(9) No.3/Audit Report/All V.P./BDOS/2017-18/4324
Office of the Block Development Officer,
"Shri. Mathany Saldhana Administrative Complex"
'C' Block, 2nd Floor,
Room No.223, Margao, Salcete- Goa.

Date: 8/11/2017

MEMORANDUM

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. Sao Jose De Areal 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-I,
Salcete, Margao-Goa.

To,
The Secretary
V.P. Sao Jose De Areal
Salcete Block

4(9)
27/1/18

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.

INWARD
Entry No: 2015
Date: 19/01/2018

Rs. 6521714.96

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

Part – I: (A)

(a) Name of Sarpanch: 1) Shri Gabriel Oliveira - 01/04/2016 to 20/06/2016.
2) Perris a Dcosta - 21/06/2016 to 07/08/2016.(Acting Sarpanch)
3) Minguel P.Gomes. - 08/08/2016 to 20/02/2017.
4) Perris a Dcosta - 21/02/2017 to 13/03/2017.(Acting Sarpanch)
5) Perris a Dcosta - 14/03/2017 to 31/03/2017.

(b) Name of Secretary: 1) Krishna Gaude - 01/04/2016 to 31/03/2017.

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

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

C) Dates of Audit: 22/09/2017 and 25/09/2017.

D) Period covered by Audit: 01/04/2016 to 31/03/2017.

Part II – Introductory:

The audit of the accounts of Village Panchayat Sao Jose de Areal of Salcete Block for the year 2016 2017 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 Administrative grants during the year 2016-17.

1.	Matching Grants	-	Rs.4,25,000/-
2.	Grants from I.D.C.	-	Nil
			Rs.4,25,000/-

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).

I – Summary of Accounts:

1.	Opening Balance for the year 2016-2017	-	Rs. 4677481.96
2.	Receipts during the year 2016-17	-	Rs. 5146506.00
3.	Expenditure during the year 2016-2017	-	Rs. 3302273.00
4.	Funds available with V.P. as on 31/03/2017.	-	Rs. 6521714.96

Details of funds available:

1.	Govt. of grants	-	Rs. 2864941.00
2.	Earnest Money Deposit	-	Rs. 13710.00
3.	Security.Deposit	-	(-)Rs. 2013.00 (over payment)
4.	Income Tax	-	Rs. Nil
5.	Royalty	-	Rs. 21599.00
6.	VAT	-	Rs. Nil
7.	Panchayat fund	-	Rs. 3623477.96
			Rs. 6521714.96

The liabilities such as royalty may be credited in Govt. Treasury immediately under appropriate head of account. The overpayment of Rs.2013 towards security deposit made to the contractor be recovered. The security deposit/EMD amount beyond 3 years shall be forfeited and transferred to the panchayat funds following the procedure.

II - Grants:

The details of grants sanctioned, utilized and unspent grants as on 31.03.2017 are as follows:-

Sr. No.	Types of grants	Opening balance	Grants Received.	Grants Utilized	Bal.as on 31.03.16
1	Members Salary	1,50,375/-	4,14,000/-	3,76,000/-	1,88,375/-
2	XIIIth Finance	2,43,557/-	-----	-------	2,43,557/-
3	Golden Jubilee(Dev.)	1,263/-	----	-------	1,263/-
4.	Development Grants	9,253/-	----	----	9,253/-
5	XII Finance	7,131/-	----	----	7,131/-
6.	XIV Finance	2,71,244/-	21,43,998/-	----	24,15,242/-
7.	Golden Jubilee(Cult.)	120/-	----	----	120/-
8.	Grants for Garbage	---------	1,00,000/-	1,00,000/-	-------------
	Total	6,82,943/-	26,57,998/-	4,76,000/-	28,64,941/-

An amount of Rs.28,64,941/- is remained as unutilised grants as on 31.03.17. The grants remained 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 2016-17isas follows :

	Income	
Budget Estimate	Actual	Variation
Rs.1,43,25,450	Rs.51,46,506	Rs.91,78,944

	Expenditure	
Budget Estimate	Actual	Variation
Rs.1,18,27,000	Rs.33,02,273	Rs.85,24,727

The budget is approved vide Resolution No.2, dated 11/02/2016 and submitted to BDO on 29.03.2016.

On review of the budget estimate, huge variation 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 2016-17 :

The position of outstanding paras of previous audit are as follows.

Sr. No.	Year	Opening Balance	Paras Dropped	Paras outstanding as on 31/03/2016
1	2008-2009	1	---	1(para13(1,2,3,5,6)
2	2009 2010	2	---	2(para13(1,3),15(1 to6)
3	2010-2011	3	----	3(para 4,5&9)
4	2011-2012	3	----	3(para4(1 to 13)10(c & e)12©)
5	2012 2013	12	10	2(Para 4(1 to 12),6(a)
6	2013-2014	11	10	1(Para 6)
7	2014-2015	12	7	5(Para5,6,8a,9,11c)

The Panchayat Secretary has not taken any initiative to comply the previous audit paras.

Audit Report 2015-16.

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: Maintained
Para 6 - Annual Action Plan Maintained
Para 7- Constitution of Committees: Dropped and commented in current audit.
Para 8 - Works:Dropped
Para 9 –Maintainance 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

Para 1 : Financial position: The financial position of the Panchayat is quite good.

The closing balances as per cash book as on 31/03/2017 is Rs. 65,21,714.96 out of which Rs.36,23,477.96 are Panchayat fund. The Panchayat has invested an amount of Rs. 13,55,088/-in FD's. The Panchayat may invest more unutilised funds in F.D. in order to generate more revenue in form of interest. Action may be taken immediately and Compliance reported to audit.

Para 2 -Cash Book :

The closing balance of the village Panchayat as on 31/03/2017 is Rs.65,21,714.96. 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 (FD nos.170868, 161568)	10,45,268.00	10,45,268.00	NIL
2	Corporation Bank (FD no.151939)	3,09,820.00	3,09,820.00	-----
3	Corporation Bank (SB A/c No.0614)	13,59,820.21	13,59,820.21	-----
4	Corporation Bank (SB A/c No.7732)	7,78,788.00	7,78,788.00	----
5	Corporation Bank (SB A/c No.11399)	3,11,194.00	3,11,194.00	----

6	SBI Youth Finance (SB A/c No.7790)	27,16,759	27,16,759	----
	Cash in Hand	65.75	---	
	Total	65,21,714.96	----	

Hence their Cash book and Pass book figures agrees.

Observations on Cash book:

1. Total used receipt books 37 nos. from 50/53 to 86/34 and unused books 20 nos from 86/35 to 105.

Para 3 – Demand, collection and arrears of taxes:

The position of various taxes collected by Panchayat demand and balance outstanding as on 31.03.2017 are as follows:

Sr. NO	Types of Taxes	Opening Balance	Current demand	Collection	Balance as on 31/03/2017.
1	House Tax	16,69,712.62	8,79,902.00	8,98,776.00	16,70,838.62
2	Trade Tax	2,07,616.00	1,92,936.00	1,77,930.00	2,22,622.00
3	Vehicle Tax	17,456.00	662.00	934.00	17,184.00
4	Dog Tax	1,486.00	178.00	266.00	1,398.00
5	Cart Tax	387.00	75.00	0.00	462.00
6	Advt. Tax	24.00	6062.00	1,700.00	4,386.00
	Total	19,16,681.62	10,79,815.00	10,79,606.00	19,16,890.62

The various taxes collected by Panchayat is only of 36.02% of the opening balance and demand billed during the year 2016-17 which is less compared to previous year. As per provisions of Act 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 for recovery of long outstanding dues. Action taken be reported to audit.

<u>Para 4(a) – Construction Licences:</u>

The Village Panchayat has issued altogether 48 nos. of construction licences and collected an amount of Rs.4,25,994/- as licence fees and Rs.50,596/- as renewal fees for the year 2016-17. All the files are scrutinized, verified and the fees charged are found to be correct. The Panchayat has maintained the construction licences registers.

Half Margin- Memo was issued asking details regarding construction completed and ongoing within the jurisdiction of village panchayat and licence / renewal fees collected from such projects also the details regarding encroachment on Panchayat premises if any However same has not been replied.

<u>(b)Illegal construction:</u>

The Village Panchayat has not detected any illegal construction during the year 2016-17. There are altogether 11 nos. illegal construction pending with Panchayat. The details are as follows:

1. Director of Panchayat — 1 no.
2. Dy. Director of Panchayat — 7 nos.
3. SDO Margao — 1 nos.
4. Village Panchayat — 2 nos.

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

As required under Sect.4(3) of Goa Panchayat Raj rules 1997 (Accounts Audit and Custody of funds) every Panchayat Secretary has to furnish surety bond. The V.P. Secretary failed to produce the same. The lapse is reported to higher authorities for necessary action.

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 once again failed to prepare the same. The matter is brought to the notice of Director of Panchayat for necessary action.

Para 7 – Constitution of Committees:

The following Committees have been constituted by Panchayat during the year 2016-17.

1. Standing Committee 6(4)
2. Supervisory Committee 6(2)
3. Development Committee.

Para 8 – Works:

The Village Panchayat has not executed any works during the year 2016-17.

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 28 cases, pending as on 31.3.2017 in various court i.e. Additional Director of Panchayat 17 cases, Dy. Director of Panchayat 2 case, BDO Margao 1 cases, Civil Court 6 cases,High Court 2 nos . The total legal fees paid to advocate is Rs.77,200/- during the year of 2016-17. The expenditure on legal fees exceeded the permissible le limit of Rs.20,000/-. The approval of competent authority be obtain for expenditure beyond Rs.20,000/- and compliance reported to audit.

(c)Properties and Asset Register:

The properties and Asset registers are maintained in prescribed format. All the records, maintained are found to be correct during the year 2016-17

(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 reported to audit.

(e)Security Deposit/EMD:

The outstanding balance of security deposit is (-) Rs.2013/- and EMD Rs.13,710/- during the year 2016-17 over payment made be recovered from concern party and deposited in Panchayat fund. The outstanding balance of S.D./EMD lying beyond 3 years, may be treated as lapsed deposit and forfeited to Panchayat fund after following the official procedure.

(f)Income tax/Royalty/Vat: The outstanding balances of royalty amounts to Rs.21,599 be creditec immediately in Government Treasury under respective head of account and compliance reported tc audit.

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

(b)Salary Reserve Fund: The Panchayat has created the salary reserve fund equivalent to 3 month: salary of their regular staff. The total amount at credit is Rs.3,09,820/- as on 31.03.2017.

(c) Provident fund:

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

Para 11 – Vouchers:

All vouchers were checked and were found to be inorder.

Para 12(a)-Departmental Inspection:

BDO has not conducted any inspection whereas EO(VP) has conducted 3 inspections of Village Panchayat 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 4 ordinary Gramsabhas and 4 special gram sabhas during the year 2016-17.

(c) Administrative Report:

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

Para 13 - The registers. Forms of Accounts are not signed by the Secretary and Sarpanch same may be get signed and noted for future.

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.

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 SAO JOSE DE AREAL PANCHAYAT FOR THE YEAR 2016-17.

Particulars of Income	Amount		Particulars of Expenditure	Amount	
Income			Expenditure		
1) Closing of the last year	46,77,481	96	Budget Head		
Budget Head			1) Administration	18,30,385	00
2) Grants from Government					
i) Special			2) Sanitation Public Health and Family Welfare.	1,58,650	00
1) Matching Grants					
2) G.I.A. Grants (V.P. Member Salary)	4,25,000	00			
	4,14,000	00			
3) G.I.A. Grants(Garbage)					
ii) General	1,00,000	00			
1)XIVth Fin. Comm. Grants	21,43,998	00			
3) Other Grants					
i) Local Authorities			3) Public Works	5,61,441	00
1) I.D.C. Compensation					
ii) Private					
			4) Planning and Development		
4) Proceeds of taxes fees etc Under Sec. 153 of the Act.	18,05,202	00	5) Social Welfare	52,300	00
5) Process of other loans etc.					
			6) Education and Culture	98,085	00
6) Sales Proceeds.					
			7) Rural Housing		
7) Extraordinary	2,58,306	00	8) Drinking water		
			9) Poverty alleviation Programs		
			10) Libraries		
			11) Rural Sanitation		
			12) Construction and maintenance of slaughter house and cattle pounds		
			13) Miscellaneous	6,01,412	00
			Expenditure Total	33,02,273	00
Total Receipts	51,46,506	00	Closing Balance	65,21,714	96
Grand Total	98,23,987	96	Grand Total	98,23,987	96

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

Sarpanch

SARPANCH
V. P. SAO JOSE DE AREAL
SALCETE-GOA

VILLAGE PANCHAYAT
SAO JOSE DE AREAL

Secretary
Secretary
V. P. SAO JOSE DE AREAL
SALCETE - GOA

(P.T.O.)

DETAIL OF THE BALANCE

1. Corporation Bank (F/D)	10,45,268.00
2. Corporation Bank (F/D)(Staff Reserve)	3,09,820.00
3. Corporation Bank A/c. S.B. – 000614	13,59,820.21
4. Corporation Bank A/c. S.B. – 007732	7,78,788.00
5. Corporation Bank A/c. S.B. – 011399	3,11,194.00
6. S.B.I. A/c. (XIV F.C.) Margao – 30612487790	27,16,759.00
Cash in hand	65.75
Total	**65,21,714.96**

DETAIL OF FUNDS

1. Govt Grant	
2. R.D.A Grants	(2,86,494.00) 2864941.00
3. E.M.D.	------------
4. Security	13710
5. Income Tax	Nil ... (– ~~2011~~) 2013
6. Royality	----------
7. Any other(VAT Tax)	21,599.00
8. Panchayat Fund	---------- (3621466.96) .96 3623777.96
Total	**65,21,714.96**

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.

Difference if any

The difference of Rs. Between the Pass book and Cash Book is due to be the reason that :-

CERTIFICATE

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.

Deputy Director of Accounts/Insp.
Government of Goa.