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Ph.: 2448769

Office of the Village Panchayat

Santa-Cruz, Tiswadi-Goa.

Pin Code. 403 005

Ref. No. VP SC 316 / 2015 - 19

Date 21/05/2018

To,

The Block Development Officer,
BDO, Tiswadi-Goa.

SUB: Audit report on the accounts of the Village Panchayat of St. Cruz in Tiswadi Block, for the year 2016-17.

Sir,

This has a reference to the letter dated 15/03/2018 bearing no.DA/Control/31-5(II)/2017-18/433 received from the Directorate of Accounts, Panaji on the above subject along with the Audit report , in this connection it is informed that said Audit Report was discussed in the fortnightly meeting of V.P. St. Cruz held on 16/04/2018 And meeting vide resolution no.6(3) dated 16/04/2018 has unanimously resolved to comply with the observations raised by the Auditors after verification of Panchayat records.

Further, it is informed that as per the said Audit report there are total 77outstanding paras that have remained unsettled from 1978-79 to 2016-17. Since year 1978-79 till 1999-2000, there are total 40 outstanding paras and since 2000-01 till 2015-16 there are total 37 outstanding paras. The copy of the said outstanding paras is enclosed for your kind perusal.

It is informed that panchayat records were searched through V.P. staff in order to comply with the outstanding paras as above. However, it is informed that Audit records pertaining to year 1978-79 till 2004-05 are not traceable in the panchayats records and as such it has become difficult to comply with the outstanding paras.

Most of the said outstanding Audit paras are in connection with the purchase of electrical goods, Stationary, excess expenditure over prescribed limit, Purchase without quotations etc.

In this connection, you are kindly requested to advice this Panchayat as to how to comply with the said outstanding Audit paras.

This is for your kind information and necessary needful.

Yours faithfully,

(Mariano De Araujo)
Sarpanch

E-PANCHAYAT



VILLAGE PANCHAYAT OF
SANTA - CRUZ

Inward No 3553
Date 29/3/2018

Government of Goa
Directorate of Accounts
Fazenda Building, Behind Old Secretariat, Panaji, Goa

Date of Audit	Tiswadi
Inspected On	19/3/15
Date of Audit	19/3/2016
Section	(A) (M.P.)
B.D.O	(Signature)
Head Clerk	

No.DA/Control/31-5(H)/2017-18/Lt 33

Dated: 10/03/2018

To,
The Director of Panchayats,
Government of Goa,
Panaji-Goa.

6C3
TOTAL 18

Sub: Audit Report on the accounts of the Village Panchayat of
"St. Cruz" in Tiswadi- Block, for the year 2016-2017.

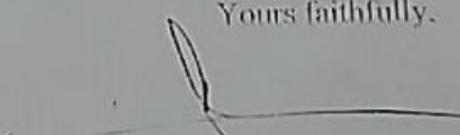
Sir,

A copy of the Audit Report on the accounts of the above Village Panchayat for the year 2016-2017 is enclosed herewith for information and necessary action at your end.

A copy of the said report is also sent to the said Panchayat through their respective Block Development Officer, for the needful.

Despite recording the observations during the last inspection report, compliance to the previous audit observations has been neglected.. Rigorous efforts should be made to comply with the audit observations and compliance report should be submitted to audit without further delay.

Yours faithfully,


Dy. Director of Accounts/Insp.Cell.

Copy to:-

1. The Chief Executive Officer, North Goa Zilla Panchayats, Panaji.
2. The Block Development Officer, Tiswadi. Copy of the Audit Report of Village Panchayat mentioned above is sent herewith, in duplicate, with a request to send one copy of the report to the concerned Village Panchayat, for due compliance.
3. DDA/Inspection (HQs).

ANNUAL AUDIT REPORT ON ACCOUNTS OF THE VILLAGE
PANCHAYAT " ST. CRUZ " IN TISWADI
BLOCK FOR THE YEAR 2016-2017

PART-I

A. Name of the Sarpanch/Dy. Sarpanch:-

Sr.No	Name of the Sarpanch	Fr.	To
1	Mrs. Indira Fernandes	01/04/2016	31/03/2017

B. Name of the Secretary :-

Sr.No	Name of the Secretary	Fr.	To
1	Shri.HanumantBorkar	01/04/2016	23/10/2016
2	Shri. RajendraGawas	24/10/2016	06/11/2016
3	Shri. HanumantBorkar	07/11/2016	31/03/2017

C. Name & Designation of audit party

Sr.No	Name of the audit party	Designation
1	Shri.KisanGaude	Dy. D.A./Insp.
2	Shri.Deepak K. Velip	A.A.O.
3	Shri.MilindBodke	A.C.
4	Shri.SupreshNaik	A.C.

D. Date of Audit :-

From :-13/02/2018 to 15/02/2018

E. Period covered during the Audit :- From:- 01/04/2016 to 31/03/2017

PART – II - INTRODUCTORY

The audit on Accounts of the Village Panchayat St. Cruz in Tiswadi Block for the year 2016-17 was conducted from 13/02/2016 to 15/02/2018 as per the Circular No. 30/7/75Fin(Bud) dated 21/08/1996 from Finance (Budget) Department, based on the records furnished by the Panchayat.

The Village Panchayat St. Cruz was sanctioned the following types of grants during the year 2016-17. The details of the same are given below:

Sr.No.	Type of Grants	Amount
Administrative Grants		
1	Matching Grants	Rs. 4,25,000=00
2	Member salary	Rs. 4,50,000=00
Developmental Grants		
3	Garbage Grants	Rs. 1,00,000=00
4	XIV Finance Grants	Rs. 33,42,762=00
Total		Rs. 43,17,762=00

					Accounted
3.	XIIth Finance	1,09,015=00	-	-	1,09,015=00
4.	XIIIth Finance	2,31,482=00	-	-	2,31,482=00
5.	XIVth Finance	2,71,244=00	33,42,762=00	-	36,14,006=00
6.	G.I.A.	1,28,568=00	-	-	1,28,568=00
7.	Golden Jubilee Grants	14,421=00	-	-	14,421=00
8.	Excess Grants	2,24,728=00	-	-	2,24,728=00
9.	Garbage Grants	-	1,00,000=00	1,00,000=00	-
10.	Special Grants	47,935=00	-	-	47,935=00
	Total I	13,29,855=00	43,17,762=00	10,87,500=00	45,60,117=00
II – DRDA/RDA					
1.	MGNREGA	11,763=00	int. 479=00	-	12,242=00
2.	SGRY	-	-	-	-
	Total II	11,763=00	479=00	-	12,242=00
III – Library Grants					
1.	Library	2,062=00	int. 83=00	-	2,145=00
	Total III	2,062=00	83=00	-	2,145=00

During audit it was noticed that the VP was having a spare grants of Rs. 1,09,015/-, 2,31,482/-, 36,14,006, 128,568/-, 2,24,728/- 47,935 and 14,421/- received under XII Finance, XIV Finance, XIII Finance , GIA, Special Grants, Excess Grants and Golden Jubilee - is still lying in the Panchayat fund (Saving Bank Accounts) for so long instead of utilizing the same for the purpose for which it was sanctioned. Also minor amount under MGNREG is also remained unutilized for more than decade .The same may be utilize after obtaining extension of time limit, or may be refunded back to the grant sanctioning authority immediately. Secondly, after utilizing the grants sanctioned amount, a Utilization Certificates should be furnished to the grants sanctioning authority as required under GFR 19 in stipulated time. The duplicate copy of UC shall be retained by VP for record and for verification as and when called for. In case the grants are not utilized within the specific time, then necessary approval of extension of time limits has to be obtained from the grants sanctioning authority or else the same should be refunded in the Government Treasury immediately under intimation to audit. Action taken in this regards will be verified during next audit.

iii) VARIATION BETWEEN BUDGET ESTIMATE AND ACTUAL

A) INCOME

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL INCOME	SHORT
64,00,000=00	-	1,07,06,910=00	43,06,910=00

B) EXPENDITURE

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDIRUTE	SHORT
76,60,000=00	-	52,11,356=00	24,48,644=00

PART -III

The Village Panchayat St.Cruz maintaining its records in the Form 1 to 11 as per Rule 20, 21 (a) and 25 of the Goa Panchayat, (Accounts, Audit & Custody of Funds) Rules 1997, comprising particulars of Income & Expenditure for all the grants, received i.e Administrative & Development Grants.

i) SUMMARY OF THE ACCOUNTS

Total Receipts for the year 2016-17	Rs. 1,07,06,910=00
Total Expenditure for the year 2016-17	Rs. 52,11,356=00

Total Funds available with the Panchayat as on 31/03/2017 are as detailed below:

Sr. No.	Total Funds/deductions as on 31/03/2017	Amount
1	Government Grants	Rs. 45,60,117=00
2	DRDA Grants	Rs. 12,242=00
3	Library Grants	Rs. 2,145=00
4	E.M.D. (W) (S)	Rs. 2,60,471=00
5	S.D.	Rs. nil
6	Income Tax	Rs. 2,450=00
7	Vat (Sales Tax)	Rs. -
8	Royalty	Rs. 11,106=00
9	Labour Cess	Rs. -
10	Panchayat Fund	Rs. 23,35,937=60
Total		Rs. 71,84,468=60

As per audit report of 2015-16, Scrutiny of Sales Tax (Vat), Income Tax and Security Deposit Registers revealed that, the balance amount as on year end is shown in minus figure to Rs. (-)34,925/- as Sales Tax , Rs. (-)51,355/- as Income Tax and Rs. (-) 24,065/- as Security Deposit for last 3-4 years. This is highly objectionable. Because, in no case the balance amount of above deductions cannot be in minus figure unless the amount is paid in excess or double. This requires to be investigated on priority. This fact has been brought to the notice of the Secretary during the course of audit. In reply he stated that the fact and figures will be verified with the records available in the office and compliance will be given during next audit.

ii) Details of Utilized / Unutilized Grants

The statement showing details of grants as on 31/03/2017 are as follows:

Sr. No	Name of the Grants	Previous Balance	Grants Sanctioned during 16-17	Amount utilized during the year 16-17	Balance as on 31/03/2017
I - Administrative/Govt. Grants					
1.	V.P.Memb. Salary	3,02,462=00	4,50,000=00	5,62,500=00	1,89,962=00
2.	Matching Grant	-	4,25,000=00	4,25,000=00	Duly

				Para-10- Expenditure on Publicity. Para-9- Financial Asst. to club Para-10- Expenditure for cleaning of Market and garbage. Para-13- School Uniform Para-14- Expenditures on cutting of tree. Para-15- Recovery of diff of licence3 fee of Rs.1,361/- Para-16- Tab connection Para-17- Work 17(b) Departmental.
1999-2000	11	-----	11	Para-3-(4) Dept. Executed work. Para-6- Purchase of Stationary Para-7-Purchased of electrical goods and maintained of street light. Para-8- Financial asst. to various clubs. Para-9-Legal expenses Para-10- TA/DA to the staff Para-11- Electrification religious institutions Para-13-Court licences recovery fee of Rs.10,733/- in respect of the parties at Sr.No.1,4,6,7,9,11,12,13,14,16, and 17. Para-14- Expenses on publicity. Para-16-Recoveries of Rs.2,642/- towards the ambulance expenses.
2000-01	04	-----	04	Para-3- Vouchers Para-5- Works, Non production of Paid Challans of income tax, Royalty. Para-7- Departmental works. Para-8-Financial Power.
2001-02	05		05	Para- Construction activities. Recoveries of differences of license fee of Rs.56,422/- Para-8- Financial Powers. Para-9- Collections/disposal of garbage. Para-10-Works (1) recovery of Rs.7010/- and Rs.10,477/- from the contractor towards over payment.

Although it was told earlier that, if in the course of the financial year, Panchayat finds it necessary to revise the provision made in original budget, it may revise based on the available trends of actuals. This has not done. There was need to revise the Budget Estimates based on comparing the original Budget prepared for the year 2016-17 to avoid the variations between the budget and actual Income and expenditure. The secretary has projected his ignorance in preparing realistic budget. This may be noted and in future budget may be prepared in realistic manner in order to avoid variations.

Further, as per the section 182 (2) of the Goa Panchayat Raj Act / Rules, the budget as passed by the Panchayat, shall be sent to the Zilla Panchayat 82 [and the Block Development Officer] before such date as fixed by the Government. However, it is seen that the budget is not submitted to the above mentioned authorities. Also the copy of V.P. proceeding has not furnished to audit to confirm the fact that the Secretary prepared the budget within prescribed time and laid before the Panchayat at a meeting. Please comment.

PART – IV – COMMENTS ON TRANSACTION

Section A:- Outstanding audit paras from previous Audit Report in brief.

Year	Paras B/F	Paras settled	Paras outstanding	Subject in brief
1978-79	01	----	01	Para -5 Vouchers
1983-84	01	----	01	Para- On works sub paras (iii to 50)
1984-85	01	----	01	Para-2 Paid vouchers.
1987-88	01	----	01	Para-3- Vouchers
1989-90	03	----	03	Para-3 Grants Para-8- Purchase without quotation.
1990-91	01	----	01	Para-7 Purchase of electrical goods.
1991-92	01	----	01	Para-3- Works.
1992-93	01	----	01	Para-2- Recovery of the balance of market fees.
1993-94	02	----	02	Para-2 Auction. Para-8- Vouchers.
1994-95	01	----	01	Para -9-Expenditure of works through Muster Roll
1995-96	01	----	01	Para-7- Purchase without quotations
1996-97	02	----	02	Para-On purchase of electrical goods Para-On Refreshment
1997-98	03	----	03	Para-2-Purchased of Electrical goods. Para-9-Purchased of Stationary Para-10- Expenditure on Publicity.
1998-99	10	----	10	Para-7-Purchased of Electrical goods

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1998-99	10	----	10	Para-7-Purchased of Electrical goods

				dropped as same are commented during the current audit.
2013-14	01		01	Para-11- Works(ii) Vat deducted 2% instead of 5%
2014-15	01	---	01	Para- 8- Excess exp. over prescribed limit.
2015-16	23	20	03	Para-4- Construction Licenses (1)&(2) short collection Recovery Rs.886 & Rs.2,835/- Para-8- Excess Exp. Over prescribed limit. Para-13- Purchase of Electrical Material/Register Remaining 20 Paras are dropped and commented in the current audit
Total	97	20	77	

There are 77 outstanding paras are remained unsettle from 1978-79 to 2016-17. Early action may be taken to settle all outstanding paras by rectifying the deficiencies with the assistance of B.D.O, EO(RE) and EO(VP). Action taken in this regards will be verified during the course of next audit.

Part -III-CURRENT –AUDIT

1) CASH BOOK

The Cash book is checked during the course of audit. The closing balance as per the cash book as on 31/03/2017 is Rs. 71,84,468=60. However, following discrepancies are found during the course of audit:-

Sl. No.	Receipt No.	Actual Amount	Amount shown in Cash book	Difference
1.	316/76	1,000=00	100=00	900=00 (S)
2.	317/81	14,268=00	13,120=00	1,148=00 (S)
3.	317/94	970=00	890=00	80=00 (S)
4.	318/52	2,705=00	2,645=00	60=00 (S)
5.	319/84	1,000=00	140=00	860=00 (S)
6.	321/86	215=00	205=00	10=00 (S)
7.	322/44	660=00	615=00	45=00 (S)
8.	323/100	7,800=00	7,300=00	500=00 (S)
9.	326/46	140=00	40=00	100=00 (S)
10.	326/63	255=00	240=00	15=00 (S)
11.	328/06	255=00	240=00	15=00 (S)
12.	331/85	140=00	135=00	05=00 (S)
13.	332/57	140=00	135=00	05=00 (S)
14.	333/69	1,805=00	NIL	1,805=00 (S)
15.	336/20	215=00	305=00	90=00 (E)
16.	336/36	140=00	135=00	05=00 (S)
17.	337/71	940=00	40=00	900=00 (S)

				Para-10- Department Works. Part-9- Purchased of electrical goods.
2003-04	01	---	01	Para-7 (b)-Reassessment of house tax. Para-8- Auction collection of market fee sub paras I to IV Para-9- Collection of disposal of garbage.
2004-05	04		04	Para-12- Departmental work from 2004-05 to 2009-10 for Rs. 9,87,966/- Para-13- Irregular expenditure from 2006-07 to 200910 for Rs. 9,15,789/- Para-14- purchase of electrical goods from 2006-07 to 2009-10 for Rs.6,65,766/- Para-15- Purchased of stationary from 2002-03 to 2009-10 for Rs.1,02,719/- Para-17- Works
2009-10	05		05	Para-8- Illumination of church area and temple area (road), file not produce to audit. Para-13- Purchased of electrical goods (materials). Para-14-Purchase of stationary. Para-15- Departmental Works. Para-16- Irregular expenditure. Para-10-Auction, Auction file for the year 2007-08 is not produced to Audit till date. Para-1- Cash book major irregularities sub paras - I,ii,vi,vii,xii are maintained.
2010-11	07	---	07	Para-7- Works. Para-8- Excess Expenditure over prescribed limit totaling to Rs. 6,07,942/- Ex-post facto approval awaited. Para-9- Excess Expenditure over budget totaling to Rs.1,85,645/- Approval from competent authority is awaited.
2011-12	03		03	Para-6- Excess expenditure over prescribed limit. Para-7- Excess Expenditure over budget. Para-10- Works. Vat recovery awaited remaining 11 paras are
2012-13	03	---	03	

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7.	322/44	660=00	615=00	45=00 (S)
8.	323/100	7,800=00	7,300=00	500=00 (S)
9.	326/46	140=00	40=00	100=00 (S)
10.	326/63	255=00	240=00	15=00 (S)
11.	328/06	255=00	240=00	15=00 (S)
12.	331/85	140=00	135=00	05=00 (S)
13.	332/57	140=00	135=00	05=00 (S)
14.	333/69	1,805=00	NIL	1,805=00 (S)
15.	336/20	215=00	305=00	90=00 (E)
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18.	343/14	140=00	275=00	135=00 (E)
19.	360/55	880=00	NIL	880=00 (S)
20.	362/41	300=00	3,000=00	2,700=00 (E)
21.	Totaling mistake at Cash Book-II Page No. 10. Instead of Rs. 9,540=00 shown as Rs. 7,740=00			
Total short accounted amount				Rs. 6,253=00

The above short amount accounted is recovered by Village Panchayat vide Receipt No. 423/86 dated 26/02/2018 and accounted in the Cash Book which will be verified during next audit.

The details of the closing balance as per the Cash Book as on 31/03/2017 are as follows:-

1	Closing Balance as per HDFC Bank A/c No.08181450000048 Rs. 18,348=97	
	Closing balance as per the Cash book	Rs. 18,348=97
2	Closing Balance as per Canara Bank A/c No.0327101027655Rs.2,145=00	
	Closing balance as per the Cash book	Rs. 2,145=00
3	Closing Balance as per State Bank of India A/c No. 31458747575 Rs. 12,04,543=00	
	Closing balance as per the Cash book	Rs. 12,04,543=00
4	Closing Balance as per Canara Bank A/c No.0327101002107Rs. 16,303=74	
	Closing balance as per the Cash book	Rs. 16,303=74
5	Closing Balance as per Canara Bank A/c No.0327101028401Rs. 2,167=80	
	Closing balance as per the Cash book	Rs. 2,167=80
6	Closing Balance as per Canara Bank A/c No.0327101028402Rs. 9,13,877=00	
	Closing balance as per the Cash book	Rs. 9,13,877=00
7	Closing Balance as per Canara Bank A/c No.0327101028403Rs. 1,87,962=00	
	Closing balance as per the Cash book	Rs. 1,87,962=00
8	Closing Balance as per Canara Bank A/c No.0327101026661Rs. 48,04,522=93 Add:- unreconciled amt. Rs. 21,711=16 Rs. 48,26,234=09	
	Closing balance as per the Cash book	Rs. 48,26,234=09
9	Closing Balance as per Canara Bank A/c No.0327101029143Rs. 12,242=00	
	Closing balance as per the Cash book	Rs. 12,242=00
10	Cash in Hand	Rs. 645=00
	Closing balance as per the Cash book as on 31/03/2017	Rs. 71,84,468=60

The un-reconcile amount during the year 2014-15 was Rs.21,721=16.
This un-reconcile amount is required to be reconciled and shown to audit.

After reconciliation, the above bank closing balances as per cash book are found to be tallied with the closing balances as per the bank figures as on 31/03/2017.

SECTION-B-I

MAJOR IRREGULARITIES

- 1) An amount of Rs. 550=00 was found short accounted in the Cash Book by way of receipts.

SECTION-B-II

OTHER IRREGULARITIES

- 1) Vouchers are not certified by Sarpanch
- 2) Bank reconciliation statement is not prepared and recorded in the cash book at the end of the each month.
- 3) Pages of cash book are not certified by the Sarpanch.
- 4) Overwriting's made in the cash book are not attested by the competent authority.
- 5) Thump impressions on vouchers are not authenticated by the Sarpanch.
- 6) Pay bill Register, Salary Register is not maintained.
- 7) Form No. 6 Assets and Property register is maintained but not found in order.

2) RDA ACCOUNTS

i) RDA/MGNREGA(Canara Bank A/c No.0327101029143)

i)	Opening balance for 2016-2017	Rs. 11,763=00
ii)	Grants rec. during the year 2016-2017	Rs. nil
iii)	Add:-Int. Accrued during the year 2016-2017	Rs. 479=00
iv)	Less:- Expenditure incurred	Rs. nil
	Closing balance for the year.....2016-2017	Rs. 12,242=00

ii) LIBRARY ACCOUNT: (Canara Bank A/c No.0327101027655)

i)	Opening balance for 2016-2017	Rs. 2,062=00
ii)	Grants rec. during the year 2016-2017	Rs. nil
iii)	Add:-Int. Accrued during the year 2016-2017	Rs. 83=00
iv)	Less:- Expenditure incurred	Rs. nil
	Closing balance for the year.....2016-2017	Rs. 2,145=00

During the year 2015-16 Panchayat has not received library grants, but incurred an expenditure of Rs. 2,33,560/- to pay monthly salary of the librarian from the Panchayat Fund. The same required to recoup as soon the library grants are received from the concerned department under intimation to audit.

The audit of Library account is being carried out by the Chartered Accountant and report is submitted to Art & Culture department Panaji Goa.

3) TAXES

The following statement showing the arrears Current Demand, Collection and Balance for the period from 1/4/2016 to 31/3/2017.

Sr. N o.	Nature of Taxes	Arrears Demand	Current Demand	Total	Collection	Balance
1.	House Tax	39,99,679=20	22,84,780=00	62,84,459=00	22,96,114=00	39,88,345=20
2.	Light Tax	50,247=00	-	50,247=00	1,140=00	49,107=00
3.	Proff Tax	15,22,791=00	10,02,020=00	25,24,811=00	4,14,900=00	21,09,911=00
4.	Board Tax	5,01,068=00	2,07,120=00	7,08,188=00	95,610=00	6,12,578=00
5.	Dog Tax	586=00	-	586=00	-	586=00
6.	Cycle Tax	21,705=00	-	21,705=00	-	21,705=00
TOTAL		60,96,076=20	34,93,920=00	95,89,996=20	28,07,764=00	67,82,232=20

The Panchayat has collected an amount of Rs. 28,07,764/- towards the various taxes during the year 2016-17. The tax collection is just 29% out of total demand. The position of the Panchayat in respect of collection of taxes is poor and unsatisfactory. The lethargic nature of the Village Panchayat in recovering of Taxes has resulted in accumulation of these arrears. Over the years, arrears of revenue recoverable has gone up considerably and the Panchayat failed to give due attention in collecting of revenue as well as accumulated arrears. The overall arrears of taxes are mounting year by year. As specially House Tax & Professional Tax. As per Sub-Section (3) of Section 154 of the Goa Panchayat Raj Act, 1994, Vp's empowered to issue notices to defaulter of taxes and revenue arrears and levy 10% penalty to outstanding arrears recoverable under Sub- Section (4). Thus it was observed that provisions of Panchayat Raj act have been violated in failure to recover the arrears. Further, as per section 153 of the Goa Panchayat Raj Act, 1994 the Village Panchayat has to revise the rates and Taxes once in three years by minimum increase of 10%. It was however noticed that House Tax is not revise nor reassessment is carried out for so long. Therefore, the VP is required to take remedial action for recovery of all outstanding taxes along with the prescribed penalty from the defaulters. So also the reassessment of house tax is also required to be carried out as per the provision of GPRA. Reassessment is also required to be carried out in respect of those houses where NOC for repairs were issued, and where there has been increase in the plinth area.

CONSTRUCTION ACTIVITIES/CONSTRUCTION LICENCES

V.P. Sarpanch had certified vide certificate No.VP/SC/2768/2017-18, dated 20/02/2018 that he had issued 46 nos construction and renewal licenses and 11 nos. permissions to house repair during the year 2016-2017. And an amount of Rs. 15,35,104=00 & Rs. 33,400/- was recovered as license fees during the year 2016-17. The fees are charged as per estimate certified by Civil Engineer. Relevant records are seen in audit.

However, while scrutinizing license files following observation are noted and compliances required:

Sr. No	Name of the Party	Type of construction	Estimate cost	Fees workout	Fees taken	Short amount
1.	M/s TapashyaInfortech Pvt. Ltd.	Residential Building Plot No.G	6,26,28,750/-	3,13,094/-	2,50,565/-	62,529/-
2	M/s TapashyaInfortech Pvt. Ltd.	Residential Building Plot No. I	4,93,76,250/-	2,46,931/-	1,97,555/-	49,376/-
3	M/s TapashyaInfortech Pvt. Ltd.	Residential Building Plot No.K	2,12,42,118/-	1,06,260/-	85,020/-	21,240/-
4	M/s TapashyaInfortech Pvt. Ltd.	Residential Building Plot No.J	2,43,48,796/-	1,21,794/-	97,450/-	24,344/-
5	Mr. Kishore KalajiParab& others	Cont. Residencial villas & compound wall	39,16,000/-	19,630/-	16,460/-	3,170/-
6	Mrs. Perpetua socorra De Araujo	Cont. Residencial Bungalow & compound wall	26,35,300/-	13,227/-	11,650/-	1,577/-
7	Shri. Felicio E. Fernandes	Cont. Residencial Bldg.	1,04,28,375/-	52,191/-	41,770/-	10,421/-
8	Mr. Shaikh Jamal Anwar & Others POA	Cont. Residencial Bldg. Blocks	64,791,187/-	3,24,006/-	2,67,320/-	56,686/-
09	Mr. Francis Annes	Cont. Residencial Bungalow	30,02,200/-	15,061/-	13,100/-	1961/-

Mr. Diago Fernandes	Cont. Residencial Bldg.	50,73,700/-	25,419/-	22,110/-	3,309/-
Total amount of recovery to be made Rs.					2,34,613/-

The above stated short collection license fees of Rs. 2,34,613/-may be recover from concern parties and shown to next audit.

5) ILLEGAL CONSTRUCTION:

V.P Sarpanch certified vide certificate No.VP/SC/2769/2017-18 dated 20/02/2018 that he had not detected 13 nos.of illegal construction cases during the year 2016-2017. The details of illegal construction cases are as follows

1) Nos. of Illegal Construction cases on 01/04/2016	86
2) Illegal Construction cases detected during the year 2016-17	13
3) Nos. of illegal construction cases settle/ disposed during the year16-17	22
Total cases pending for settlement upto 31/03/2017	77

As per the provision of Section 66 of the Goa Panchayat Raj Act, 1994 no person shall erect any building or alter or add any existing building or reconstruct any building without the written permission from Panchayat and payment of fees. However, it is noticed that, the houses are constructed without obtaining VP's permission. There are 77cases of illegal constructions in the Village Panchayat as on 31/03/2017. Non regularization of above illegal constructions resulted in loss of revenue of the Panchayat. The Village Panchayat should take corrective action in the matter immediately. Action taken and result thereof may be intimated to audit.

6) REFUND OF E.M.D AND S.D.

It was observed during audit that the V.P. had a balance of Rs. 2.60lakh as E.M.D as on 31/03/2017. The section 19 of C.P.W.D. Manual 2007, states that the E.M.D given by the contractors except the successful contractor should be refunded immediately after completion of opening of tender process or within a week time from the date of opening the tender. It may please be stated whether any action has been initiated to refund/ forfeit the EMD's which is lying with the Panchayat for more than three years. If not than the unclaimed EMD's lying with Panchayat more than three years may be treated as lapsed deposits and accordingly forfeited to the Panchayat account as revenue of V.P.

As per Security deposit register, balance amount as on 31/03/2016 is shown to Rs. (-) 24,065/- . This is not correct. Either Panchayat paid S.D. twice to the contractor or else record is not maintained correctly. This is required to be verified from the previous records and tally the amount under intimation to audit.

7) AUCTION

The Panchayat had invited sealed Tender/ Bids to lease out its right to collect the fees of market-cum-Jatra, sopo for the year 2016-17, vide Tender Notice no.VP/SC/3164/2015-16 dated 17/03/2016. The minimum bid was kept as for amount Rs.120,000/- . In response to above five contractors has submitted their quotations. The Comparative statement was prepared, the highest quoted amount of Rs.1,90,000/- quoted by Shri NagrajNaik, Santa Cruz, was approved and accepted by the Sarpanch. The award of sopo collection contract was allotted to Shri ShriNagrajNaik as per terms and conditions for collection of the Market fees/Sopo. The successful contractor has paid the first installment of contract amounting to Rs.95,000/- vide Receipt No.316/38 dated 05/04/2016.

The balance amount of Rs.95,000/- is not received from contractor Shri. NagrajNaik till date. So necessary action should be initiated to recover the remaining balance.

The necessary agreement has not been executed between the contractor and Sarpanch.

8) EXCESS EXPENDITURE OVER PRESCRIBED LIMIT:

The Village Panchayat has made excess expenditure over prescribed limit during the year 2016-2017 under the following head of account

Sr.No	Head of account	Prescribed limit	Actual Expenditure	Excess
2.	Advocate fees	Rs.30,000=00	Rs.1,79,299=00	Rs.1,49,299=00

Excess expenditure may be regularized by obtaining Ex-Post-Facto approval from competent authority under intimation to audit.

9) DEPARTMENTAL EXPENDITURE

The Panchayat has continued in committing the irregularity, once again executed work of Cutting of Bushes departmentally by engaging casual labourer and arranging their payment of their wages through muster rolls. No estimates of details items of work as per the Goa Schedule of Rates have been attempted as applicable at the relevant time of execution. Such expenditure is irregular and required to regularise the expenditure by obtaining Ex-Post-Facto approval from the competent authority. Care may be taken to prevent occurrence of such lapses in future.

In this regard, no action taken or intimated to audit. Hence para maintained.

10) GARBAGE COLEECTION

The collection of garbage is done by the St Cruz VP by engaging labourers, Machinery and equipment's. For this purpose, the VP has incurred an amount of Rs.5,04,960/- from the Panchayat Fund during the year 2015-16. However, no fees or charges have been collected from the residences and commercial

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organisations. The Panchayat could have been collected revenues by taking action to fix and collect fees/charges towards garbage collection and disposal so as to further strengthen the financial position of the Panchayat.

Circumstances under which the garbage Tax has not been levied may be justified. Action taken in this may also be intimated to audit.

In this regard, secretary replied that Panchayat had started collecting garbage taxes from the year 2017-18 and same will be verified during the next audit.

11) TIME BOND CLAIM

The time bound claims such as Electricity, Telephone, and Water are to be cleared expeditiously as and when these are received or in any case within the prescribed date so as not to attract delay payment charges/fine. This may be noted for future guidance.

12) NON COLLECTION OF TAX/FEES ON MOBILE TOWER

The Cellular phone service providers/companies need to obtain permission from the local bodies to erect Mobile Towers. Panchayat is authorized to issue No Objection Certificate and license to Cellular companies. It is told by the Secretary that he is not aware of the fact that any mobile towers are erected by any company in Panchayat. However, the VP neither took any initiative to investigate whether any mobile towers are erected by the cellular companies in Panchayat area. The VP should find out the total numbers of mobile towers are erected within its jurisdiction and fix the fees/charges as applicable. Also it has to be ensured whether the towers are erected in the individual property of the villagers who in turn taking rent from the mobile company. In such case, property tax should be levied as he /she leased out their property for running business.

In this regard, secretary replied that necessary action will be taken in due course of time and intimation will give to audit. Progress awaited.

13) PURCHASE OF ELECTRICAL MATERIAL/ REGISTER

The Panchayat have purchased street light materials valued at Rs. 6,24,712/- during the year 2016-17 without following the purchase procedure as laid down in General Financial Rules, 2005. Essentially, the Panchayat required to assess the annual needs of Electrical materials and only then purchase the electrical items from the open market after observing the necessary purchase procedure as prescribed from time to time obtaining Administrative Approval and expenditure sanction in the form of resolution, placing indent in the office notice for calling quotations/tenders, preparing comparative statement and thereafter issuing the supply order etc. This nothing has been done and electrical material procured from local dealer.

However, in the present case the Panchayat have purchased street light materials valued at Rs. 6,24,712/- by violating the provisions laid down in GFR 2005. As such expenditure incurred by the Panchayat is irregular which is required

be regularized by obtaining post facto approval for condemning the procedure for call of tenders from Government.

Further, the street light register maintained by the Panchayat is incomplete. The detail such as pole No's to which the material is replaced has not been indicated. Street light materials are issued ward wise. The receiver's signatures are not obtained on each occasion. The street light materials should be issued only to Electrician/lineman as per the requirement and when required. However, it is noticed that all the materials are disposed off at one time to the wards members. This is highly irregular as street light materials should be issued as per the requirement. The secretary has to sign the issued street light materials. It may be noted that the light material should be issued by Secretary as he is responsible for such issues.

Secondly, bills submitted by the concerned supplier for payment has not been certified by the Sarpanch/Secretary by recording necessary certificate that the goods/materials are received correctly and in good condition & necessary note has been taken in stock register No. and page No. etc. This may be noted for future guidance.

14) RESERVE FUND FOR STAFF RETIRMENT BENEFITS:

The Goa Panchayat Raj (Application of Panchayat or Zilla Panchayat funds Coordination & Limitation) Rules 2006 which came into force vide Notification No. 34/DA/PAN/2P/2006 dated 03/11/2006 and as per Rule 4 of Goa Panchayat Raj Rules 2006, every Panchayat shall reserve 2.5% of their income as reserve fund for contributory Provident fund, Pensionery Benefits etc to the staff working in the Village Panchayats. However, It is seen that no such funds have been created nor any efforts have been made to implement the above scheme. Failure to create Reserve Fund is against the provision of the Panchayat Raj Act. Action taken in the matter may be intimated to audit.

15) VIOLATION OF STATUTORY PROVISION TOWARDS PROVIDENT FUND BENEFITS:

As per para 5 of order No. 35/DP/PAN/EMP/2000 dated 06/03/2003 published in the official Gazette Govt. of Goa, it is stated that permanent employee shall be entitled for the benefits of Employees Provident Fund. The amendment of the said order was published in the official gazette of Govt. of Goa under No. 35/DP/PAN/EMP/2006 dated 25/01/2007 under the title Goa Panchayat (Staffing Pattern , Scale of Pay & mode of recruitment of staff of Panchayats first Amendment) order , 2006 clause 5 states that permanent employee of the Panchayat shall be entitled for EPF, Gratuity, Pensionary benefits etc. Also, the circular No. 19/33/DA/PAN/STAFF/PAN/05/3947 dated 18/11/2005 and No.19/31/DA/STAFF/09/3937 dated 21/10/2009 issued guidelines about implementation of Provident Fund, Gratuity, Pensionary Benefits, etc. to the permanent staff of the Panchayats. However, it was noticed that except Village Panchayat Secretary, no recoveries or provision towards provident fund and benefits have been made applicable to other regular staff of the Panchayats. Non-recovery of provident fund from the monthly salaries of the regular staff amounts to violation of Employees Provident Funds regulations.

Appropriate action may be taken against the above referred order and subsequent Amendments/ Notifications/Circulars/Orders (if any) issued in this regards by the Government from time to time & result may be intimated to audit.

16) NON FILING OF E-TDS RETURNS WITH INCOME TAX DEPARTMENT & ASSESSING OF STAFF

The Panchayat is recovering TDS (Tax Deduction at Source) from the contractor bills and remitting to the Government Treasury under appropriate head of account. However, it is observed that quarterly TDS Returns for recovery of Income Tax is not being filed online which has been made mandatory by Income Tax Department. Further, every employer (DDO) should deduct Income Tax at source in monthly installment on salaries disbursed by him to his employees, and accordingly quarterly TDS returns for the recovery of Income Tax has to be filed online on quarterly basis, The final adjustment of Income Tax, should made from the last salary payable before the end of the March. Whereas, in your case it is observed that no Income Tax has been deducted nor it is feel compulsory to do so. Any fine /penalty levied by the Income Tax Department on late payment have to be borne by the person responsible for late remittance.

17) SURETY BOND OF V.P. SECRETARY

The V.P. secretary is handling cash transactions of the village Panchayat , however, the mandatory security/Surety bond has not been furnished by the secretary. In this connection it is noticed that the Goa Panchayat (Accounts, Audit and Custody of Funds) Rules, 1997 provides under rules 4(3) the Secretary shall furnished a security in such form and for such amount as may be specified by Director. As per Rule 4(4) , the Director of Panchayats may also demand a security from such persons as are actually in charge of cash transaction of a Panchayat.

18) WORKS

It is stated by the Secretary that no development woks were undertaken within its jurisdiction during the year 2015-16.

19) LABOUR CESS

As per the rules, all the Government Departments, local bodies PSU's and other Govt. agencies carrying out the building and other construction works under the act shall get themselves register under section 7 of the Act with the registering authority of the labour Department. Such institutions are required to mandatorily deduct 1% of the total cost from the bills at the time of making payment to the contractors. The VP before remitting the amount of cess to the Goa Building & Other Construction Workers Welfare Board can deduct 1% of the total Cessamount collected for their administrative expenses.

20) FINANCIAL POSITION OF THE PANCHAYAT DURING THE YEAR 2016-17

The Panchayat is having an amount of Rs. 23,35,937=60 in their Panchayat Fund Account as on 31/03/2017. This shows that the financial position of the Panchayat is not satisfactory during the year. However, Panchayat should make sincere efforts to recover the amount of arrears of Taxes / Rents along with prescribed penalty form the defaulters, in order to further strengthen the financial position of the Panchayat.

21) ANNUAL ACTION PLAN

As per section 238 of Goa Panchayat Raj Act, 1994 the VP is required to submit their annual action plans to the Zilla Panchayat, who in turn would consolidate and forward the same to District Planning Committees for the development work to be undertaken during the next financial year. Further, Government of Goa has framed Rules under Goa Panchayat (Constitution, Power and Functions of Ward Development Committees and preparation of Annual Development Plan) Rules, 2008 so as to guide the Village Panchayats in preparation of Annual Action Plans.

In this connection, it is observed that Panchayat had not prepared any plans so far for preparation of Annual Action Plan which is contrary to the provision of the Panchayat Raj Act.

22) FUNCTION OF THE GRAM SABHA

1. The Village Panchayat should constitute two Supervisory Committees as per the section 6 (2) of the Goa Panchayat Raj Act / Rules to supervise the Panchayat works, Schemes and other activities. The committees should submit their report to the Panchayat and place the copy of the report in the Gram Sabha Meeting for an appropriate decision.
2. As per Section 6 (8) of the Act ibid, the Panchayat should constitute two or more Ward Development Committees for keep proper on development activities of wards.
3. As per Section 6 (3) of the Act ibid, the Government should constitute Vigilance Committee to oversee the different works/schemes and other activities of the Panchayat.

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23) GENERAL

As per the system in vogue, the Block Development Officer (BDO) should conduct at least three inspections and Extension officer VP (EOVP) five of the Village Panchayat.

<u>a) Inspections</u>	<u>B.D.O.</u>	<u>E.O.(VP)</u>
i) Prescribed	03	05
ii) Actually carried out	Nil	Nil

Non-compliance of above requirement may be justified and in future B.D.O. /EO (V.P.) should ensure that the prescribed numbers of inspections are carried out at regular intervals in order to have control over the Administration of the Panchayat.

- b) The B.D.O. should also ensure to take appropriate action on the following points:

As per Rule 4 (3) of the Goa Panchayat (Accounts, Audit and Custody of Funds) Rule 1997, the Secretary shall furnish the security bond in such a form and for such an amount as may be prescribed by the Director of Panchayat.

- c) As per Section 113 (1) of the act, the salary and allowances of the Secretary shall be drawn from the Panchayat funds.
- d) Panchayat Secretary shall maintain the personal cash register in terms of Circulars No. ACB/Vigilance/404/1066 dated 22/03/2004 from Vigilance Department, Panaji.

As per Section 5(i) and (ii) of the Act, there shall be minimum 4 (four) each ordinary and special Gram Sabha meetings of the Panchayat during every year. Action at b (i), (ii) & (iii) should be initiated and compliance should be reported to Audit.

Despite recording the observation during the last inspection report compliance to the previous audit, observations are still awaited. Rigorous efforts should be made to comply with the audit observations without further delay.

DISCLAIMER

The inspection report has been prepared on the basis of information furnished and made available by the Village Panchayat St. Cruz. The office of the Directorate of Accounts disclaims responsibility for any misappropriation and/or non information on the part of auditee.



Dy. Director of Accounts/IC
Directorate of Accounts
Panaji-Goa