

Audit File.



Dated: 15-03-2018.

No.DA/Control/31-Sub/2017/18/ 429

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

Sub:- Audit Report on the accounts of the Village Panchayat of
"Batim" 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.

6/5

ANNUAL AUDIT REPORT ON ACCOUNTS OF THE VILLAGE
PANCHAYAT " BATIM " 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.Celia Fernandes	01/04/2016	01/07/2016
2	Mr. Digambar Kavlekar	02/07/2016	17/07/2016
3	Mrs. Sneha De Menezes	18/07/2016	31/03/2017

B. Name of the Secretary :-

Sr.No	Name of the Secretary	Fr.	To
1	Ms. Ramita Murgaonkar	01/04/2016	31/03/2017

C. Name & Designation of audit party

Sr.No	Name of the audit party	Designation
1	Shri. Kisan Gaude	Dy. D.A./Insp.
2	Shri.Deepak K. Velip	A.A.O.
3	Shri.Milind H. Bodke	A.C.
4	Shri. Supresh S. Naik	A.C.

D. Date of Audit :- From :-26/02/2018 to 27/02/2018

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 Batim in Tiswadi Block for the year 2016-17 was conducted from 26/02/2018 to 27/02/2018 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 Batim 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. 1,69,838=00
2	Member salary	Rs. 2,70,000=00
Developmental Grants		
3	Garbage Grants	Rs. 1,00,000=00
4	XIV Finance Grants	Rs. 2,75,704=00
5	MGNREGA	Rs. 2,77,000=00
6	Library Grants	Rs. 2,69,275=00
Total		Rs. 13,61,817=00

PART –III

The Village Panchayat Batim 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. 35,54,878=75
Total Expenditure for the year 2016-17	Rs. 33,98,518=85

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. 12,12,623=00
2	DRDA Grants	Rs. 54,732=00
3	Library Grants	Rs. 1,20,867=25
4	E.M.D.	Rs. 73,036=00
5	S.D. Works	Rs. 42,006=00
6	Income Tax	Rs. 2,107=00
7	Vat (Sales Tax)	Rs. 43,777=00
8	Royalty	Rs. 2,622=00
	TCS on Royalty	Rs. 52=00
9	Labour Cess	Rs. 4,887=00
10	Panchayat Fund	Rs. 19,62,304=23
Total		Rs. 35,19,013=48

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	Balance as on 31/03/2017
I - Administrative/Govt. Grants					
1.	V.P. Member Salary	56,070=00	2,70,000=00	2,69,405=00	56,665=00
2.	Matching Grants	-	1,69,838=00	1,69,838=00	Duly Accounted
3.	XIIIth Finance	2,35,873=00	-	-	2,35,873=00
4.	XVI Finance	3,02,547=00	2,75,704=00	-	5,78,251=00
5.	Garbage	2,00,000=00	1,00,000=00	-	3,00,000=00
6.	Excess Grants	41,834=00	-	-	41,834=00
Total		8,36,324=00	8,15,542=00	4,39,243=00	12,12,623=00
II - DRDA/RDA					
1.	MGNREGA	66,705=00	2,77,000=00 nt. 1,411=00	2,90,384=00	54,732=00

Total II	66,705=00	2,78,411=00	2,90,384=00	54,732=00
III – Library Grants				
1. Library	30,170=00	2,69,275=00	98,577=75 Refund 80,000=00	1,20,867=25
Total III	30,170=00	2,69,275=00	1,78,577=75	1,20,867=25

During audit it was noticed that the VP was having a spare grants of Rs. 5,78,251/-, Rs.2,35,873/- Rs.3,00,000/- & 41834/- received under XIV Finance , XIIIth Fin. Com., Garbage Grant and Excess Grants 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
50,55,000=00	-	35,54,878=75	15,00,121=25

B) EXPENDITURE

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDIRUTE	SHORT
52,25,000=00	-	33,98,518=85	18,26,481=15

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.

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
1980-81	01	----	01	Para –(a)-Purchase of power supply
1993-94	01	----	01	Para – 5(a)(i)register of property & assets (ii)unserviceable materials 5(c)(i) items of immovable properties
1994-95	01	-----	01	Para - 6 – construction license fee
1995-96	02	-----	02	Para - 6 – electricity bill Part-7-rent
1996-97	01	-----	01	Para – 4- purchase of electrical materials
1997-98	01	-----	01	Para – 7-legalization of illegal construction
1998-99	01	-----	01	Para 3 – land acquisition activities as lisence fee
2001-02	01	-----	01	Para - 9 – construction activities
2009-10	03	-----	03	Part - 9 - departmental works by engaging daily wages labour and has incurred an expenditure of Rs.61950/- during 2009-10 and 2010-11. Approval awaited Para-10-financial power a)Purchase of stationary worth Rs. 55963/- from 1999 to 2006 b)Purchase of electrical materials worth Rs. 148434/- from 1998 to 2004
2010-11	01	-----	01	Para -11- works
2011-12	02	-----	02	Para-9- Excess Exp. Over budget/revised budget for the year 2010-11 totaling to Rs.297786/- and for the year 2011-12 totaling to Rs.41746/- Approval is awaited
2012-13	01	-----	01	Para-7- Excess Exp. Over prescribed budget
2013-14	01		01	Para-09-Works (2) short recovery of sales tax/vat.
2015-16	21	19	02	Para-8- Excess Exp. Over budget Rs.1,75,843/-

				Administration. Para-11- Purchase of Electrical material/Register Remaining 19 paras are dropped and commented in current audit wherever are required
Total	38	19	19	

There are 19 outstanding paras are remained unsettle from 1980-81 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.35,19,013=48.

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

1	Closing Balance as per Bank of India A/c no. 10441210000022Rs. 3,14,822=00	
	Closing balance as per the Cash book	Rs. 3,14,822=00
2	Closing Balance as per Bank of India A/c no. 10441210000021Rs. 70,766=05	
	Closing balance as per the Cash book	Rs. 70,766=05
3	Closing Balance as per Bank of India A/c no. 10441210000023Rs. 24,533=70	
	Closing balance as per the Cash book	Rs. 24,533=70
4	Closing Balance as per Bank of India A/c no. 10441210000020Rs. 1,20,867=25	
	Closing balance as per the Cash book	Rs. 1,20,867=25
5	Closing Balance as per Bank of India A/c no. 10441210000019Rs. 38,736=00	
	Closing balance as per the Cash book	Rs. 38,736=00
6	Closing Balance as per Bank of India A/c no. 1044121000005Rs. 22,80,564=09	
	Closing balance as per the Cash book	Rs. 22,80,564=09
7	Closing Balance as per Dena Bank A/C 021610023868	Rs. 56,100=00
	Less: Interest not accrued	Rs. 1,368=00
		Rs. 54,732=00
	Closing balance as per the Cash book	Rs. 54,732=00
8	Closing Balance as per State Bank of India	

A/C No30709418396	Rs. 6,13,917=50	
Closing balance as per the Cash book	Rs. 6,13,917=50	
9 Cash in Hand	Rs. 74=89	
Closing balance as per the Cash book as on 31/03/2017	Rs. 35,19,013=48	

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

Nil

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) Details of salaries not recorded on the vouchers.
- 5) Thump impressions on vouchers are not authenticated by the Sarpanch.
- 6) Pay bill Register, Salary Register is not maintained.
- 7) Each entry in the cash book is not attested.

2) RDA ACCOUNTS

i) RDA/MGNREGA(Dena Bank A/c No.021610023868)

i)	Opening balance for 2016-2017	Rs. 66,705=00
ii)	Grants rec. during the year 2016-2017	Rs. 2,77,000=00
iii)	Add:-Int. Accrued during the year 2016-2017	Rs. 1,411=00
iv)	Less:- Bank Charges	Rs. 12=00
	Purchase of books	Rs. 665=00
	Expenditure during the year 2016-17	Rs. 2,89,707=00
	Closing balance for the year.....2016-2017	Rs. 54,732=00

The Scrutiny of RDA account during audit is only to confirm the closing balance figures only. The audit of the RDA account is carried out by the office of the District. Rural Development Agency, Panaji-Goa.

ii) LIBRARY ACCOUNT: (Bank of India A/c No.104410210000021)

i)	Opening balance for 2016-2017	Rs. 30,170=00
ii)	Grants rec. during the year 2016-2017	Rs. 2,69,275=00
iii)	Add:-Int. Accrued during the year 2016-2017	Rs. nil

iv)	Less:- Bank Charges	Rs. 327=75
	Purchase of books	Rs. 2,000=00
	Refund of Salary	Rs. 80,000=00
	Expenditure	Rs. 96,250=00
	Closing balance for the year.....2016-2017	Rs. 1,20,867=25

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. No.	Nature of Taxes	Arrears Demand	Current Demand	Total Demand	Collection	Balance
1.	House Tax	20635=50	153562=00	174197=50	120901=00	53296=50
2.	Light Tax	2089=80	-	2089=80	--	2089=80
3.	Prof. Tax	102672=00	16250=00	118922=00	5020=00	113902=00
4.	Cart Tax	355=00	-	355=00	-	355=00
5.	Cycle Tax	5882=00	-	5882=00	-	5882=00
TOTAL		131634=30	169812=00	301446=30	125921=00	175525.30

The Panchayat has collected an amount of Rs.1,25,921/- towards the various taxes during the year 2016-17. The tax collection is 42% out of the total demand. The position of the Panchayat in respect of collection of taxes is quite satisfactory. 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.

4) RENT

The Village Panchayat "Bativ" has leased out eleven of its premises on rental basis and collected an amount of Rs. 4,20,475/- as a rent during the year 2016-2017. The statements showing the detailed position of the rent are as follow

Sr. No.	Name of Premise	Arrears Demand	Current Demand	Total Demand	Collection	Balance
1.	Shop No.1	5900=00	22800=00	28700=00	11400=00	17,300=00
2.	Shop 2	5400=00	32400=00	37800=00	37800=00	Nil
3.	Shop No.3	6000=00	24000=00	30000=00	20000=00	10000=00
4.	Canteen	41600=00	31200=00	72800=00	-	72800=00
5.	OldV.P.Off.	-	24000=00	24000=00	26000=00	(-)2000=00
6.	Health centre	21406=00	128436=00	149842=00	128436=00	21406=00
7.	Bank of India	10750=00	135452=00	146202=00	133839=00	12363=00
8.	Goa State Craft. Train.	52613=00	-	52613=00	-	52613=00
9.	C.D.P.O.	56297=00	128436=00	184733=00	-	184733=00
10.	Elect. Dept.	342496=00	128436=00	470932=00	-	470932=00
11.	ATM Betim	-	63750=00	63750=00	63000=00	750=00
TOTAL		542462=00	718910=00	1261372=00	420475=00	840897=00

Note:- It is seen that the amount of Rs. 12000/- is waived by the Panchayat Resolution No.5(5) dated 30/01/2018 for the Shop no. 2, as Mrs. Deepali Chari who was running the shop was vacated the premises. Same are not within the rule, of Panchayat Act. Same may be recovered from the Mrs. Deepali Chari.

The collection is 33% out of total demand. The position of the Panchayat in respect of collection of rent is not satisfactory. The sluggish nature of the Village Panchayat in recovering of rents has resulted in accumulation of these arrears. Therefore, the VP is required to take remedial action for recovery of all outstanding rent along with the prescribed penalty from the defaulters by following the recovery provisions as specified in the GPRA 1994 and Rules. Further, the agreements executed between the V.P. and parties who had taken the shops on rental basis are not made available for verification due to which audit could not ascertain validity of the agreements and whether same are renewed annually with revised rent as prescribed from time to time. The Balance amount may be recovered immediately and shown to the next audit. Proposal may also be processed to PWD for revaluation of rent without further delay and the agreements may be got executed and rent may be revised as per PWD valuation. (if required).

5 CONSTRUCTION ACTIVITIES/CONSTRUCTION LICENCES

V.P. Sarpanch had certified vide certificate No. VP/B/2017-2018/772 dated 24/02/2018, that he had issued 03 nos. construction licenses and 2 nos. house repair licenses during the year 2016-2017, And an amount of Rs. 3,26,775/- and Rs.4,000/- was recovered as license fees respectively during the year 2016-17. The fees are charged as per estimate certified by Civil Engineer. Relevant records are seen in audit.

6) ILLEGAL CONSTRUCTION:

V.P Sarpanch certified vide certificate No.VP/B/2017-2018/771 dated 24/02/2018 that he has not detected any 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	11
2) Illegal Construction cases detected during the year 2016-17	-
3) Nos. of illegal construction cases settle/ disposed during the year 16-17	-
Total cases pending for settlement upto 31/03/2017	11

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 11 cases 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.

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

It was observed during audit that the V.P. had a balance of Rs. 0.73 lakhs as E.M.D and Rs. 0.42 lakhs S.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 /SD's which is lying with the Panchayat for more than three years. If not than the unclaimed EMD's and S.D.'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.

8) EXCESS EXPENDITURE OVER BUDGET ESTIMATE:

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	Budget Provision	Actual Expenditure	Excess
1.	Library	Rs.1,70,000/-	Rs.1,93,945/-	Rs. 23,945=00

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

9) 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.

10) NON MAINTENANCE OF HALL RENT REGISTER

As per earlier audit Report, it was directed to maintain security registers along with Hall rent registers separately. It should updated in respect of details such as booking and cancellation of booking (if any) receipt of application, receipt of rent and category of rent, details of cash received/ forfeited (If any) etc.

However, but it seen in current year 2016-17 also, that no such details are maintained in separate register. The registers should be maintained showing details SD deposits such as previous years balance (if any) receipt during the year, refunded during the year and balance as on closing of each financial year. In absence of such registers audit could not ascertain actual balances of the above referred SD,s lying with VP and also Panchayat fund cannot be worked out properly.

Progress in this regards and action taken may be shown to next audit.

11) PURCHASE OF ELECTRICAL MATERIAL/ REGISTER

The Panchayat have purchased street light materials valued at Rs. 1,88,032/- during the year 2016-17 inviting quotations from few local dealers without following the purchase procedure as specified in General Financial Rules 2005. In fact, 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 i.e. placing indent for calling quotations/tenders, preparing comparative statement etc. this has not done. As such expenditure incurred by the Panchayat is irregular which is required to be regularized by obtaining post facto approval for condemning the procedure for call of quotations 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 notice 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.

12) 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, Pensionary 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.

13) 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.

14) 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 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.

15) 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 furnish 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.

16) WORKS

The Panchayat has paid for 4 works during the year 2016-17 from the Panchayat fund as per the statement of works submitted to audit. The relevant work files were checked during the course of audit the following are observed in general for guidance and compliance.

- i) Pass and Payment order not recorded on the bill.
- ii) Excess /Saving statement is not enclosed to final bill.
- iii) The work order issued in a simple letter form. Infact the same should be issued in from 10 or 11 as the case may be, as per CPWD Manual. The work order should be contained the percentage quoted, estimated Cost, the tendered amount and period allowed to complete the must be part of the works orders. Also stipulated date of commencement and completion must be worked out and entered at bottom left hand side of the work order. This will facilitate to find out the delays in starting and completing the work and working of fines on delay period etc.
- iv) The completion certificate has not been recorded on bills. The same may be recorded as per prescribed format in CPWD manual 2007.
- v) The date of completion of work is not recorded on the Completion Certificate and First and Final Bills. As such audit is unable to verify the date of completion of work.
- vi) Revised rates of taxes, ie towards Income Tax, Sales Tax, Royalty Labour Cess, and Service Tax may be watch time to time and accordingly recovered from the contractor's bill and remit to Government treasury with in stipulated time.

17) 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 Cess amount collected for their administrative expenses.

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

The Panchayat is having an amount of Rs. 19,62,304=23 in their Panchayat Fund Account as on 31/03/2017. This shows that the financial position of the Panchayat is satisfactory during the year. However, Panchayat should make

sincere efforts to recover the amount of arrears of Taxes / Rents along with prescribed penalty from the defaulters, in order to further strengthen the financial position of the Panchayat. The VP has huge spare amount of Rs. 19,62,304=23as Panchayat Fund as on 31/03/2017 in the different Saving Bank Account. However, no FD's has been made by the VP. The VP should make FD's of smaller amount of various denominations so as to earn more revenue in the form of higher rate of bank interest. The Panchayat may consider the possibility of investing its funds in short term deposits keeping in view its immediate needs so that additional revenue by way of higher rate of interest could be earned which is cannot be earned on saving/current account.

19) 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 is 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.

20) 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.

21) 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.

a) Inspections

- i) Prescribed
- ii) Actually carried out

B.D.O.

03
01

E.O.(VP)

05

01

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.
- e) 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 Batim. 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

Form No. 10

(See Rule 21(a) and 25 of THE GOA PANCHAYAT (ACCOUNT, AUDIT AND CUSTODY OF FUND) RULES 1997)

ANNUAL ACCOUNT OF INCOME AND EXPENDITURE
OF BATIM, PANCHAYAT FOR THE YEAR 2016-2017

Particulars of Income	Amount	Particulars of Expenditure	Amount
Income		Expenditure	
		Budget Head	
1) Closing of the last year	3362653.58	1) Administration	1345403.00
Budget Head			
2) Grants from Government	1361817.00	2) Sanitation Public Health and Family Welfare.	
i) Special Membersabu	270000.00		
ii) General Matchay Library	269275.00		
iii) Matchay Garbage	169838.00		
3) Other Grants	100000.00	3) Public Works	1146725.00
i) Local Authorities MREUS	277000.00		
ii) Private		4) Planning and Development	
4) Proceeds of taxes fees etc under Sec. 153 of the Act.	491495.00	5) Social Welfare	1500.00
Taxes fees	125921.00 365574.00	6) Education and Culture	18750.00
5) Proceeds of other loans etc.	46450.00	7) Rural Housing	
6) Sales Proceeds.	165466.75	8) Drinking water	
7) Extraordinary		9) Poverty alleviation Programs	
		10) Libraries	193945.00
		11) Rural Sanitation	
		12) Construction and maintenance of slaughter house and cattle pounds	
		13) Miscellaneous	692195.85
		Expenditure Total	3398519.85
		Closing Balance	3519013.48
Total Receipts	3554878.75		
Grand Total	6917532.33	Grand Total	6917532.33

N.B. Details of Receipts and Expenditure of the items may be given separately.




Sarpanch

FRANCISCO PASCOAL DE SOUSA
SARPANCH
VILLAGE PANCHAYAT, BATIM


Secretary

SECRETARY
VILLAGE PANCHAYAT, BATIM

DETAIL OF THE BALANCE

1. Panchayat fund
2. Staff salary
3. GIA
4. XII & XIU finance
5. Member salary
6. NR&S
7. Maintenance
8. Library
9. Cash in hand

Total

2280564 = 09
 314822 = 00
 21533 = 70
 613917 = 50
 70766 = 05

54732 = 00
 38736 = 00
 120867 = 25
 74 = 89

3519013 = 48

DETAILS OF FUNDS

1. Govt. Grants
2. R.D.A. Grants
3. Library Grant
4. E.M.D.
5. Security
6. Income Tax
7. VAT (Sales Tax)
8. Royalty
9. TCS on Royalty
10. Any other Labour cess
11. Panchayat Fund

1212623 = 00
 54732 = 00
 120867 = 25
 73036 = 00
 42006 = 00
 2107 = 00
 43777 = 00
 2622 = 00
 52 = 00
 4887 = 00
 1962304 = 23

Total

3519013 = 48

Certified that the closing balance as shown in the account has been compared with that shown in the Cash Book, Bank Book and found to be correct.

The difference of Rs.
Book is due to be the reason that:

Ranu

SECRETARY
VILLAGE PANCHAYAT, BATIM

I have examined the foregoing accounts and I have obtained all the information and explanation that I required and subject to the observation in the separate Audit Report/Note. I certify as a result of my audit, that in my opinion, these accounts were properly drawn up so as to exhibit a true and fair view of the State of Affairs of the Panchayat according to the best my information and explanations given to me and as shown by the books of the Panchayats.



CERTIFICATE

Between the Pass book and Cash

Sur

FRANCISCO PASCOAL DE SOUSA
SARPANCH

VILLAGE PANCHAYAT, BATIM

Deputy Director of Accounts/Insp.
Government of Goa.

Annual 2016 - 2017
Panchayat for the Year / Month

Expenditure	Amount	Particulars of Expenditure	Amount
Administration			
1. Staff's Salary	650181=00	5) Social Welfare	
2. Member Salary	269405=00	1. Baluadi reut	1500=00
3. Maintenance of Staff	196400=00	6) Education and Culture	1500=00
4. Refreshment	14339=00	1. Prize distribution	6350=00
5. Advocate Fees	8000=00	2. Student	12000=00
6. Telephone bill	4334=00	3. Felicitation (Independence Day)	18750=00
7. Water bill	3473=00	7) Rural Housing	
8. Electric city bill	121317=00	8) Drinking Water	
9. Stationary Purchase	18348=00	9) Poverty alleviation	
10. Xerox Copy	836=00	Programme	
11. Advertisement	53160=00	10) Libraries <u>Library</u>	96250=00
12. Postage	810=00	1. Salary	7685=00
13. Computers	7800=00	2. News paper bill	10010=00
	1345403=00	3. Purchase of books	80000=00
Sanitation Public Health and family welfare		11) Rural Sanitation	193948=00
Public Work		4. Refund Giraldi Library	
1. NREIS	290372=00	12) Construction and Maintenance of Slaughter house & Cattle Pounds	
2. Cutting of bushes	61300=00		
cleaning roadside			
3. Electrical goods	188032=00	13) Miscellaneous	
4. Labour Payment	9100=00	1. Lift	69634=00
5. Maintenance of Bldly	30840=00	2. Miscellaneous	26610=00
6. Dieseltag 1 drain in cell boards	70000=00	3. Transport charges	200=00
7. work	4700=00	4. Bank charge	2825=88
8. work	229497=00	5. Refund S.O Hall	(98000+) 00
9. Maintenance of Cinema	163454=00	6. Water Supply	153400=00
stadium	28672=00	7. Cleaning of Hall	92000=00
10. work	734130=00	8. Diesel	15000=00
11. work	61623=00	9. emd	13848=00
12. work		10. Refund S.O work	28829=00
Planning and Development		11. Income tax	17036=00
		12. Purchase of 10 Metric	8500=00
		13. General renewal fee	12500=00
		14. Purchase of cutting machine	29925=00
		15. Interest on Income tax	1888=00
		Expenditure Total	3398518=85
		Closing Balance	3519013=48
		Grand Total	6917532=83
TOTAL RS. 1146755=00		Ramulu Secretary	85

SANTOS CASIADA DE MENEZES
SARPANCH
VILLAGE PANCHAYAT, BATIM

SECRETARY
VILLAGE PANCHAYAT, BATIM

Monthly / Annual Account of Income

Particulars of Income	Amount	Particulars of Income	Amount
<i>Opening Balance</i>	3362653-58	<i>B/F</i>	
1) Closing of the last Month / Year		5) Proceeds of other Loan etc	
 Budget Head		6) Sale Proceeds	
2) Grants from Government		7- Tender Form	
1) <u>Special Grants</u>			46950 = 46950
1. Member Salary	270000=90		
2. Library Grants	269275=00		
3. 1344/-	3244300=00		
4. 14th Finance	27570400=00		
II) General	169838=00		
1. Matching Grants	1,00,000=00 X	7) Extraordinary Receipt	
2. Garbage Grants		1. Hall Booking	631000=00
3) Other Grants		2. S.D Hall	174000=00
I) Local Authorities		3. General Acc	162000=00
I) REIES		4. Library S.D	960=4
II) Private		5. Library Membership	240=0
4) Proceeds of taxes fees etc under Sec. 153 of the Act		6. E.M.D	65654=
1. House Tax	120961=00	7. S.D of works	36653=
2. Prof Tax	5020=00	8. Income Tax	10752=
 Fees		9. Royalty	1115=
1. R.B.D	12592100=00	10. TCS on Royalty	22=
2. Certificatio		11. Vat	24436=
3. N.O.C		12. Bank Interest	93823=
4. R.B.D Application	2640=00	13. Rent	420475=
5. Const Lic Fees	8550=00	14. Penalty	3881=
6. Establishment fees	6600=00	15. Ground Booking	212000=
7. Certified	305=00	16. Labour Less	4887=
8. RTI	3500=00	17. Audit Para	18=
9. House Transfer fees	752=00		
10. House repair fees	52=00		
	13000=00		
	4000=00		
		 TOTAL RECEIPT	16546167/-
		 OPENING BALANCE	3554818=
		 GRAND TOTAL	3362653=
<i>Clerk</i>	<i>TOTAL RS. 365574=00</i>	<i>Accountant</i>	<i>6917532=</i>

SNEHA CASTILLO DE MENEZES
SARPANCH
VILLAGE PANCHAYAT, BATIM

SECRETARY
VILLAGE PANCHAYAT, BATIM

Accountant
Secretary