



OFFICE OF THE BLOCK DEVELOPMENT OFFICER

ROOM No. 223, 2nd FLOOR, MATHANY SALDHANA COMPLEX
SALCETE, MARGAO – GOA.

(Ph. No. 2794263, Fax: 2794263) Email: bdosalcete@yahoo.co.in

No.3/EOVP/Audit Report/BDOS/2018-19/4410

Date: 29/10/2018

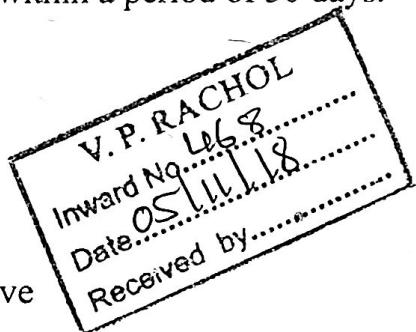
01/11/

MEMORANDUM

Sub: - Audit Report on the Accounts of Village Panchayats for the Year 2017-18
conducted during the year 2018-19

Copy of the Audit Report received from the Dy. Director of Accounts, South Branch Office, Matanhy Saldhana Administrative Complex, Margao –Goa is enclosed herewith.

Village Panchayat Secretary, Village Panchayat Rachol is hereby directed to place the same before the fortnightly meeting to take necessary action in terms of settlement of Audit Paras pertaining to the Village Panchayat and report compliance within a period of 30 days.



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

Encl: As above

*Ref no. 31 11/11/2018
Mtd:*

To,
The V.P. Secretary
V.P. Rachol
Salcete Block
C.C.to:-

1. The Dy. Director of Panchayats, South Margao Goa.... for information
2. The Dy. Director of Accounts, South Branch, Margao Goa..... for information.
3. The Sarpanch Village Panchayat Rachol for information.

**Audit Report of the accounts of Village Panchayat Rachol of Salcete Block
for the year 2017-18:**

(A) 1. Name of Sarpanch - Shri Joseph P. F. Vaz - 1.4.2017 to 17.6.2017.
Smt. Eni Joanette Oliveira - 19.06.17 to 31/03/18

2. Name of Secretary - Shri Shrirang Agrasani - 1.4.17 to 4.11.2017
Shri NileshShirodkar-6.11.17 to 31.03.2018

(B) Name of member of audit Party and their designation.

- 1 Shri Dilkush Shinde, Asstt. Accounts Officer.
- 2 Shri Shivram Jamuni, Accounts Clerk.
- 3 Shri Niceforo Pinto, LDC.

(C) Date of audit - 17/09/2018 & 18/09/2018.

(D) Period covered by audit - 01.04.2017 to 31.03.2018.

Part II - Introductory:

The audit on the accounts of the Village Panchayat Rachol of Salcete Block for the year 2017-18 was carried out by the Office of the Jt. Directorate of Accounts, South Branch, Margao under the supervision of Shri Madhukar Kunkolienkar, Dy. Director of Accounts, South Branch, Margao-Goa.

The Village Panchayat was sanctioned the following administrative grants during the year 2017-18:

(1) Matching Grants	Rs.2,77,191/-
(2) Garbage	Rs. 1,00,000/-
	Rs.3,77,191/-

Part III - Comments on Accounts:

The Village Panchayat is maintaining the accounts in Form I to X as per rule 20.21(a) and 25 of Goa Panchayat (Accounts, audit and Custody of funds) Rules 1997 comprising particulars of income and expenditure for all grants received i.e. administrative and developmental.

(1) Summary of accounts:

(1) Opening balance for the year 2017-18	-	Rs. 16,60,321=36
(2) Receipts during the year 2017-18	-	Rs. 19,16,525=00
(3) Expenditure during the year 2017-18	-	Rs.13,88,204=50
(4) Funds available with Panchayat as on 31/3/2018 -		Rs.21,88,641=86

Details of funds available:

1. Govt. grants	Rs. 8,90,282=00
2. EMD	Rs. 1,00,009=00
3. Security	Rs. Nil
4. Income Tax	Rs. 12,239=00
5. Royalty	Rs. 2,026.00
6. Vat/S.tax	Rs. 31,193.70
7. Panchayat fund	Rs. 11,52,892.16
	Rs. 21,88,641=86

Liabilities of Panchayat:

1. Govt. grants	Rs. 8,90,282=00
2. EMD	Rs. 1,00,009=00
3. Security	Rs. Nil
4. Income Tax	Rs. 12,239=00
5. Royalty	Rs. 2,026.00
6. Vat/S.tax	Rs. 31,193.70
Total	Rs. 10,35,749.70

An amount of Rs.1,21,330.50 of security deposit has been transferred to Panchayat funds during the year 2016-17. However the remark was not mentioned in the audit report of 2016-17, same is notified now and balance of Security Deposits become nil

II - Grants:

The details of grants sanctioned, utilized and unspent grants as on 31/03/2018 are as follows:

Sr. No.	Type of grants	Op.balance	Grant received	Grants utilized	Bal.as on 31.3.18
1.	Staff Salary	-----	5,99,649/-	5,99,649/-	-----
2.	Member salary	-----	1,98,000/-	1,98,000/-	-----
3.	ST Welfare fund	3,15,728/-	2,72,040/-	1,17,330/-	4,70,438/-
4.	Garbage	1,92,020/-	1,00,000/-	14,100/-	2,77,920/-
5.	XII fin. commission	3,319/-	-----	3,319/-	-----
6.	XIV Fin. Commiss.	46,285/-	2,01,717/-	-----	2,48,002/-
7.	Golden Jubilee Infrastructure	1,54,878/-	---	---	1,54,878/-
8.	Golden Jubilee	7,765/-	---	---	7,765/-
		7,19,995/-	13,71,406/-	9,32,398/-	11,59,003/-

The balance amount of Rs.8,90,282/- out of the grants sanctioned has not been utilised by the Panchayat within stipulated time. The grants remaining unspent beyond stipulated period shall be surrendered to the sanctioning authority immediately. If same are to be utilized sanction of the competent authority is required to be obtained.

III - Budget: The Budget estimate and actual income and expenditure for the year 2017-2018 are as follows:

<u>Budget Estimate</u>	<u>Income</u> <u>Actual</u>	<u>Variation.</u>
	Rs.19,16,525/-	Rs.7,18,978/-
	<u>Expenditure</u>	
Rs.55,64,000/-	Rs.13,88,204.50	Rs.41,75,795.50

The budget is approved vide Resolution No.3 dated 25/2/2017. There are huge variations in the budget estimate and actual Income and Expenditure. Thus the budget estimate prepared by the Panchayat is unrealistic/fictitious as there are huge variations in the actual. In future care may be taken to prepare realistic budget.

Part IV - Current Audit:

Section A(a) - Introductory - Nil.

(b) Outstanding paras of previous audit upto 2016-2017.

<u>Sr. No</u>	<u>Year</u>	<u>Opening balance</u>	<u>Paras dropped</u>	<u>Balance as on 31/3/16</u>
1	1991-92	1	---	1(para 2(c))
2.	1992-93	1	---	1(para 4)
3.	1993-94	4	---	4(para 2,4,5,7)
4	1994-95	2	----	2(para 2(1) 4(a) (2))
5	1995-96	2	----	2(para 3 & 4)
6	1996-97	2	----	2(para 3 & 5)
7	1997-98	5	----	5(para 1 to 5)
8	1998-99	2	----	2(para 2(vii)(d) & 5)
9	1999-00	1	----	1(para 7(8))
10	2000-01	1	----	1(para 6(3))
11	2005-06	1	----	1(para 5))
12	2006-07	5	---	5(para 1, 2, 7, 8,12)
13	2007-08	9	---	9(para 1,2,3,4,5,6,7,8,9)
14	2008-09	3	---	3(para 2, 4, 13(i)(2) 4, 5, 8)
15	2009-10	01	---	1(para 12(1 & 2))
16	2012-13	12	8	4(Para 5,7(a),8,10(a & b))
17	2013-14	06	4	2(para 3,4,7(b),11)
18	2014-15	12	6	6(Para 4(b),5,6,7,10,12(a))
19	2015-16	12	7	5(Para 5,6,7,8(Sr.no.5),9,10&12(a))

Audit Report 2016-17:

Para 1 - Financial Position: Dropped & Commented

Para 2 - Cash Book -Dropped & commented.

Para 3 - Demand, collection & Arrears of taxes-Dropped and commented

Para 4(a) - Construction licences: Dropped & commented.

(b) Illegal Construction -do-

Para 5 - Security Bond - Maintained.

Para 6 - Annual Action plan: Maintained

Para 7 -Provident Fund - Maintained

Para 8: Maintenance of Registers: Dropped.

Para 9 - Works-(Sr. No.2)- Maintained.

Para 10 - Vouchers-(Sr. No.2)- Maintained.

Para 11: Salary Reserve Fund - Maintained.

Para 12 - Formation of Committee: Dropped and commented

Para 13 - (a) - Departmental Inspection: Maintained.

(b) - Gram Sabhas - Dropped.

(c) - Admn. Report: - Dropped.

Para 1 - Financial Position: The financial position of the V.P. appears to be improving. The closing balance as per Cash Book as on 31.3.2018 is Rs.21,88,641.86 out of which Rs.11,52,892.16 is Panchayat fund. Amount of Panchayat funds may be invested in fixed deposit to earn more revenue by way of interest.

Para 2 – Cash Book: The closing balance of the V.P. as on 31/3/2018 is Rs.21,88,641.86. The details of closing balance is as follows:

Sr. No.	Name of Bank with A/c No.	Balance as per Cash Book	Balance as per Pass Book	Difference
1.	State Bank of India A/c No.10148186301	2166089.25	2167589.25	1500/-
2	State Bank of India A/c No.10148187510	5809.61	5809.61	----
3	Central Bank of India A/c No.2330796674	9658.89	9658.89	----
4.	State Bank of India A/c No.30202621073	6344.70	6344.70	----
	Cash in hand		739.41	
		Closing balance	Rs.2188641.86	

Observations on cash book:

- 1) Receipt Book used is 11 Nos. from 276/03 to 286/10 and unused book is 10 nos. from 287 to 296.

Reconciliation:-

Balance as per Cash Book	Rs.21,66,089.25
Add:- Cheque No.561250 issued but not encashed as on 31/03/2018	Rs 1,500.00
Balance as per Pass Book	Rs.21,67,589.25

Para 2 – Demand, collection, arrears of taxes:

The position of demand, collection and arrears of various taxes are given as follows:

Sr.No.	Types of taxes	Op. Balance	Current demand	Collection	Bal.as on 31.3.18
1	House Tax	22174/-	66044/-	60418/-	27800/-
2	Light tax	5410/-	4590/-	4060/-	5940/-
3.	Prof. Tax	12170/-	4700/-	4100/-	12770/-
4.	Cycle tax	25545/-	1240/-	190/-	26595/-
5	Dog tax	3938/-	280/-	70/-	4148/-
		69,237/-	76,854/-	68,838/-	77,253/-

On verification of demand register it is observed that the collection of taxes is 47.11% of the opening balance and the demand billed during the year 2017-18 which is not satisfactory. Panchayat has to put in more effort to recover the outstanding taxes by issuing demand notices to the defaulters.

Para 4(a) –Construction Licences: V. P. Rachol have issued 3 Nos. construction licences during the year 2017-18 and collected an amount of Rs.35,250/- as licence fees (including renewal fees) which is found to be correct.

(b)Illegal Construction: There are altogether 4 illegal constructions pending as on 31/3/18 including 5 detected during the year 2017-18. 23 cases of illegal construction has been disposed off during the year 2017-18 including 22 cases of last year.

Para 5 – Furnishing of Surety Bond by V.P. Secretary: V.P. has still not furnished the security bond as required under para 4(a) of Goa Panchayat Act. The lapse noted by Block Development Officer for necessary action.

Para 6 – Annual Action Plan: The Panchayat is required to prepare a Development Plan every year as required under Section 238 of Goa Panchayat Raj Act 1964 and submit the same to Zilla Panchayat within the stipulated time. The Panchayat has not prepared and submitted the same during the year.

Para 7 –Provident Fund: V.P. staff has still not extended the benefits EPF. Immediate action may be taken to extend the benefits of EPF for regular staff of V.P. and compliance report to audit.

Para 8 – Maintenance of Registers:

1)Pay Bill Register: The V.P. has maintained the pay bill register and is found to be in order.

2)Security Deposits/EMD: The outstanding balance of security deposit is nil and EMD is Rs.1,00,009/- during the year 2017-18.

3)Property Register: V.P. has maintained a property register.

4)Court Case Register: There is only one court Case pending with the V.P. An amount of Rs.20,000/- has been paid as legal fees during the year 2017-18.

5)Service Books: Service Books & leave account of V.P. staff were checked and were found to be in order however service verification and leave account is incomplete.

On verification of service book of Smt Constantia Neves Alemao, LDC it is observed that the basic pay as on 01.07.2016 is taken as Rs. 9420+1900 instead of Rs. 9090+1900 and as on 01.07.2017 is taken as 9760+1900 instead of Rs. 9420+1900 after releasing the increment of respective year. Further the revised pay has been drawn @ Rs.9420+1900 since 10/2016 instead of 07/2016 till

03/2018. This may be verified, corrected and if any overpayment is made same be recovered.

Para 9 – Works: The Panchayat has executed 2 works during the year 2017-18. The following observations are raised for compliance:

- 1) Amount worked out for item no. 3 on comparative statement in respect of Cleto Fernandes is not correct.
- 2) Time allowed to carry out the work as mentioned in NIT and work order differs.
- 3) Stipulated date of commencement and completion is not mentioned on work order.
- 4) An amount of Rs. 1,87,995/- is paid in R.A. bill pass order is not recorded on the prescribed place.
- 5) Second and final bill is paid on form no. 24 instead of CPWA form no. 26. The payments are not in order.
- 6) Date of recording measurements is not mentioned.
- 7) Measurements ~~are~~ not accepted by the contractor.
- 8) Pass order of 2nd and final bill is not recorded on MB No. 3089.

Para 10: Vouchers: All the vouchers are verified and found to be in order.

Para 11-Salary Reserve Fund: V.P. Rachol has not created a salary Reserve Fund ~~be~~ equivalent to 3 months salary of V.P. staff. Urgent action may be taken to create salary reserved fund.

Para 12 – Formation of Committees: Panchayat has constituted the following committees:

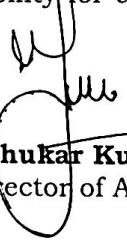
- 1)Village Development Committees Sec.6(8)
- 2)Supervisory Committees Sec.6(2)
- 3)Standing Committee Sec.6(3)

Para 13(a)-Departmental Inspections: The BDO have not conducted any inspection during the year 2017-18 however EO(VP) have conducted only 2 inspections. The reason for not conducting the inspection may be justified.

(b) Gramsabhas: The V.P. has conducted 4 ordinary and 4 Special Gramsabhas during the year 2017-18.

(c)Administrative Report: The Administrative Report for the period 2017-18 has been prepared by the V.P. and submitted the same to BDO and copy endorsed to audit.

NOTE: The Inspection report has been prepared based on the information furnished and made available by Secretary Rachol Panchayat. The Office of the Jt. Director of Accounts, South Branch, Margao disclaims any responsibility for any misinformation and/or non-information on the part of audittee.


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