123.54	0.19	31.86	0.75	690.07
4	J. Gadwal	365.95	38.82	160.11	330.87	0.09	40.00	18.74	954.58
5	Jagityal	1084.58	97.08	110.11	1224.68	2.85	64.70	149.41	2733.41
6	Jangaon	299.78	46.35	10.30	471.07	0.20	0.00	65.28	892.97
7	Kamareddy	563.18	114.14	40.77	490.99	0.00	1425.43	1847.57	4482.07
8	Karimnagar	456.44	30.43	81.98	404.14	1.82	29.05	3095.07	4098.93
9	Khammam	473.63	27.69	107.76	406.79	0.67	225.78	85.91	1328.23
10	Komaram bheem	121.72	1.50	11.91	89.57	0.00	0.00	15.44	240.13
11	Mahabubabad	344.40	62.00	116.46	523.75	2.18	46.62	85.80	1181.21
12	Mahabubnagar	2346.64	173.33	585.35	1560.27	0.10	320.84	251.40	5237.92
13	Mancherial	1315.36	122.54	127.68	1518.21	2.96	53.41	261.61	3401.76
14	Medak	455.61	72.08	79.95	320.33	5.62	50.00	90.81	1074.41
15	Medchal	6152.96	978.56	192.81	3784.13	350.33	2.09	353.38	11814.27
16	Nagarkurnool	484.57	50.44	126.87	798.61	0.15	31.09	4493.42	5985.14
17	Nalgonda	1726.73	311.59	76.24	1711.77	0.69	65.40	370.36	4262.79
18	Narayanpet	228.53	43.11	135.33	179.10	0.00	34.80	23.06	643.92
19	Nirmal	3609.12	59.16	20.24	524.05	0.00	93.24	419.47	4725.28
20	Nizamabad	761.20	44.48	58.30	561.86	0.89	0.00	5410.14	6836.87
21	Peddapalli	395.07	28.71	87.58	379.27	0.30	30.20	1606.26	2527.38
22	Rajanna siricilla	874.24	55.30	83.96	888.28	4.18	28.02	2867.47	4801.45
23	Ranga reddy	4985.61	4048.79	110.03	5624.44	1.63	1.59	2842.24	17614.34
24	Sangareddy	2835.01	1953.08	443.64	1553.32	46.01	50.10	234.33	7115.50
25	Siddipet	1105.52	112.49	123.37	1186.58	1.37	0.31	256.75	2786.38
26	Suryapet	1555.11	156.90	111.81	1557.11	15.36	8659.66	134.82	12190.77
27	Vikarabad	733.23	98.61	67.30	641.13	35.14	6.76	294.56	1876.74
28	Wanaparthy	390.31	80.48	168.70	588.34	0.50	0.73	49.54	1278.59
29	Warangal (R)	513.46	0.00	327.68	184.52	0.00	510.67	171.33	1707.66
30	Warangal (U)	141.94	4.86	62.60	105.12	0.74	0.00	9.60	324.86
31	Yadadri	919.05	266.43	133.31	568.93	0.33	788.21	214.37	2890.63
Total		37178.12	9186.88	3892.91	30215.99	480.54	12615.29	25890.80	119460.53

ANNEXURE-IX (B)
DISTRICT WISE EXPENDITURE OF MUNICIPAL COUNCILS FOR THE YEAR : 2019-20

(Rs. In lakhs)

Sl. No	District	Establishment Expenses (210)	Administrative Expenses (220)	Operations and Maintenance (230)	Miscellaneous Expenses (240+250+271)	Developmental Works (410+412) (R&P)	Other Expenditure (Investments/Bank Interest/Others)	Total Expenditure
1	Adilabad	639.49	68.77	449.86	99.02	14875.96	28.09	16161.20
2	Bhadradri	925.56	58.78	435.15	4211.46	567.37	84.14	6282.47
3	Hanumakonda	142.64	34.63	124.58	0.03	0.00	0.00	301.88
4	J. Bhupalapally	120.05	37.50	233.60	0.06	0.00	0.00	391.21
5	J. Gadwal	445.83	82.67	519.86	322.63	6132.82	23.88	7527.69
6	Jagityal	1128.35	242.19	1072.72	186.89	21597.63	0.00	24227.78
7	Jangaon	255.52	90.07	534.92	38.21	227.63	0.00	1146.33
8	Kamareddy	668.63	113.78	19.18	27.17	1255.17	1832.10	3916.04
9	Karimnagar	521.36	89.05	287.29	91.83	1175.04	1037.70	3202.26
10	Khammam	270.09	66.41	634.22	113.00	309.48	3.20	1396.39
11	Komaram bheem	269.87	15.55	138.74	21.15	0.00	0.00	445.32
12	Mahabubabad	465.61	180.76	600.37	1.21	77.49	66.87	1392.31
13	Mahabubnagar	1153.15	483.06	1572.06	2621.69	3793.85	5.12	9628.93
14	Mancherial	1152.11	164.65	745.82	192.49	16810.76	7886.40	26952.24
15	Medak	406.76	89.49	502.66	78.95	9250.71	965.37	11293.93
16	Medchal	2388.99	971.89	3131.42	61.41	1884.49	40.53	8478.73
17	Nagarkurnool	656.36	168.53	708.28	186.18	3564.27	3255.06	8538.68
18	Nalgonda	2087.40	246.30	1487.49	322.14	27303.00	0.01	31446.34
19	Narayanpet	263.31	17.96	204.29	242.76	5520.97	0.00	6249.29
20	Nirmal	602.08	49.66	429.67	23.78	248.10	572.84	1926.13
21	Nizamabad	695.44	135.32	467.79	42.07	6.18	3785.50	5132.29
22	Peddapalli	399.88	91.54	424.35	57.70	403.81	114.45	1491.73
23	Rajanna siricilla	681.57	168.14	1282.79	47.49	545.49	3552.45	6277.94
24	Ranga reddy	2776.26	585.51	3912.40	503.17	19705.04	152.08	27634.46
25	Sangareddy	1855.49	439.57	1943.15	247.53	0.00	0.00	4485.74
26	Siddipet	1149.43	288.60	1544.66	1444.52	0.00	1344.85	5772.07
27	Suryapet	1096.73	382.25	1421.28	452.18	5635.63	578.47	9566.55
28	Vikarabad	798.44	62.89	603.61	38.49	150.20	412.27	2065.91
29	Wanaparthi	575.99	133.03	304.53	77.49	63.27	0.34	1154.64
30	Warangal	612.52	217.91	72.77	114.83	279.17	285.85	1583.05
31	Yadadri	604.31	407.14	612.02	84.70	31.41	5.22	1744.80
Total		25809.19	6183.59	26421.55	11952.25	141414.95	26032.79	237814.31

ANNEXURE-X (A)
DISTRICT WISE INCOME OF AGRICULTURE MARKET COMMITTEE
FOR THE YEAR 2019-20

(Rs in Lakhs)

Sl. No.	District	Market Fee	License Fee	Property Rentals	Interest on Investment+Income from Misc.sources+Late Fees	Recoveries	Other Income	Total
1	Adilabad	1475.11	3.55	21.71	0.46	41.15	64.39	1606.38
2	Bhadradi Kothagudem	1168.27	0.05	44.22	3.04	45.51	3.23	1264.31
3	Hyderabad	3777.39	21.42	316.86	97.05	51.56	95.81	4360.09
4	J. Bhupalapally	80.85	5.85	0.00	0.00	0.00	27.02	113.71
5	J. Gadwal	484.10	2.16	19.45	0.06	8.84	1.38	515.97
6	Jagityal	1160.19	1.14	24.60	0.57	58.87	13.47	1258.83
7	Jangaon	883.80	0.33	3.15	15.27	4.54	7.74	914.82
8	Kamareddy	1290.62	0.34	5.19	3.23	214.09	24.34	1537.81
9	Karimnagar	1166.25	6.66	74.00	3.42	221.54	19.55	1491.43
10	Khammam	2677.18	6.90	67.06	1483.34	232.38	648.41	5115.27
11	Komaram bheem	537.50	0.02	10.50	0.00	4.65	0.48	553.16
12	Mahabubabad	904.84	0.00	25.05	0.91	66.75	0.50	998.05
13	Mahabubnagar	556.14	0.00	16.50	2.10	194.43	0.55	769.72
14	Mancherial	623.59	0.06	16.42	0.00	10.83	2.43	653.34
15	Medak	365.87	0.00	0.00	0.00	98.22	251.48	715.57
16	Medchal	426.79	0.13	7.51	0.00	0.06	5.16	439.64
17	Mulugu	354.73	0.08	7.48	0.57	9.53	1.73	374.12
18	Nagarkurnool	940.53	1.98	42.60	0.03	13.54	1.03	999.71
19	Nalgonda	2959.61	0.58	78.48	22.55	346.16	101.60	3508.98
20	Narayanpet	330.95	0.38	7.27	0.00	43.19	1.00	382.79
21	Nirmal	495.37	0.20	5.43	105.02	8.13	0.00	614.15
22	Nizamabad	1934.32	3.85	54.99	165.68	358.61	262.11	2779.57
23	Peddapalli	825.85	0.31	10.94	0.00	15.99	34.82	887.90
24	Rajanna siricilla	453.92	0.05	15.98	0.22	3.19	146.35	619.71
25	Ranga reddy	826.81	0.61	127.12	0.51	21.76	107.04	1083.84
26	Sangareddy	1380.59	1.83	56.81	20.33	7.63	3.86	1471.05
27	Siddipet	1693.05	2.63	104.81	11.80	282.60	711.53	2806.41
28	Suryapet	1070.36	0.74	18.60	14.91	347.92	901.08	2353.61
29	Vikarabad	469.37	5.24	61.90	3.03	20.67	68.13	628.35
30	Wanaparthi	279.70	0.32	31.99	82.01	235.64	0.00	629.67
31	Warangal (R)	3177.00	4.83	86.05	9.47	72.66	2.70	3352.71
32	Warangal (U)	318.44	0.00	3.11	2.49	21.62	0.00	345.66
33	Yadadri	591.41	0.05	21.26	136.16	67.88	23.03	839.78
Total		35680.51	72.28	1387.02	2184.23	3130.13	3531.94	45986.12

ANNEXURE-X (B)

DISTRICT WISE EXPENDITURE OF AGRICULTURAL MARKET COMMITTEE FOR THE YEAR 2019-20

(Rs In Lakhs)

Sl. No.	District	Pay and Allowances	Contingencies	Developmental works(spill over+new works+maintenance of Rythu Bazar)	CMF	Other Expenditure	Total Expenditure
1	Adilabad	185.36	362.52	263.88	134.94	578.91	1525.62
2	Bhadradi Kothagudem	163.53	218.08	101.99	105.97	1276.53	1866.10
3	Hyderabad	604.93	946.99	1260.45	144.04	1919.38	4875.79
4	J. Bhupalapally	12.97	38.72	0.00	0.00	0.00	51.68
5	J. Gadwal	100.92	125.62	69.30	165.41	67.40	528.65
6	Jagityal	149.33	294.61	126.60	52.50	822.48	1445.51
7	Jangaon	78.78	178.75	129.56	111.63	64.36	563.08
8	Kamareddy	171.32	351.49	120.87	131.83	175.32	950.84
9	Karimnagar	190.49	384.93	329.55	570.86	235.08	1710.91
10	Khammam	420.65	573.62	175.54	327.11	5005.63	6502.55
11	Komaram bheem	34.49	52.55	167.95	53.03	99.28	407.29
12	Mahabubabad	128.70	320.10	51.08	119.28	599.35	1218.51
13	Mahabubnagar	157.14	131.72	23.61	103.01	42.51	457.99
14	Mancherial	98.59	82.05	46.01	51.67	132.58	410.90
15	Medak	85.97	372.78	139.07	0.00	199.91	797.73
16	Medchal	35.08	32.26	22.85	84.09	4.77	179.05
17	Mulugu	39.65	48.41	108.73	31.16	26.60	254.54
18	Nagarkurnool	145.46	142.09	362.67	61.23	59.81	771.26
19	Nalgonda	413.61	523.38	250.32	315.83	628.54	2131.68
20	Narayanpet	62.42	82.57	101.12	45.41	62.63	354.16
21	Nirmal	61.37	107.26	60.32	20.15	1362.27	1611.37
22	Nizamabad	329.92	634.61	92.75	375.74	1172.36	2605.39
23	Peddapalli	73.71	167.48	49.01	40.85	218.48	549.52
24	Rajanna siricilla	35.55	203.88	174.53	10.64	34.30	458.89
25	Ranga reddy	195.95	251.21	68.14	111.41	120.95	747.67
26	Sangareddy	155.87	215.62	259.75	67.69	273.32	972.25
27	Siddipet	212.65	638.86	983.30	437.04	218.41	2490.26
28	Suryapet	253.21	295.73	182.47	185.15	1437.05	2353.61
29	Vikarabad	133.74	142.84	83.72	52.26	96.06	508.62
30	Wanaparthi	109.04	93.09	102.49	33.90	0.00	338.52
31	Warangal (R)	383.61	722.15	483.82	611.03	811.02	3011.63
32	Warangal (U)	32.49	107.68	60.74	34.14	26.78	261.84
33	Yadadri	191.51	188.27	115.97	21.46	89.15	606.35
Total		5448.01	9031.92	6568.17	4610.46	17861.20	43519.76

ANNEXURE-XI (A)

**DISTRICT WISE INCOME OF ZILLA GRANDHALAYA SAMSTHA/CGS
FOR THE YEAR 2019-20**

(Rs In Lakhs)

Sl. No.	District	Library Cess	Sale of Old News Papers	Salary & Pension Grant	Outsourcing Grant	Membership Deposits	Security Deposits	Others	Total
1	Adilabad	56.05	0.23	259.38	4.73	0.19	0.00	23.98	344.56
2	Bhadradi Kothagudem	38.71	0.00	44.20	9.67	0.15	0.00	5.69	98.42
3	Hyderabad	765.25	0.00	971.68	0.00	0.99	0.00	174.70	1912.61
4	J. Bhupalapally	0.46	0.04	21.35	12.66	0.00	0.00	1.57	36.08
5	J. Gadwal	28.37	0.00	88.38	6.57	0.00	0.00	0.35	123.68
6	Jagityal	53.43	0.08	21.37	7.19	0.11	0.00	0.00	82.18
7	Jangaon	6.28	0.00	110.33	3.25	0.15	0.00	4.70	124.70
8	Kamareddy	52.37	0.00	80.01	7.17	0.71	0.00	0.00	140.27
9	Karimnagar	380.31	0.00	237.20	0.00	0.24	4.55	7.13	629.43
10	Khammam	5.45	0.00	279.02	9.17	0.00	0.00	10.00	303.64
11	Komaram bheem	7.76	0.18	33.31	3.28	0.05	0.00	4.35	48.93
12	Mahabubabad	17.73	0.15	22.22	4.81	0.00	0.00	7.62	52.53
13	Mahabubnagar	116.19	0.21	279.32	23.97	0.09	0.00	3.90	423.69
14	Mancherial	42.21	0.03	61.57	8.05	0.26	10.43	17.81	140.36
15	Medak	33.21	0.74	46.14	10.48	0.15	0.00	0.02	90.74
16	Medchal	257.92	0.85	23.33	2.56	0.00	0.00	26.50	311.16
17	Nagarkurnool	29.72	0.09	77.25	2.67	0.06	0.00	2.76	112.54
18	Nalgonda	91.71	0.00	278.97	14.57	0.18	0.00	4.83	390.26
19	Nirmal	24.67	0.00	65.85	6.18	0.30	0.00	28.50	125.50
20	Nizamabad	136.97	0.81	325.28	16.38	0.18	0.00	0.37	479.98
21	Peddapalli	54.25	0.04	21.13	5.70	0.14	0.02	29.34	110.62
22	Rajanna siricilla	30.16	0.00	26.26	6.34	0.00	0.00	0.48	63.24
23	Ranga reddy	1688.46	0.90	91.71	0.00	0.08	0.00	0.00	1781.16
24	Sangareddy	208.07	1.33	183.47	8.85	0.23	0.00	45.47	447.43
25	Siddipet	60.09	0.37	49.43	6.33	0.32	0.00	6.94	123.48
26	Suryapet	89.04	0.00	0.00	18.89	0.00	0.23	45.50	153.67
27	Vikarabad	60.87	0.28	165.63	34.95	0.26	0.00	3.16	265.14
28	Wanaparthi	27.17	0.00	41.59	2.55	0.05	0.00	0.00	71.36
29	Warangal (R)	18.24	0.14	19.55	14.13	0.21	3.34	3.22	58.84
30	Warangal (U)	220.99	1.02	232.48	6.45	0.32	0.00	16.57	477.83
31	Yadadri	64.52	0.65	81.60	5.61	0.18	0.00	0.27	152.82
Total		4666.64	8.12	4238.99	263.17	5.61	18.58	475.73	9676.83

ANNEXURE-XI (B)

DISTRICT WISE EXPENDITURE OF ZILLA GRANDHALAYA SAMSTHA/CGS FOR THE YEAR 2019-20

(Rs in Lakhs)

Sl. No.	District	Establishment Expenditure	Contingencies	Purchase of Books	Repairs to buildings	Other Expenditure	Total Expenditure
1	Adilabad	287.82	16.79	0.00	0.07	37.39	342.07
2	Bhadradri Kothagudem	100.01	0.13	0.00	0.10	11.42	111.66
3	Hyderabad	1339.32	117.45	2.41	0.00	22.22	1481.40
4	J. Bhupalapally	12.45	0.00	0.28	0.00	48.60	61.32
5	J. Gadwal	51.56	21.15	1.20	0.00	1.88	75.80
6	Jagityal	46.73	12.57	0.09	7.70	0.33	67.43
7	Jangaon	91.57	34.60	0.00	1.44	3.47	131.08
8	Kamareddy	87.99	0.00	0.00	0.00	89.65	177.63
9	Karimnagar	258.67	19.53	0.44	0.00	313.21	591.86
10	Khammam	242.49	29.68	0.00	10.56	57.18	339.90
11	Komaram bheem	44.31	3.46	0.00	0.00	5.85	53.61
12	Mahabubabad	30.89	4.88	0.00	0.00	29.91	65.67
13	Mahabubnagar	282.82	1.19	8.00	0.00	56.63	348.63
14	Mancherial	87.51	0.58	0.98	0.42	55.83	145.32
15	Medak	57.00	22.94	7.66	25.00	0.00	112.60
16	Medchal	107.08	4.11	0.48	25.00	34.81	171.48
17	Nagarkurnool	80.86	14.98	0.00	0.00	4.77	100.60
18	Nalgonda	314.24	1.70	2.02	0.00	65.94	383.89
19	Nirmal	80.38	25.27	0.48	8.00	14.06	128.19
20	Nizamabad	340.08	48.57	1.02	41.10	1.87	432.64
21	Peddapalli	31.26	57.64	0.00	0.00	3.46	92.36
22	Rajanna siricilla	9.98	14.62	0.00	0.48	32.88	57.96
23	Ranga reddy	250.67	11.05	3.22	657.68	23.32	945.95
24	Sangareddy	271.04	51.00	1.04	0.00	0.99	324.07
25	Siddipet	73.43	20.34	0.58	0.00	6.87	101.22
26	Suryapet	55.42	0.97	0.53	0.00	50.84	107.76
27	Vikarabad	292.44	5.99	15.54	193.05	0.73	507.74
28	Wanaparthy	37.88	0.36	0.00	0.00	29.36	67.60
29	Warangal (R)	42.13	33.47	0.00	2.00	0.00	77.61
30	Warangal (U)	358.51	4.05	0.00	26.30	7.49	396.35
31	Yadadri	55.46	32.25	1.90	0.16	6.09	95.84
Total		5421.98	611.31	47.88	999.06	1017.01	8097.24

Annexure-XII

DISTRICT WISE AGRICULTURAL MARKET COMMITTEES AUDIT FEE FOR THE YEAR 2019-2020

(Amount in Rs.)

Sl. No.	District	No. of AMCs	Audit Fee Charged
1	Adilabad	5	695339
2	Bhadradi	6	361669
3	Hyderabad	4	2468197
4	J. Bhupalapally	1	56749
5	J. Gadwal	2	181618
6	Jagityal	13	362966
7	Jangaon	4	212386
8	Kamareddy	10	436451
9	Karimnagar	7	750941
10	Khammam	8	1023299
11	Komaram Bheem	3	152128
12	Mahabubabad	3	273520
13	Mahabubnagar	5	258347
14	Mancherial	5	178369
15	Medchal	1	47080
16	Medak	6	365067
17	Mulugu	1	108816
18	Nagarkurnool	4	310695
19	Nalgonda	10	741973
20	Narayanpet	3	159510
21	Nirmal	5	377559
22	Nizamabad	7	1092088
23	Peddapalli	8	248977
24	Rajanna Siricilla	8	327586
25	Ranga Reddy	8	1140890
26	Sangareddy	8	467494
27	Siddipet	14	714375
28	Suryapet	6	592894
29	Vikarabad	9	229014
30	Wanaparthy	4	122295
31	Warangal Rural	5	993428
32	Warangal Urban	1	777297
33	Yadadri	5	290891
Total		189	16519908

©
**DIRECTOR OF STATE AUDIT
T.S. HYDERABAD**

PUBLISHED BY THE DIRECTOR OF STATE AUDIT, TELANGANA, HYDERABAD AND
PRINTED AT
**MD SHAREEF OFFSET PRINTERS, # 11-5-472, REDHILLS,
HYDERABAD-500004, TELANGANA STATE
TELEPHONE No.040-66813484 / 66813485.**