



Government of Goa
Directorate of Accounts, South Branch Office,
Matanhy Saldanha Administrative Complex,
Margao-Goa - 403601.

No.DA/SB/Cood/31-2(II)/2018-2019/102

Dated: 15.10.2018

To,
The Deputy Director of Panchayats,
South District,
Government of Goa,
Margao-Goa.

Sub: Audit Report on the accounts of Village Panchayats Chandor, Darmapur-Sirlim, Guirdolim, Nuvem, Seraulim and Sao Jose de Areal for the year 2017-18 conducted during the year 2018-19.

Sir,

Copies of the Audit Reports on the accounts of the Village Panchayats for the year 2017-18 are sent herewith for necessary action at your end.

Copies of the said reports are also sent to the said Panchayats through respective Block Development Officers for necessary action.

Yours faithfully,

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

Encl:- 06 Insp. Reports

Copy to:

1. The Block Development Officers/Salcete.
copies of the Audit Report of Village Panchayat mentioned above are sent herewith **in duplicate**.
2. The Chief Executive Officer, South Goa Zilla Panchayat, Goa Agricultural Marketing Board, above Bagayatdar, Aricm, Raia-Goa, alongwith the copies of V.P. Reports.
3. The Dy. Director of Accounts/Control, Directorate of Accounts, Panaji-Goa, along with a copy of V.P. reports for information.
4. The Dy. Director of Accounts/Inspection Cell (Hdqrs), Directorate of Accounts, Panaji-Goa, for information.

INWARD	
Entry No.	2268
Date	22/10/2019

Per-MoJ(3)
22/10/19

**Audit Report of the accounts of Village Panchayat Sao Jose de Areal of
Salcete Block for the year 2016-17. 17-18**

Part - I: (A)

(a) Name of Sarpanch: 1) Shri Perris D' Costa - 01/04/2017 to 31/03/2018.

(b) Name of Secretary: 1) Krishna Gaud - 01/04/2017 to 16/09/2017.
2) Angeleco Gracias - 17/09/2017 to 08/12/2017
3) Rajendra Naik - 09/12/2017 to 31/03/2018.

B) Name of members of Audit Party & their designation:

- 1) Mr. Walter D'Mello, Asstt. Accounts Officer.
- 2) Mr. Shridhar Sawant, Asstt. Accounts Officer.
- 3) Mr. Rajan Kotharkar, Accounts Clerk.
- 4) Mr. Vishwas Gurav, L DC

C) Dates of Audit: 19/09/2018 and 20/09/2018.

D) Period covered by Audit: 01/04/2017 to 31/03/2018.

Part II - Introductory:

The audit of the accounts of Village Panchayat Sao Jose de Areal of Salcete Block for the year 2017-18 was carried out by the office of the Joint Directorate of Accounts, South Branch, Margao, under the supervision of Shri Madhukar Kunkolienkar, Dy. Director of Accounts/Inspection, South Branch, Margao.

The Village Panchayat was sanctioned the following Administrative grants during the year 2017-18.

1. Matching Grants - Rs.2,12,500/-

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) Rule 1997 comprising of particulars of income and expenditure of all grants received (Administrative & Developmental Grants).

1 - Summary of Accounts:

1. Opening Balance for the year 2017-2018 - Rs.65,21,714.96
2. Receipts during the year 2017-18 - Rs.59,89,776.00
3. Expenditure during the year 2017-2018 - Rs.31,18,486.00
4. Funds available with V.P. as on 31/03/2018. - Rs.93,93,004.96

Details of funds available:

Govt. grants	-	Rs. 42,22,123.65
Earnest Money Deposit	-	Rs. 45,548.00
Security Deposit	-	(-)Rs. 2,013.00 (over payment)
Royalty	-	Rs. 21,599.00
Panchayat fund	-	Rs. 51,05,747.31
		Rs.93,93,004.96

The liabilities such as royalty may be credited in Govt. Treasury immediately under appropriate head of account. The Security deposit paid in excess of Rs.2,013/- be recovered from concern contractor/party.

II - Grants:

The details of grants sanctioned, utilized and unspent grants as on 31.03.2018 are as follows:

Sr. No.	Types of grants	Opening balance	Grants Received.	Grants Utilized	Bal.as on 31.03.18
1	Members Salary	1,88,375.00	4,14,000/-	3,04,500/-	2,97,875.00
2	Staff Salary	---	15,00,000/-	15,00,000/-	---
3	XIIIth Finance	2,43,557.00	----	-----	2,43,557.00
4	Golden Jubilee(Dev.)	1,263.00	----	-----	1,263.00
5	Development Grants	9,253.00	----	----	9,253.00
6	XIIth Finance	*30,990.65	----	----	*30,990.65

7. XIVth Finance	24,15,242.00	12,23,823/-	----	----	36,39,065.00
8. G. Jiden	120.00	----	----	----	120.00
9. Grants for Carriage	----	1,00,000/-	1,00,000/-	----	----
Total	28,88,800.65	32,37,823/-	19,04,500/-	42,22,123.65	----

(*) In the previous audits the outstanding balance in F/o Xlth Finance was wrongly shown as Rs.7,171/- instead of Rs.30,990.65. As per the note put up to audit by the Secretary, V.P. Sao Jose de Areal, this figure is now corrected.

An amount of Rs.42,22,123.65 is remaining as outstanding grants as on 31.03.18. The grants remaining unspent has to be surrendered to sanctioning authority and in case unspent grants are to be utilized, permission may be obtained from sanctioning authority and spent within the stipulated time limit.

III - Budget:

The Budget estimate and the actual income and expenditure for the year 2017. is as follows:

Budget Estimate	Actual	Variation
Rs.88,17,500/-	Rs.59,39,776/-	Rs.28,27,724/-

Budget Estimate
Rs.1,09,77,000/-

Expenditure
Rs.31,18,486/-

Variation
Rs.78,58,514/-

On review of the budget estimate, huge variations between the budget estimate and actual expenditure are observed. The budget prepared by Panchayat is fictitious and unrealistic. Care should be taken to prepare realistic budget.

Part IV - Current Audit:

Section A(a) Introductory:

(b) Outstanding paras of previous Audit: upto 2017-18 :

Sr. No.	Year	Opening Balance	Paras Dropped	Paras outstanding as on 31/03/2017
1	2008-2009	1	1	----
2	2009-2010	2	1	1(para13(1))
3	2010-2011	3	2	1(para 4)
4	2011-2012	3	2	1(para4(1 to 13))
5	2012-2013	3	2	1(para 4(1 to 12))
6	2013-2014	1	1	----
7	2014-2015	2	2	2(para 9, 11e)
8	2015-2016	12	10	2(para 10(c), 12(a))

Audit Report 2016-17.

Para 1 - Financial Position: Dropped and commented in current audit.

Para 2 - Cash Book: -do-

Para 3 - Demand, Collection & Arrears of Taxes: -do-

Para 4 (a) Construction licence: -do-

(b) Illegal Constructions: -do-

Para 5 - Surety bond by V.P. Secretary: Dropped

Para 6 - Annual Action Plan Dropped

Para 7 - Constitution of Committees: Dropped and commented in current audit.

Para 8 - Works: Dropped

Para 9 - Maintenance of Registers: a,b,c,d,e,f, Dropped

Para 10 - (a) Service books and leave account: -do-

(b) Salary Reserve Fund: Dropped

(c) Provident fund: Maintained

Para 11 - Vouchers: Dropped.

Para 12(a) Departmental inspections: Maintained
(b) Gram sabhas: Dropped
(c) Administrative Report: Dropped

Current Audit

Para 1 : Financial position:

The financial position of the Panchayat is quite good. The closing balances as per cash book as on 31/03/2018 is Rs.93,93,004.96 out of which Rs. 51,05,747.31 are Panchayat fund. The Panchayat may invest more amounts in F.D. in order to generate more revenue in form of interest.

Para 2 -Cash Book :

The closing balance of the village Panchayat as on 31/03/2018 is Rs.93,93,004.96. The details of closing balance are as follows:

Sr. No.	Name of Bank with A/c No.	Balance as per		Differences
		Cash Book	Pass Book	
1	Corporation Bank, (A/c nos 161568, 160893)	11,25,895.00	11,25,895.00	NIL
2	Corporation Bank (FD no. 151929)	3,09,820.00	3,09,820.00	----
3	Corporation Bank (SB A/c No.0614)	12,88,888.21	12,88,888.21	----
4	Corporation Bank (SB A/c No.4811)	4,67,566.00	4,73,832.00	6,266.00
5	Corporation Bank (SB A/c No.5830)	33,82,728.00	33,82,728.00	----
6	SBI XIIIth Finance (SB A/c No.7790)	28,17,953.00	28,17,953.00	----
	Cash in Hand	154.75	----	----
	Total	93,93,004.96	----	----

Bank Reconciliation:

(a) Corporation Bank a/c No. 4811

Balance as per Cash Book

Add: Chq.no.541165 issued but not realised as on 31/3/18

Balance as per Pass Book :

Rs.4,67,566.00
 Rs. 6,266.00
 Rs. 4,73,832.00

Observations on Cash book:

1. The panchayat has used receipt books 36 nos. from 86/35 to 121/36 and unused books Nil.
2. Cash book: Receipts and payment side are not signed by Secretary.

Para 3 - Demand, collection and arrears of taxes:

The position of various taxes collected by Panchayat demand and balance outstanding as on 31.03.2018 are as follows:

Sr. No.	Types of Taxes	Opening Balance	Current demand	Collection	Balance as on 31/03/2018.
1	House Tax	16,70,838.62	10,32,092.00	9,57,733.00	17,45,197.62
2	Trade Tax	2,22,622.00	2,52,361.00	2,55,080.00	2,19,903.00
3	Vehicle Tax	17,184.00	620.00	----	17,804.00
4	Dog Tax	1,398.00	138.00	104.00	1,432.00
5	Cart Tax	462.00	75.00	50.00	487.00
6	Advt. Tax	4,386.00	6,062.00	1,700.00	8,748.00
	Total	19,16,890.62	12,91,348.00	12,14,667.00	19,93,571.62

The various taxes collected by Panchayat is only 37.86% of the opening balance and demand billed during the year 2017-18 which is very poor. As per provisions of Acts, Panchayat should revise the house tax every four year. The last revision was done in 2001. Also Panchayat has to put more efforts to collect the various outstanding taxes by invoking the provisions of Goa Panchayat Act by issuing demand notices to the defaulters and recover the long outstanding dues. Compliance may be reported to next audit.

Para 4(a) - Construction Licences:

The Village Panchayat has issued altogether 58 nos. of construction licences and collected an amount of Rs.4,50,024/- as licence fees and Rs.89,993/- as renewal fees for the year 2017-18. All the files are scrutinized, verified and the fees charged are found to be correct. The Panchayat has maintained the construction licences registers.

(b)Illegal construction:

The Village Panchayat has detected 3 illegal constructions during the year 2017-18. There are altogether 14 nos. illegal constructions pending with Panchayat as on 31/03/2018. The details are as follows:

- | | |
|-----------------------------------|--------|
| 1. Director of Panchayat | 1 no. |
| 2. Addl/Dy. Director of Panchayat | 8 nos. |
| 3. BDO Margao | 1 nos. |
| 4. Village Panchayat | 4 nos. |
- Progress made in this matter is intimated to audit.

Para 5 - Furnishing surety bond by V.P. Secretary:

As required under Sect.4(3) of Goa Panchayat Raj rules 1997 every Panchayat Secretary has to furnish surety bond. The V.P. Secretary furnished the surety bond.

Para 6 - Annual Action Plan: Every Panchayat has to prepare every year Annual Action Plan and submit the same to Zilla Panchayat within the prescribed date in prescribed format. V.P. Sao Jose de Areal has prepared the AAP for the year 2017-18.

Para 7 - Constitution of Committees:

The following Committees have been constituted by Panchayat during the year 2017-18.

1. Village Development Committee.
2. Village Water Sanitation Committee
3. Garbage management Committee.
4. Village Child Committee
5. Bio Diversity Management Committee.
6. Vigilance and Monitoring Committee
7. Regional Plan Committee.

Para 8 - Works:

The Village Panchayat has not executed any works during the year 2017-18. Works register should be maintained by the panchayat.

Para 9 - Maintenance of Register:

(a) Pay Bill Register: The Pay Bill register is maintained by Panchayat in prescribed format TR-22 A. The Pay bill register checked, verified and found to be in order.

(b) Suit Register: There are altogether 23 cases, pending as on 31.3.2018 in various court i.e. Additional Director of Panchayat 17 cases, in Dy. Director of Panchayat 2 cases, BDO Margao 1 cases, Civil Court 2 cases, High Court 1 nos. The total legal fees paid to advocate is Rs.27,900/- during the year 2017-18. The Advocate fees exceeds the limit of Rs.20,000/- by the Panchayat Progress made to settle the court cases may be reported to audit.

(c) Properties and Asset Register:

The properties and Asset registers are maintained in prescribed format. All the records, recorded are found to be correct during the year 2017-18.

(d) Movable register:

The movable register is maintained but not in prescribed format. The same may be maintained in prescribed format. Annual physical verification be done and compliance shown to next audit.

(e) Security Deposit/EMD:

The outstanding balance of security deposit is (-) Rs.2,013/-. The same may be traced and recovered from concern party and deposited to Panchayat fund. Two tenders were invited during 2017-18 and EMD of Rs.31,838/- was collected from 4 nos. of agencies in October'17. Reason for not finalising the tender for placing work order may be intimated to audit. The balance of EMD as on 31/03/2018 is Rs.45,548/- including the previous balance of Rs.13,710/-. The Security Deposit lying unclaimed beyond 3 years, may be treated as lapsed deposit and forfeited the same to Panchayat fund after following the official procedure.

(f) Income tax/Royalty/Vat: An amount of Rs.21,599/- is outstanding towards liability of Royalty. The outstanding balances may be credited immediately in Government Treasury under respective head of account and compliance reported to audit.

(g) Motor Vehicle Register: This register is maintained.

1. Expenditure on fuel & lubricants	Rs.1630/-
2. Expenditure on repairs & maintenance	Rs.19166/-
Total	Rs.20796/-

(h) Log book: The person incharge of the vehicle has not signed the log book.

(i) Rent book: Total rent collected of the community hall is Rs.17,500/-.

Para 10(a) - Service Book and leave account: The Village Panchayat has maintained the service book and leave account of their regular staff members, the same were checked and found to be in order.

(b) Salary Reserve Fund: The Panchayat has created the salary reserve fund equivalent to 3 months' salary of their regular staff. The total amount credited is Rs.3,09,820/- as on 31.03.2018.

(c) Reserve fund for Pensionary benefits:

As per notification issued vide 84/DP/Pan/ZP/2006 dt.2.11.2006 published in official gazette series 1 no.31 dt.3.11.2006, every Panchayat has to reserve not less than two and half percent (2.5%) of their income as reserve fund to contributory provident fund and pensionary benefits, etc. to the staff working in the Panchayat. No provisions towards pensionary benefits has been made by the Panchayat.

(d) Provident fund:

In spite of several audit observation the Panchayat staff has not been extended the benefit of provident fund scheme. Necessary action be taken to extend the benefit of provident fund scheme to the regular employees of Panchayat.

Para 11 - Vouchers:

All vouchers were checked and were found to be in order.

Para 12(a)-Departmental Inspection:

BDO has not conducted any inspection whereas EO(VP) has conducted 2 inspections of Village Panchayat during 2017-18 as against 3 prescribed for BDO and 5 for EO(VP). The matter brought to the notice of Director of Panchayat for necessary action.

(b) - Gram sabhas:

The Village Panchayat has conducted 3 ordinary Gram sabhas and 4 special gram sabhas during the year 2017-18.

(c) Administrative Report:

The Village Panchayat has prepared the administrative report and furnished the same to BDO and copy endorsed to audit.

Note : This Inspection Report has been prepared on the basis of information furnished and made available by the Secretary of Village Panchayat Sao Jose de Areal. The Office of the Jt. Director of Accounts, South Branch, and Margao disclaims any responsibility for any misinformation and/or non-information on the part of Auditee.

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