

Technical Guidance and Supervision (TGS) Note for the year 2018-19

1 *Introductory :*

Erstwhile Government of Andhra Pradesh has entrusted CAG of India with the responsibility of providing Technical Guidance and Supervision (TGS) over the audit of Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) vide G. O. Ms. No.613, Finance & Planning (Admn-II) Department, dated 24-8-2004 under Section 20 (1) of the CAG's (DPC) Act, 1971. Accordingly, the following TGS has been provided to the State Audit Department for the year 2018-19

2 *Audit Reports :*

Report of the Comptroller and Auditor General of India on Local Bodies for the year ended March 2018 pertaining to the State of Telangana is under process.

3 *Audit of Panchayat Raj Institutions (PRIs) :*

During the year 2018-19, audit of 3 *ZillaParishads (ZPs)* (Adilabad, Karimnagar, Warangal), 9 *MPDOs* and 23 *Gram Panchayats* were conducted and the Inspection Reports (IRs) were forwarded to the audited entitees along with a copy to the concerned higher authority as part of TGS. Some of the important observations pointed out in these IRs are mentioned below :-

3.1 *ZillaParishads (ZPs)*

Some significant observations noticed during the course of audit of the ZPs are given below:

ZillaPrajaParishad – Adilabad

- **Non –adjustment of interest component of Rs. 62.68 crore on ZPPF savings from Government:** The ZillaPrajaParishad (ZPP) which is entrusted with accountal and maintenance of Provident Fund balance of all the employees working under the Control of ZPP is required to pay interest on balances of Provident Fund contributions made by the employees which has to be released by the Govt. subsequently. However, an amount of Rs. 62.68 Crore was pending receipt from Government for the period from 2015-16 to 2017-18
- **Non-receipt of Booster amount from Govt. Rs.13.90 lakhs and non-payment to deceased employees family:** As part of Social Security measure, Government issued orders for payment of Booster amounts to the family of deceased Government servants and P.R.employees subject to fulfilment of certain conditions under GPF rules. However, the same is not being paid to the family of the deceased employees due to non-receipt of Booster amount from the Govt.
- **Non-transfer of unspent balances of earmarked funds to the respective SC, ST corporations amounting to Rs. 95.86 lakhs (SC) and Rs.13.98 lakhs (ST):** 15% &6% of ZP funds have to be earmarked for the welfare activities of SC, ST in the district. Out of the earmarked funds of SC and ST, 1/3rd of the amounts have to be transferred to the respective SC & ST Cooperative Finance Corporations Limited, at the beginning of the financial year. After incurring expenditure towards welfare activities of SC/ST, the unspent balances, if any, have to be transferred to the respective finance corporations at the end of September of the succeeding financial year. However, the unspent balances of earmarked funds were not transferred to the respective corporations.
- **Non-transfer of unspent balances of earmarked funds to the Women &Child**

Welfare Corporations amounting Rs..82.41 lakhs: 15% of earmarked funds allocated from Z.P. General funds have to be expended for the Women & Child Welfare activities in the district. If any balances remained unspent at the end of the year the same have to be transferred to the A.P. Women's Co-operative Finance Corporation for the purposes of establishment and running the Telugu BalaMahilaPragathiProgramme. After incurring expenditure towards welfare activities of Women and Child Welfare, the unspent balances, if any, have to be transferred to the respective finance corporations at the end of September of the succeeding financial year. However, ZPP has not transferred the unspent balances to the Women and Child Welfare Finance Corporation

- **Non – receipt of 35% of net proceeds of municipal market receipts by ZPP:** Municipalities in the District have to apportion 35% of the net proceeds of all the Municipal markets to ZillaPrajaParishad every financial year. However, no proceeds were received from Municipal Authorities
- **Non-obtaining of utilization certificates of Rs.8.54 crore in respect of grants received on behalf of other departments:** As per devolution of powers to PRIs, the Z.P. was receiving grants on behalf of Agriculture, Animal Husbandry and Fisheries Departments from the Government and inturn the Z.P. was releasing to the concerned Department as per their proposals. However, Z.P had not obtained the utilization certificates from the concerned departments (Fisheries & Animal Husbandry) for the expenditure incurred during the years 2015-16 and 2016-17.
- **Short receipt of Per Capita grant Rs. 7.90 crore:** The State Government has to release Per Capita grant calculated @ Rs.4/- per person every year to ZillaPrajaParishads (ZPP), Mandal PrajaParishads (MPP) and Gram Panchayats (GP) equal to a sum calculated at the rate of Rupees four, eight and four respectively per person residing in the ZPP, MPP and GP concerned in the State according to the latest census figures. The Per Capita grant which formed part of the General Fund of ZPP was to be utilized for various developmental activities viz., up-gradation, maintenance and restoration of existing assets, improvement of drinking water facilities etc. However, the per capita grant to the extent of Rs.7.90 Crore, was short received by the ZPP during the period from 2006-07 to 2017-18

ZillaPrajaParishad – Karimnagar

- Tardy financial progress in utilization of Fisheries Department grant – Rs. 83,18,121
- Non-reimbursement of expenditure under Booster scheme – Rs 48,20,302
- Non-recovery of rents from shopping complex Rs.8.82 Lakhs
- **Non-transfer of funds to the sports authorities – Rs. 61,89,028:** ZPP shall allocate 3% of revenue derived from quarrying of sand, for sports activities and distribute the same among the Panchayat, Mandal and District level sports authorities in the ratio of 37.5:37.5:25 respectively.
- Non-transfer of unspent balances of earmarked funds of SC, ST & Women Development and Child Welfare to the respective Corporations
- Short release of per Capita grant Rs.1.94 crore
- Non-release of interest on PF subscription by Government –Rs 150.53 crore

ZillaPrajaParishad – Warangal

- Short receipt of Per Capita Grant Rs 4.86 crore
- Non-receipt of Booster amount of Rs.95.38 crores from Govt. and Non- payment to

family of deceased employees

- Non-adjustment of interest component of Rs.44.79 crore on ZPPF Savings from Government and non receipt of GPF subscriptions of Rs.2.52 crores.
- **Non-contribution of Rs.5.00 lakh from the ZPP General Fund towards Family Welfare Programmes in the District – Non adherence of Government orders:**ZillaPrajaParishads shall contribute Rs.5.00 lakh every year from the ZillaPrajaParishad General Fund towards Family Welfare Programmes in the district by releasing the amount to the DM&HO of the District concerned and obtain Utilisation Certificates However, the same was not released by the ZPP.

3.2 **MPDOs**

Some significant observations noticed during the course of audit of the MPDOs are given below:

MPDO Jainath

- Non utilization of earmarked funds of SC, ST & Woman & Child welfare by Mandal Parishad
- **Non- lapsing of Earnest Money Deposits (EMDs) – Rs.0.91 lakh:** The deductions made towards Earnest Money Deposits from the works bills should be kept with the Department upto the expiry of defect liability period and thereafter it had to be returned to the concerned contractors. If the deposits so made were not claimed by/paid to the persons concerned for more than 3 financial years after the due date, these should be lapsed to Government account. However, it was noticed that the unclaimed deposits which were pending for more than 3 years were not lapsed to Government account.
- Short receipt of Per Capita grant Rs.32.20 lakhs
- Observations on 13th FC scheme funds.

Non preparation of action plans: As per the 13th F.C guidelines, action plans were to be prepared and approval of the CEO/ZP had to be obtained, for incurring expenditure as per the bench marks. However, no action Plans were prepared for 13th Finance Commission Grants. Non – Submission of Utilization Certificates for Rs. 82.91 lakh.

MPDO Hasanaparthi

- Short receipt of Per Capita Grant Rs 18.36 lakhs
- Non- remittance of statutory deductions Rs.6.04 lakh
- Social Security Pensions- Aasara Pension
 - Undisbursed amount of pensions Rs. 1,29,070/-
 - **Improper maintenance of Cash Book:**Receipts of pension amounts were not written on the Receipt side,undisbursed pensions were not taken into account,Opening & Closing balances were not mentioned in any of the Cash book,Monthly closings and reconciliation was not done by the DDO.
- Allocation of earmarked funds to the schemes benefitting SC/ST and Women and Child Welfare.

MPDO Thimmapur

- Non-utilisation of Earmarked funds of SC, ST & Woman & Child welfare
- Non-utilisation of grants and non-surrender of unspent balances
- BRGF grant – non-refund of unspent balance - Rs 4,77,072

- Panchayat YuvaKridaAur Khel Abhiyan - Non-utilisation of funds – Rs 23,952

MPDO Hanumakonda

- Non Utilization of Earmarked funds by Mandal Parishad and Non Surrender of Un-utilised amounts under SC, ST Women and Child Welfare to concerned Departments.
- Non- remittance of Statutory Deductions made from work bills to the respective Departments – Rs.1.41 Lakh
- Short receipt of Per Capita Grant -Rs.5.55 lakh

MPDO Utnoor

- **Non Receipt of Seigniorage Grant:**The Seigniorage Fee collected by the Mines and Geology Department for the materials quarried from the jurisdiction of the Gram panchayat should be apportioned at the rate of 25%, 50% and 25% to ZillaParishad, Mandal Parishads and Gram panchayats respectively during the subsequent year as Seigniorage Grant. However, for the period from 2014-15 to 2017-18, it was observed that the Mandal Parishad did not receive any Seigniorage Grant.
- Short receipt of per capita grant – Rs. 10.77 lakhs

MPDO Mankondur

- BRGF grant – non-refund of unspent balance - Rs 5,74,083
- Non-utilisation of earmarked funds of SC, ST & Woman & Child welfare
- Panchayat YuvaKridaAur Khel Abhiyan (PYKKA) non-utilisation of funds Rs 7,38,784/-
- Tardy progress in Individual Household Latrines (IHHLs) under SBM

3.3 Gram Panchayats

Common observations noticed during audit of GPs are given below

- ***Non preparation of Village Development Plans (VDP):*** Functional and beneficiary committees are to be constituted and prepare the plans as stipulated in G.O. Though functional committees were formed, interest of the stake holders were not considered, no exercise was made by FCs for identifying the gaps, prioritizing the works. Works were executed by taking unilateral decisions.
- ***Budget - Non-preparation and non-approval of budget is indicative of financial indiscipline and lack of control over expenditure. It reflects failure of Internal Control mechanism.*** In some Gram Panchayats there was abnormal delay in submission of Budget to the DLPO and in some GPs preparation of un-realistic Budget Estimates was noticed. Due dates of submission were not adhered to. Budget was finalized without legitimate proposals.
 - ***Necessary training may be imparted to Officials in respect of preparation and submission of Budget.***

- ***Maintenance of Registers*** - Non maintenance of important registers such as Building Permission Register, Assessment Register, Revision Register, Demand, Collection and Balance (DCB) Register, Stock registers was noticed in many Gram Panchayats
- Non/Short assessment of House Tax
- Non collection of installation charges and license fee from Cellular companies
- Non receipt of Entertainment tax from Commercial Tax department
- Allocation of expenditure in certain sectors and expenditure management and its effectiveness
- Non recovery/remittance of Statutory deductions from Work bills
- Non furnishing of Utilization Certificates and Non utilization of 13 FC, SFC, BRGF grants
- Non maintenance of accounts in PRIA Soft
- Improper maintenance of Cash Book, Money Value Register and other subsidiary registers
- Non remittance of Library cess to ZillaGrandhalayaSamstha
- Non conduct of Annual Physical verification of Stores and stock

4 Audit of Urban Local Bodies (ULBs) :

During the year 2018-19, audit of 02 Municipal Corporation – Khammam, Nizamabad;22 Municipalities were conducted.

4.1 Municipal Corporation

An analysis of Receipts and Expenditure transactions of **Khammam and Nizamabad** Municipal Corporation were made and commented in the Inspection Report. Important and significant observations noticed during the course of audit are given below:

Khammam Municipal Corporation

- Loss of revenue due to installation of unauthorized cell towers and non collection of annual license fee Rs.1.60 crore
- Short/Non levy of Environment Impact Fee -Rs..19.84 lakh: As per G.O.Ms.No.34, Industries and Commence (Mines.I) Department, 17 June 2015, the Government decided to levy Environmental Impact Fee at Rs. 3/- per sft on buildings with an area of more than 10000 sft as an additional charge and responsibility of levy and collection lies with the authority competent to approve the building plans. However, for the period from April 2015 to March 2018, there was short collection and non collection of Environment impact fee in certain cases.
- Huge arrears in respect of Property Tax - Rs.4.08 crore
- Non-revision of Property Tax rates - As per Municipal Corporation Act, it was mandatory on the part of every ULB to revise the property tax once every five years. However, Property Tax was not revised since 2002 on residential properties and from 2007 in respect of non-residential properties.
- Non implementation of orders for enhancement of water tariff resulting in loss of revenue to the extent of Rs.4.44 crore

Nizamabad Municipal Corporation

- Avoidable payment of penalty on electricity consumption charges- Rs.1.86 crore,
- Non collection of property tax– Rs. 14.32 crore
- Short/non- realisation of property tax by Industrial Area Local Authority (IALA)
- Short receipt of Entertainment Tax-Rs. 27,30,749/-
- Poor collection of Trade License Fee
- Non- collection of water supply charges– Rs.6.15 crore
- Pending collection of rents from shops– Rs. 597.50 lakhs
- Short collection of rental revenue due to non-implementation and collection of enhanced daily rentals –Rs. 1,15,000/-

4.2 Municipalities

Important and significant observations noticed during the course of audit of the Municipalities are given below:-

Leeja Municipality

- Misappropriation of Rs.1,08,168/- pertaining to tax collections.
- Short collection of dues from bidders

- Lapsing of funds in Municipal General Fund PD-1 account to the extent of Rs. 1,86,48,188/-
- Non construction of water harvesting pits
- Poor utilization of additional funds released towards developmental works to the newly constituted Municipalities/Nagarpanchayats–Rs.2,00,00,000
- **Non-implimentation of Solid Waste Management Rules:** The rules envisage collection, segregation, storage, transportation, processing and disposal of municipal solid waste. Department of Municipal Administration and Urban Development instructed all the Municipalities to prepare Action Plans and get them approved by Commissioner & Director of Municipal Administration(CDMA) for specific operations like systematic segregation at source, collection and transportation from source to collection points, transportation from collection points to transfer stations and safe disposal. The MSW rules are to be implemented by every municipal authority within its territorial limits.

Narayanapet Municipality

- **Interest on belated payment of EPF Contributions – Rs. 35,30,897:** Employees' Provident Fund Organisation, , has ordered the Municipality to pay an amount of Rs 11,56,806 being interest on account of delay in remittances made by the Municipality for the period from 03/2012 to 12/2014.
- Non-collection of annual rents from cell tower operators
- Non-utilisation of SFC grants

Kamareddy Municipality

- Non-utilization of amounts collected towards rain water harvesting structures (RWHS) - Rs.37.05 lakh
- Arrears in collection of Property Tax from the State Govt. Depts./Undertakings and Central Government Departments Rs.210.02 lakh
- Diversion of Funds from LRS Account to payments towards salaries of contract workers/staff : Rs 43.51 lakhs
- Non-collection of Annual license fee from cell tower companies
- Non-fixation of water meters to House Service Connections and Arrears in collection of Water Tax from Private properties Rs.164.15 lakh.
- Arrears in payment of electricity bills relating to HT connections - Rs 4.73crore

Dubbaka Municipality

- Non-payment of electricity consumption charges Rs. 10.19 crore.
- Non collection of Vacant Land Tax
- Non-levy of Advertisement Tax on cinema halls and cable operators.
- **Non-remittance of Statutory recoveries to concerned Departments Rs. 58.31 lakh:** Statutory deductions of the Income Tax, GST, Labourcess, Seignorage charges should be remitted to the concerned department.
- Non receipt of Per Capita Grant-Rs.8.80 lakh

Palvancha Municipality

- **Non-levy of penalty on property tax: Prescribed penalty has to be imposed on the property tax of a building which was constructed unauthorizedly.** However, no penalty was imposed on property tax of unauthorized constructions/floors and on deviations of constructions from approved plans.
- **Non-revision of property tax:** It is mandatory on the part of every ULB to revise the property tax once every five years. Property Tax was not revised since 2007 on residential properties.
- Non-collection of vacant land tax to the tune of Rs.23.45 lakhs per annum
- **Non-levy of penalty on rents from shopping complex:** Municipality had not levied and collected penalty from the occupants of shops for the belated payments of rents which was in violation of conditions of the lease agreement.
- Delay in execution of works and non-levy of liquidated damages

Sircilla Municipality

- Non-fixation of water meters to House Service Connections and arrears in collection of water tax from private properties Rs.88.25 lakh
- Non-utilization of amount collected towards Rain Water Harvesting Structures (RWHS) Rs. 25.76 lakh.
- Infructuous expenditure on construction of Intermediate Pumping Station at Kodurupaka village for maintenance Water Supply in Sircilla Municipality- Rs 2.30 crore
- Layout regularisation scheme (LRS) – non processing of applications & parking of funds in fixed deposits Rs. 1.00 crore
- Non-collection of Annual License Fee from cell towers Rs 6.76 lakhs
- Social security pensions-Aasarpensions: non-remittance of undisbursed amount Rs. 15,76,044/-
- Lapsing of funds in PD Account pertaining to General Funds and Developmental Works Rs 26.03 lakhs

Metpally Municipality

- Poor collection of water tax – Rs.134.78 lakh
- Non construction of Rain Water Harvesting pits
- Short levy of House Tax of Rs.1.20 lakh
- Non- assessment of Vacant Land Tax on vacant lands resulted in loss of revenue to the tune of Rs.18.60 lakhs
- **Non-adherence of provision of earmarked funds:** Municipal Administration and Urban Development Department, instructed all the Urban Local Bodies to allocate compulsorily at least 40 percent of the net funds available to slum areas for providing water and drainage facilities on priority basis besides earmarking compulsory expenditure of 15 per cent of all the budgeted expenditure for welfare of SCs (Special Component Plan) and 7.5 per cent expenditure for the welfare of STs (Tribal Sub Plan) and in addition to 5 per cent reservation of funds for the welfare of women and children. The municipality had not apportioned the amounts to the above categories contrary to the provisions of G.O

- Non-utilization of funds under 14th finance commission grants – Rs.5.19 lakh

Medak Municipality

- Non collection of monthly rents from the lessees of municipal shopping complexes to the tune of Rs.10.80 lakh
- Short-utilization of funds collected towards implementation of Rain Water harvesting scheme – Rs.7.12 lakh
- Non-Collection of Installation charges and Annual Licence charges from Cell Tower Operators
- Non-Receipt of Per Capita Grant amounting to Rs. 28.23 Lakh

Bellampally Municipality

- SFC-tripartite agreement for supply & installation of LED street lights-non-accrual of benefits of installation of LED lights
- Short assessment of Property Tax in respect of Buildings under Building Penalisation Scheme (BPS) – Loss of revenue – Rs.1.14 lakh
- Arrears in collection of Property Tax on Government properties Rs.61.50 lakh
- Non-levy of Advertisement tax on Cable Operators and Cinema Halls
- Non construction of Rain Water Harvesting Pits (RWHP)
- Non-implementation of Solid Waste Management Rules.
- **Non-Collection of Bulk Garbage Charges and User Charges for collection of Municipal Solid Waste:** As per the Guidelines of “Total Sanitation Programme”, Municipal bodies, are required to collect Bulk Garbage charges from the eatery establishments, hospitals, diagnostic centres, clinics, theatres, function halls, lodges, shopping complexes etc., as these establishments generate garbage in bulk. The bulk garbage charges are to be collected as per the bed strength in respect of the hospitals and nursing homes and at flat rate as assessed by the Municipal body in respect of cinema halls and other places of entertainment.

Zaheerabad Municipality

- Unspent balance of BRGF grant
- Non-collection of installation charges from cell tower operators

Bhainsa Municipality

- Non-collection of property tax from TS Transco - Rs.60.50 lakh
- **Non-initiation of Building Regularisation Scheme (BRS) process:** With a view to regularise the unauthorised constructions/ deviations in urban local bodies in the State as a onetime measure, the Government of Telangana had announced the ‘Building Regularisation Scheme (BRS) in November 2015. The Government had issued directions to all local bodies to vet the BRS applications and submit the list of buildings which are fit for regularisation and demolition by conducting ground level inspections. The charges are levied for the total violated built up area on all floors and shall be collected based on the land value prevailing as on 28.10.2015. Municipality had not taken up any ground level inspections of the buildings for regularization

- Delay in auction of shopping complex – loss of revenue Rs.19.31 lakh and defective lease deed clauses
- Non-collection of arrears of Property Tax from top 100 defaulters – Rs.87.92 lakh.
- Non-assessment of Vacant Land Tax on vacant lands - Rs.41.23 lakh

Korutla Municipality

- Non assessment of VLT on vacant lands resulted in loss of revenue to the tune of Rs. 54.58 lakhs.
- Non- construction of Rain Water Harvesting pits.
- Arrears in collection of Property Tax from the State Govt. Depts/ Undertakings Rs.13.91 lakh.
- Short levy of House Tax and penalty on unauthorised construction -Rs. 3.96 lakh
- Short/Non- collection of installation charges from Cell Tower Agencies – Rs.4.20 lakh
- Observation on 13th Finance Commission Grants
 - Delay in preparation of Annual Development Plan
 - Non-submission of Utilization Certificates for Rs 29.39 lakh
 - Non-receipt of Grants during 2012-13, 2013-14
 - Non-remittance of statutory deductions Rs.6.69 lakh
- Observations on 14th Finance Commission Grants
 - Delay in receipt of funds from Government of Telangana to Municipality
 - Non-utilisation of 14th Finance Commission grants – Rs.5.00 crore
 - Non-execution of works inspite of approval of works in the ADP

Jammikunta Municipality

- Non-utilization of funds received under LRS scheme
- Non-levy of penalty on Property Tax: As per G.O. of Municipal Administration and Urban Development Department, Govt of Telangana, penalty has to be imposed on the property tax of a building which was constructed unauthorizedly. However, no penalty was imposed on property tax of unauthorized constructions/floors and on deviations on constructions from approved plans.
- Non-levy and collection of Vacant Land Tax on vacant lands
- Non-construction of Rain Water Harvesting pits
- Observations on 14th Finance Commission Grants
 - Non-levy of liquidated damages Rs.1,45,545/-.
 - Non-obtaining of insurance
 - Non conducting of Quality Control Tests:
 - Excess payment of Labour Cess for Rs. 0.10 lakh

Yellandu Municipality

- **Non-closure of bank accounts:**In Lr.Roc No. 3211/2018/B3, 08.02.2018 of Director of Municipal Administration addressed to all the ULBs in the State, it was stated that Municipal Commissioners of all ULBs in the State (except GHMC) are directed to maintain only three PD Accounts i.e 8448-102-03-001, 8448-102-03-002 and 8448-102-03-003 as per rules in force and close all other Bank Accounts except ICICI Bank and HDFC Bank Account which are opened under DPMS and Swatch Bharath Account immediately and transfer the closed Bank Account amount into 8448-102-03-001 Account positively and report compliance. If there is no compliance within (10) days necessary disciplinary action would be initiated against the Municipal Commissioners concerned.However, 3 PD accounts and 17 bank Accounts were maintained by the Municipality.
- Non-implementation of orders on collection of Property Tax on unauthorized buildings
- Non-Collection of tax on installation charges, annual license fee and regularization fee rent from Cell tower owners
- Inordinate delay in completion of work and non-levy of liquidated damages, excess payment to contractor and non-recovery of DMF charges
- Non-payment of Current Bills/CC charges dues – Rs.3,44,73,170
- Non –receipt of Per Capita grant of Rs. 19,63,136

Kollapur Municipality

- Non adherence to the provisions of GO.Ms.No..56 in fixation of upset price for lease of immovable properties –non collection of rent
- Lapsing of municipal general fund Rs. 1,47,08,379
- Non-utilisation of amounts towards rain water harvesting structures (RWHS)
- Non-payment of electricity bills/cc charges – Rs.6,71,61,033.39
- Non implementation of solid waste management rules
- Non submission of utilisation certificates

Kalwakurthy Municipality

- Non-levy of penalty on Property Tax
- Non-collection of Vacant Land Tax
- Observations on 13th FC grants
 - Non utilization of funds received.
 - Non-submission of Utilisation Certificates for Rs.5.12 lakhs
 - Non maintenance of Separate Cash Book for SFC grants
- Non-receipt of Per Capita grant of Rs.11.24 lakh

Manuguru Municipality

- Non-implementation of orders on collection of Property Tax on unauthorized buildings
- Non-Collection of Installation & Annual License Fee from Cell Towers
- Non collection of Annual Rental Fee from Liquor shops
- Non-closure of bank accounts despite clear instructions from the CDMA

Parakala Municipality

- Non construction of Rain Water Harvesting Pits
- Non-levy of penalty on Property Tax
- Non-Collection of tax of installation charges, annual license fee and regularization fee from Cell towers
- Lapsing of funds in PD Account pertaining to Constituency Development Programme
- Execution of works
 - Concluding agreement beyond bid validity period and variation in time of completion
 - Delay in finalization of tenders and concluding agreement after bid validity period
 - Non-recovery of liquidated damages and improper agreement
 - Inordinate delay in execution of work and invalid agreement
 - Short collection of EMD, recovery of LDs of Rs.12,64,590 and excess payment to contractor
- Non-collection of bulk garbage charges and lack of arrangements for dumping the garbage

Kagaznagar Municipality

- Non-revision of Property Tax
- Non-realization of Trade License Fee in respect of commercial establishments: Rs. 0.48 lakh
- Depositing of Municipality revenues into bank accounts instead of remitting into PD A/c
- Lack of action on the audit reports of State Audit Department

Husnabad Municipality

- Arrears in collection of Property Tax from the State Government Departments/ Undertakings - Rs.10.44 lakh
- Layout Regularisation Scheme (LRS) – non-processing of applications and diversion of scheme funds to EPF payments Rs.12.68 lakhs.
- Non-provision of basic facilities to ANGADI

Audit Officer/LBAP-III

Annexure

Implementation of Audit Plan by the State Audit Department, Telangana State for the year 2018-19

Description	Total No. of Units in Existence	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Total units due for audit (Arrears + current)	Units planned (Arrears + current)	Units Audited (Arrears + current)	Total units due for audit (Arrears + current)	Units planned (Arrears + current)	Units Audited (Arrears + current)	Total units due for audit (Arrears + current)	Units planned (Arrears + current)	Units Audited (Arrears + current)	Total units due for audit (Arrears + current)	Units planned (Arrears + current)	Units Audited (Arrears + current)
PRIs													
ZillaParishads	9	10	1	1	10	10	1	10	10	4	10	10	7
Mandal Parishads	447	452	87	30	452	452	312	449	449	402	437	437	417
Gram Panchayats	8682	9176	1117	913	9176	9176	6851	9060	9060	8014	8847	8847	8265
Total	9138	9638	1205	944	9638	9638	7164	9519	9519	8420	9294	9294	8689
ULBs													
Municipal Corporations	6	6	0	0	6	7	0	7	7	0	6	7	1
Municipalities	42	48	0	4	48	48	6	48	48	11	46	46	29
Nagara Panchayats	25	26	4	3	26	24	4	24	24	10	24	24	20
Total	73	80	4	7	80	79	10	79	79	21	77	77	50