

Overview

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Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) fall under Panchayat Raj and Rural Development (PR&RD) and Municipal Administration and Urban Development (MA&UD) departments respectively. The Audit Reports on Local Bodies have been presented to the State Legislature since March 2008. However, discussions have not taken place in the State Legislature. Explanatory notes were not received to any of the paragraphs and reviews included in the above Audit Reports.

This Report of the Comptroller and Auditor General of India (C&AG) on Government of Andhra Pradesh includes results of one Performance Audit, two detailed Compliance Audit paragraphs and six compliance audit paragraphs of PRIs and ULBs. These are as follows:

- Performance Audit on ‘Tirupati Municipal Corporation’
- Detailed Compliance Audit paragraphs on ‘Land management in Panchayat Raj Institutions’ and ‘Construction and maintenance of Internal roads in Urban Local Bodies’
- Compliance Audit Paragraphs

An overview of the significant audit observations is given below:

An overview of the functioning and financial reporting issues of Panchayat Raj Institutions

Director, State Audit noted that an amount of ₹19.09 crore was recoverable by District Vigilance Cell, however, an amount of ₹0.12 crore only was recovered (as of March 2017) leaving a balance of ₹18.97 crore.

(Paragraph 1.10.2 (ii))

Misappropriation cases (646) involving an amount of ₹seven crore noticed by Director, State Audit were pending clearance as of March 2017.

(Paragraph 1.13.3)

Performance audit on Tirupati Municipal Corporation

Introduction

Tirupati is a major pilgrim city located in Chittoor district of Andhra Pradesh. Tirupati Municipality was upgraded as Tirupati Municipal Corporation (TMC) in March 2007. TMC is spread over an area of 27.44 Sq.km. The population of TMC was 3.74 lakh as per 2011 Census. TMC is responsible for provision of civic amenities and infrastructure facilities in the Corporation area. Functioning of TMC is governed by Andhra Pradesh Municipal Corporation Act, 1994. Performance Audit of TMC in six selected areas (Property Tax, Building Permission Fee, Trade License Fee, Rents from shopping complexes, Drainage system and

Street lighting) was carried out covering the period 2012-13 to 2016-17. The overview of audit findings is given below:

- *Tirupati Municipal Corporation had no comprehensive database of all assessable properties. TMC has not done the Geographic Information System (GIS) mapping of the properties for effective realization of Property Tax (PT). Thus, there was scope for un-assessed properties.*

(Paragraph 4.5.1.1)

- *Delay in bringing the properties under PT net after completion of construction resulted in loss of revenue of ₹1.18 crore.*

(Paragraph 4.5.1.2)

- *TMC failed to remit Library Cess of ₹1.38 crore to Zilla Grandhalaya Samstha (ZGS) for the purpose of providing better library facilities to the public.*

(Paragraph 4.5.1.8)

- *TMC realized an amount of ₹21.04 crore towards Education Tax during the period 2012-17. However, the same was not remitted to Government account in violation of the Act provisions.*

(Paragraphs 4.5.1.9)

- *An amount of ₹2.27 crore towards Open Space Contribution was not collected by the TMC while according building permissions.*

(Paragraphs 4.8.1 (i))

- *Incomplete Storm Water Drainage Project resulted in unfruitful expenditure of ₹30.17 crore besides non-availment of GoI assistance of ₹13.47 crore.*

(Paragraph 4.9.3.1)

Compliance audit paragraphs

Land Management in Panchayat Raj Institutions

Compliance Audit of 'Land management in Panchayat Raj Institutions' was carried out in seven Zilla Praja Parishads, 35 Mandal Praja Parishads and 70 Gram Panchayats for the period 2014-17. The overview of audit findings is given below:

- *All the test-checked Zilla Praja Parishads and Mandal Praja Parishads did not maintain asset registers containing the details such as location of the land, survey number, actual extent of land, cost of the land, etc.*

(Paragraph 2.1.4.1)

- *Open space measuring 207.63 acres valuing ₹60.30 crore was not transferred to the concerned Gram Panchayats by the layout developers.*

(Paragraph 2.1.4.4 (i))

- *Zilla Praja Parishad, Guntur allowed utilization of its land by a private agency to operate toll plaza without claiming the rental charges resulting in loss of revenue of ₹1.50 crore as of March 2017.*

(Paragraph 2.1.5.1 (i))

Construction and maintenance of internal roads in Urban Local Bodies

Compliance Audit of Construction and maintenance of internal roads was carried out in 11 ULBs for the period 2014-17. The overview of audit findings is given below:

- *An amount of ₹8.02 crore was released under 14th Finance Commission grants towards 97 road works in test-checked ULBs. However, a meagre sum of ₹0.06 crore was only utilised.*

(Paragraph 5.1.4.3)

- *Expenditure of ₹38.15 lakh incurred on the construction of bridge connecting SC colony and burial ground became unfruitful due to non-construction of approach roads.*

(Paragraph 5.1.5.5)

- *Road cutting and restoration charges amounting to ₹94.61 lakh were not collected by Nandyal municipality from service provider for laying of optical fibre cable.*

(Paragraph 5.1.5.7)

Wasteful expenditure of ₹2.35 crore

Failure of Pulivendula Municipality to ensure source of continuous water supply to the swimming pool resulted in wasteful expenditure of ₹2.35 crore.

(Paragraph 5.2)

Infructuous expenditure of ₹29.91 crore

Failure of the department to ensure adoption of approved designs by the contractor resulted in infructuous expenditure of ₹29.91 crore.

(Paragraph 5.5)

Unfruitful expenditure of ₹1.97 crore

Failure of Pulivendula municipality to install water meters in households resulted in unfruitful expenditure of ₹1.97 crore. The objective of minimizing wastage and economic pricing of water was not achieved.

(Paragraph 5.6)

