

Date: 8/11/2017

MEMORANDUM

809
27/11/18

Sub:-Audit Report on the accounts of the Village Panchayat for the year 2016-17 conducted during the year 2017-18.

Find enclosed herewith Audit Report for year 2016-17 of V.P. Telaulim received from the Dy. Director of Accounts/Insp., Directorate of Accounts, South Branch, Margao Goa.

In view of above, the Village Panchayat Secretaries of concerned Village Panchayat is directed to comply with all the para's raised by audit team within 30 days and submit the compliance.

Failure to comply with the paras will be viewed seriously.

Shirvoikar
(Amitesh A. Shirvoikar)
Block Development Officer-1,
Salcete, Margao-Goa.

To,
The Secretary
V.P. Telaulim
Salcete Block

Encl: As above
C.C.to:-

1. The Dy. Director of Panchayats, South, Margao-Goa....for information
2. The Dy. Director of Accounts/Insp., Directorate of Accounts, South Branch, Margao Goa.
3. The Sarpanch, Village Panchayat _____ for information.

(1) Name of Sarpanch: Shri Prudencio J.F. Carneiro :-01.04.2016 to 31.03.2017.

(2) Name of Secretary: Shri Rajendra Naik - 01.04.2016 to 31.03.2017.

(B) Name of audit Party and their designation:-

- 1) Mr. Umesh Goankar, Asstt. Accounts Officer.
- 2) Mr. Shivram Jamuni, Accounts Clerk.
- 3) Mr. Vishwas Gurav, LDC

(c) Date of Audit :06-09-2017 to 07.09.2017.

(D) Period covered by audit: 01.04.2016 to 31.03.2017.

Part II - Introductory:

The audit of the accounts of Village Panchayat Telaulim of Salcete Block for period from 01.04.2016 to 31.03.2017 was conducted by the Office of Jt. Director of Accounts, South Branch, Margao under the supervision of Shri Madhukar Kunkolienkar, Dy. Director of Accounts/Inspection, South Branch, Margao.

Administrative grants during the year 2016-17:

The Village Panchayat, Telaulim of Salcete Block was sanctioned the following administrative grants during the year 2016-17.

- 1) Matching grants Rs.4,25,000.00

Part III - Comments on Accounts:

The Village Panchayat is maintaining the accounts in Form 1 to 10 as per rule 20,21(a) and 25 of the Goa Panchayat (Accounts, audit and custody of funds) Rules 1997, comprising of particulars of Income and expenditure for all grants received.

I-Summary of Accounts:

1. The opening balance for the year 2016-17 - Rs.5128969.85
2. The total receipts during the year 2016-17 - Rs. 3212423.00
3. The total expenditure during the year 2016-17 Rs. 1658517.50
4. The total funds available with Panchayat as on 31.3.2017 - Rs. 6682875.35

Details of funds available:

| | |
|---------------------|-------------------------|
| 1. Govt. Grants | Rs. 12,17,648.00 |
| 2. Panchayat funds | Rs. 52,53042.35 |
| 3. EMD | Rs. 28,464.00 |
| 4. Security Deposit | Rs. 1,49,786.00 |
| 5. Income tax | Rs. nil |
| 5. Royalty | Rs. 3,222.00 |
| 6. Vat | Rs. 30,713.00 |
| | <u>Rs. 66,82,875.35</u> |

The liabilities of Royalty, Vat should be immediately credited to Govt. Treasury under respective head of Accounts.

II - Grants:

The grants received, utilized and balances as on 31.3.2017 are as follows:

| Sr.No. | Type of grants | Op.Bal | Received | Utilized | Balance as on 31.3.2017 |
|--------|----------------|-------------------|--------------------|-------------------|-------------------------|
| 1. | Member salary | 1,000/- | 2,70,000/- | 2,47,500/- | 23,500/- |
| 2. | Staff Salary | - | 6,00,000/- | 6,00,000/- | - |
| 3. | XIII finance | 3,37,631/- | - | - | 3,37,631/- |
| 4. | GIA | 902/- | - | - | 902/- |
| 5. | Golden Jubilee | 11,478/- | - | - | 11,478/- |
| 6. | XIV finance | 2,71,244/- | 4,16,093/- | - | 6,87,337/- |
| 7. | Sp. Garbage | 1,28,350/- | 1,00,000/- | 71,550/- | 1,56,800/- |
| | | <u>7,50,605/-</u> | <u>13,86,093/-</u> | <u>9,19,050/-</u> | <u>12,17,648/-</u> |

It is seen that grants to the tune of Rs.12,17,648/- remained unspent beyond the period of one year. The grants remained unutilized should be utilized after obtaining the permission from sanctioning authority and spent within the stipulated period if required or otherwise surrendered the same to sanctioning authority.

Budget estimate and the actual income and expenditure for the year 2016-17 is as follows:

| | Actual | Variations |
|--------------------|----------------|----------------|
| Income | | |
| Budget estimate | 3212423.00/- | 45,16,077/- |
| 77,28,500/- | | |
| Expenditure | | |
| 74,49,000/- | 16,58,517.50/- | 57,90,482.50/- |

Budget is approved vide resolution No.4 dt.07.02.2016 and submitted to BDO on 31.05.2016. There are huge variations between the budget estimate and actual income and expenditure. The budget estimate prepared is unrealistic/fictitious. Reasons for preparation of fictitious budget be justified

IV - Current Audit:

Section A(a) - Introductory:

(b)-Outstanding paras of previous audit upto 2016-17.

| Sr. No. | Year | Op.Bal. | Paras dropped. | Paras outstanding as on 31.3.2017. |
|---------|---------|---------|----------------|------------------------------------|
| 1. | 2010-11 | 14 | 9 | 5 |
| 2. | 2011-12 | 16 | 8 | 8 |
| 3. | 2012-13 | 16 | 13 | 3 |
| 4. | 2013-14 | 14 | 9 | 5 |
| 5. | 2014-15 | 14 | 9 | 5(Para 5,6,7,9 & 14 |

Audit Report 2015-16:

Para 1. Financial Position: Dropped and Commented

Para 2. Cash Book: Dropped and Commented

Para 3. Demand Collection & Arrears of Taxes: Dropped and Commented

Para 4. Auction of Pond, Lake for fishing rights: Dropped and Commented

Para 5. Vouchers: Dropped

Para 6.. Furnishing of surety by V.P. Secretary: Maintained

Para 7. Annual Action Plan: Maintained

Para 8. Departmental inspection: Maintained

Para 9. Constitution of Committees: Maintained

Para 10.a) Construction Licenses: Dropped and Commented

b) Illegal constructions: Dropped and Commented

Para 11. Court cases: Dropped and Commented

Para 12. General: a) Administrative Report : Dropped and Commented.

b) Gram Sabha: Dropped and Commented.

Para 13. Maintenance of Registers:

1. Immovable & Movable property register: Dropped and Commented

2. Pay bill register: Dropped and Commented

3. Security deposit: Dropped and Commented

4. EMD Register: Dropped and Commented

Para 14. Service book and leave account: Dropped and Commented

Para 1 - Financial Position:

The financial position of the Panchayat is quite satisfactory. The closing balance for the year 2016-17 as per cash book is Rs.66,82,875.35. The total liabilities of Panchayat in form of unspent grants and outstanding S.D./EMD, Vat.etc. comprise, of Rs.14,29,833/- and rest of amount Rs.52.53 lakhs belongs to Panchayat fund. Panchayat has invested an amount of Rs.21.67 lakhs in fixed deposit. The Panchayat may invest more funds in fixed deposit so as to generate more revenue to Panchayat on account of higher rate of interest.

Para 2 - Cash Book:

The closing balance of cash book as on 31.3.2017 is Rs.6682875.35 The details of closing balance is as follows:

| Sr.No. | Name of Bank & A/c No. | Balance as per Cash Book | Pass Book | Difference |
|--------|--------------------------------|-----------------------------|------------|------------|
| 1. | SBI Margao 11064740235 | 33502.09 | 33502.09 | - |
| 2. | Corp. Fk, Margao 002214 | 3699472.26 | 3722748.26 | 23276 |
| 3. | SBI Margao 30551593883 | 152733.00 | 152733.00 | - |
| 4. | Corp. Bank 006191 | 536456.00 | 536456.00 | - |
| 5. | F.D.in Corp.Bank 161592/162106 | 2167160.00 | 2167160.00 | - |
| 6. | Corp. Bank, Navelim 06981 | 89431.00 | 89431.00 | - |
| 7. | Cash in hand | 4121.00 - | - | - |
| | | 6682875.35 | - | - |

Cash book
Panchayat has used 13 receipt book starting from Sr.no.104/77 to 116/22 and unused book from 117 to 131 (total 15nos.) during the year 2016-17.

Reconciliation:

The difference of Rs.23,276/- between Pass book and Cash book is due to the following cheques issued but not presented in the bank.

Corporation Bank A/c no.2214

Balance as per pass book

Rs. 3722748.26

Add:1) Cheque Received and deposited in bank but not realised till 31.03.17

From Shrikha constriction

Cheque no. Amount

785104/25-3-17

Rs. 10614.00

Less: cheques issued but not presented in bank till 31.03.2017.

1). Chq No .639451 dt 30.03.2017

Rs. 10000.00

2). Chq No .639454 dt 30.03.2017

Rs. 23890.00

Balance as per cash book

Rs.3699472.26

Para 3 – Demand, collection and arrears of taxes:

The position of various taxes collected by Panchayat, demand and arrears outstanding as on 31.3.2017 are as follows:

| Sr.No. | Type of taxes | Op.Bal. | Demand | Collection | Bal.as on 31.3.17 |
|--------|---------------|------------|------------|------------|-------------------|
| 1. | House tax | 656717/- | 420013/- | 397651/- | 679079/- |
| 2. | Light tax | 16183/- | 12690/- | 9831/- | 19042/- |
| 3. | Trade tax | 97069/- | 58570/- | 27925/- | 127714/- |
| 4. | Advt. tax | 20/- | 20/- | - | 40/- |
| 5. | Cycle tax | 5886/- | - | - | 5886/- |
| | Total | 7,75,875/- | 4,91,293/- | 4,35,407 | 8,31,761/- |

The various taxes collected by Panchayat is only 34.36% of opening balance and demand billed during the year 2016-17, Panchayat may issue demand notices to defaulters in order to recover the huge arrears of outstanding dues. Progress made in this matter reported to next audit.

Para 4 – Auction of Ponds, Lakes for fishing Rights:

V.P. Telaulim did not conducted the auction for the year 2016-17 as it is given to the Farmers Association who conducted the auction. It is stated that property is not pertains to Panchayat.

Para 5 – Vouchers:

- 1) Vr.No.159 dtd. 06/10/2016 for Rs.340/- paid to Maria da Carlota w countinho e cardoso, V.P. clerk towards T.A. D.A paid to attend the audit for 2 days ie 29-08-2016 & 30.09.2016. The actual T.A/D.A works to Rs. 166/- for 2 days hence the amount of Rs. 174/- paid excess.
- 2) Vr.No.159 dtd. 06/10/2016 for Rs.340/- paid to Agnelo P Fernandes, V.P. peon towards T.A. D.A paid to attend the audit for 2 days ie 29-08-2016 & 30.09.2016. The actual T.A/D.A works to Rs. 166/- for 2 days hence the amount of Rs. 174/- paid excess.

EPF Account of Employees:

The employees of Village Panchayat are covered under Provident fund scheme and the contribution towards EPF is deducted from their salary every month. However it is verified that contribution deducted is not deposited with the commissioner of Provident Fund since August 2016. It is stated that due to online procedure same is pending. The vouchers are already prepared by Panchayat and contribution deducted is lying with Panchayat. The contribution deducted shall be deposited immediately to avoid penalty and loss of interest. The online procedure be followed and contribution deducted be deposited with the office of EPF immediately and compliance reported to audit.

The EPF register shall also be maintained and individual record of the EPF funds be kept with Panchayat.

Para 6 – Furnishing of surety by V.P. Secretary:

As required under Section 4(3) of Goa Panchayat Rules 1997 (Accounts, Audit and Custody of funds) V.P. Secretary still not furnished the surety bond. The same may be obtained now and compliance reported to audit. BDO may issue necessary instruction to the Secretary.

Annual Action Plan:

every Panchayat should prepare development Plan every year and submit the same to Zilla Panchayat in prescribed format, under rule 238 of Goa Panchayat Raj 1994. However, the Panchayat in spite of audit observation failed to prepare the same. The matter is brought to the notice of Director of Panchayat to issue necessary directions to the Panchayat..

Para 8 – Departmental Inspection:

BDO and EO(VP) has not conducted any inspection of Village Panchayat as against prescribed 3 & 5 respectively. The reasons for non compliance of the provisions under the act may be justified. The matter brought to the notice of Director of Panchayat.

Para 9 – Constitution of Committees:

V.P. has constituted only Ward Development Committee for the year 2016-17. In spite of several audit observations Village Panchayat has not constituted the Supervising and Vigilance Committee under Sec.6(2) & (3). These committees may be constituted immediately and reported to audit. The Director of Panchayat may issue necessary instructions to the Panchayat in the matter.

Para 10(a)- Construction Licences:

The Village Panchayat has issued 09 nos. construction licences and collected an amount of Rs.76,946/- as licence fees for the year 2016-17. All the files were verified and fees charged were found to be in order.

The Construction licence issued to Mr.Mario Carmo Fernandes, Carlos Apricio Fernandes and Mrs Nancy Fernandes for construction of pump house and well at a cost of Rs.65,000/-. The Construction fees works out to Rs 375/- whereas Panchayat collected only of Rs.225/- resulting the short recovery of Rs.150/-.

(b) Illegal construction:

There are altogether 15 illegal constructions pending as on 31.3.2017, (as per records produced to audit, three cases were added and three cases were dropped during the year 2016-17). All the cases are pending with Panchayat. The progress made to settle the same be reported to audit.

Para 11 – Court Cases:

As per the register produced to audit there are altogether 15 court cases pending with Panchayat as on 31.3.2017. The progress made towards court cases may be intimated to audit.

Para 12 – General:

(a) Administrative Report: The Village Panchayat has prepared the administrative report for the year 2016-17 and furnished the same to BDO and copy endorsed to audit.

(b) Gram sabhas:

The Panchayat has conducted 4 Nos. ordinary and 4 Nos. special gram sabhas as prescribed during the year 2016-17.

Para 13 – Maintenance of Register:

(1) Immovable and movable property Register:

The immovable property register is maintained by Panchayat in Form 6. Consumable items are recorded in this register; such items should be recorded in consumable stock register. Physical verification of stock has been carried out by Panchayat during the year 2014-15. The physical verification of stock shall be done every year.

(2) Pay Bill Register:

The Panchayat has maintained the Pay Bill register in prescribed format. However same is not updated. The same may be up dated and compliance reported to audit.

(3) Security Deposit:

The outstanding balance shown is Rs.149786/- as on 31.3.2017. The details of balance is as follows:

| Sr.No. | Year | Op.Bal. | Receipt | Refund | Balance as on 31.03.17: |
|--------|---------|----------|---------|--------|-------------------------|
| 1 | 2002-03 | 3058 | - | - | 3058 |
| 2 | 2003-04 | 7240 | - | - | 7240 |
| 3 | 2004-05 | 7147 | - | - | 7147 |
| 4 | 2011-12 | 15251 | - | - | 15251 |
| 5 | 2014-15 | 18238 | - | - | 18238 |
| 6 | 2015-16 | 98852 | - | - | 98852 |
| | | 149786/- | - | - | 149786/- |

The amount remained unclaimed for more than 3 years may be treated as lapsed deposits and may forfeited to Panchayat fund after following the departmental procedure.

(4) EMD Register: The EMD register maintained by Panchayat found to be incomplete the balance as on 31.3.2017 shown is Rs.10211/-. The year wise break-up of balance is as follows:

| | | | |
|-----------|-------------------|---|----------------|
| | Rs. 4796/- | - | 4796/- |
| | 200/- | - | 200/- |
| 09-10 | 600/- | - | 600/- |
| 2010-11 | 600/- | - | 600/- |
| 2011-12 | 4015/- | - | 4015/- |
| 2016-2017 | 18253/- | - | 18253/- |
| | <u>Rs.28464/-</u> | - | <u>28464/-</u> |

Para 14 - Service Book and Leave Accounts:


The service books and leave account were checked and found to be in order. However service verification of Panchayat staff has not being done. Panchayat may please note that the service book is very important document of staff and should be maintained regularly recording the service verification annually in service book.

Para 15:- Non Attestation of Form 1, Form 2, etc.

It is seen that Village Panchayat accounts maintained in Form-1, 2, is not attested by the competent authority. It is therefore suggested for the counter signature on the same by the Sarpanch/Secretary of the Village Panchayat.

Needful may be done now and noted for future.

Note: This inspection report has been prepared on the basis of information furnished and made available by the Secretary V.P. Telaulim. The Office of Jt. Director of Accounts, South Branch, Margao, disclaims any responsibility for any misinformation and non-information on the part of audittee.


(Madhukar Kunkolienkar)
Dy. Director of Accounts/Insp.