

Audit Report of the accounts of Village Panchayat Navelim of Salcete Block for the year 2016-17:

Part - I:

- (1) - Name of Sarpanch - Shri Frank Fernandes - 01.04.2016 to 31.03.2017,
(2) - Name of Secretary- Mario J. J. Viegas - 01.04.2016 to 31.03.2017.

B) Name of Audit Party and their designation:

- 1) Mr. Umesh Goankar, Ass't. Accounts Officer.
2) Mr. Shivram Jamuni, Accounts Clerk.
3) Mr. Vishwas Gurav, LDC.

C) Date of Audit: 13.10.2017 to 16.10.2017.

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

Part II - Introductory:

The audit of the accounts of Village Panchayat, Navelim of Salcete Block for the period from 01.04.2016 to 31.03.2017 was carried out by the Office of Joint Director of Accounts, South Branch, Margao under the supervision of Shri M. Kunkolienkar, Dy. Director of Accounts/Inspection, South Branch, Margao.

The Village Panchayat was sanctioned the following administrative grants during the year 2015-16.

- 1) Matching Grants 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 the Goa Panchayat (accounts, audit and custody of funds) Rules 1997 comprising of particulars of Income and Expenditure for all grants received (administrative and developmental grants).

I-Summary of Accounts:

a) Opening balance for the year 2016-2017	Rs. 93,43,855.62
b) Receipts during the year 2016-17	Rs. 88,85,229.98
c) Expenditure during the year 2016-17	Rs. 52,36,198.44
d) Funds available with Panchayat as on 31/03/2017	Rs. 1,29,92,887.16

Details of funds available:

1) Government Grants	Rs. 33,55,236.00
2) Security Deposit	Rs. 6,927.00
2) Earnest Money Deposit	Rs. 31,072.00
2) Panchayat Fund	Rs. 95,99,652.16
	Rs. 1,29,92,887.16

The liabilities of the Panchayat are as follows:

1) EMD	Rs. 31,072.00
2) Security Deposit	Rs. 6,927.00
3) Govt. funds	Rs. 33,55,236.00
Total	Rs. 33,93,235.00

II - Grants:

The details of grants sanctioned, utilized and unspent grants as on 31/03/2017 are as follows:

Sr. No.	Types of grants	Op. Balance	Grants recd.	Grants utilized	Bal. as on 31.03.17
1)	Members salary	74,556/-	4,48,500/-	3,10,500/-	2,12,556/-
2)	XIIIth Finance	2,29,079/-	33,025/-	---	2,62,104/-
3)	XIVth Finance	2,71,244/-	26,38,426/-	58,186/-	28,51,484/-
4)	Golden Jubilee (Dev)	29,092/-	---	---	29,092/-
5)	Garbage grants	---	1,00,000/-	1,00,000/-	---
		6,03,971/-	32,19,951/-	4,68,686/-	33,55,236/-

The grants amounting to Rs.33,55,236/- have remained unspent as on 31.03.17. Those grants remaining unspent beyond one year may be surrendered to sanctioning authority. In case the unspent grants are required to be spent, permission of sanctioning authority is required to be obtained.

III – Budget:

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

<u>Budget Estimate</u>	<u>INCOME</u> <u>Actual</u>	<u>Variation</u>
Rs.1,69,97,450/-	Rs. 88,85,229.98	Rs.81,12,220.02
	<u>EXPENDITURE</u>	
Rs.1,58,19,000/-	Rs. 52,36,198.44	Rs.1,05,82,801.56

Budget is approved vide Resolution No.2 dated 09/03/2016 and submitted to BDO on 18.03.2016. There are huge variations between the budget estimate and actual income and expenditure. The budget prepared is fictitious and unrealistic. Care be taken in future to prepare a realistic budget.

Part IV – Current Audit:

Section A(a) Introductory:

Section A(a) : Introductory – Nil

(b) Outstanding paras of previous audit

Sr No	Year	Opening balance	Paras dropped	Balance as on 31/3/2016
1.	1997-98	1	----	1(para 3(iv) to(x) & (xii)
2.	1998-99	1	----	1(para 4(5)
3.	2009-10	1	----	1(para 12,
4.	2010-11	1	0	1(Para 11Sr.No.1,1to7,Sr.2,
5.	2011-12	2	0	2Para 10(1 to 11)13,
6.	2012-13	15	14	1(Para 15(a)
7.	2014-15	14	12	2(Para 9,12)

Audit Report 2015-16:

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

Para 2 – Cash Book – Dropped and commented in current audit.

Para 3 – Demand, collection & arrears of taxes: -do-

Para 4 – Market Auction: Dropped and commented.

Para 5 – Rental – Dropped and commented.

Para 6 – a) Construction licence: -do-

b) Illegal construction: -do-

Para 7 – Annual Action Plan – Dropped

Para 8 – Formation of Committee: Dropped and commented in current audit.

Para 9 – Furnishing of Surety bond by VP Secretary - Maintained.

Para 10 – a) Departmental inspection: Maintained

b) Gram Sabha Dropped

c) Administrative Report Dropped

Para 11 – Works: Dropped & commented in current audit.

Para 12 – Vouchers sr.no.1– Dropped

Para 13 – Maintenance of Registers a,b,c,d: Dropped & commented

Para 14 – a, b, c, d: -do-

Current Audit 2016-17:

Para 1 – Financial Position: The Financial position of the V.P. is quite sound. The closing balance of Panchayat as per Cash Book is Rs. 1,29,92,887.16 as on 31.03.2017. Out of which Rs.95,99,652.16/- as Panchayat fund and other liabilities Rs.33,93,235/-. The Panchayat has invested an amount of 41.22 lakhs in fixed deposit and balance amount is in saving accounts. The Panchayat may invest more money in fixed deposit in order to increase revenue by way of interest.

Para 2– Cash Book:

The closing balance of cash book of the Village Panchayat as on 31/03/2017 is Rs.1,29,92,887.16. The details of closing balance is as follows:

Sr.No.	Name of the bank A/c No.	Cash Book	Pass Book	Difference.
1)	Bank of Baroda 2585	3,49,209.00	3,56,122.00	6,913.00
2)	-do- 6495	2,57,354.00	2,62,449.00	5,095.00
3)	Corporation Bank 5027	44,42,533.83	50,85,333.83	6,42,800.00
4)	State Bank of India 3863	3,72,335.00	3,76,007.00	3,672.00
5)	Bank of Baroda FD 3188	4,61,964.00	4,61,964.00	-----
6)	-do- FD 3189	4,67,934.00	4,67,934.00	-----
7)	Bank of India FD 1778	16,08,320.85	16,08,320.85	-----
8)	HDFC Bank FD 7248	15,84,017.00	15,84,017.00	-----
	(3765)			
9)	Cash in HDFC 38	96,497.00	96,497.00	-----
10)	Cash in ICICI 193	11,38,483.00	11,49,837.00	11,354.00
11)	Cash in IDBI 5371	22,10,740.00	22,08,250.01	2,489.99
12)	Cash in hand	3,499.48	30,390.48	-----
	Closing Balance	1,29,92,887.16	1,36,56,731.69	6,67,344.01

IV – Reconciliation:

A) Corporation Bank A/c No.5027:

Balance as per Cash Book

Rs.44,42,533.83

Add:

Cheques issued not realized by Bank

1. No.683583 dtd.31.02.15

Rs. 3,000.00

2. No.645931 dtd.29.03.17

Rs. 5,80,250.00

3. No.645929 dtd.29.03.17

Rs. 51,750.00

4. No.645930 dtd.29.03.17

Rs. 7,800.00

Balance as per Pass Book

Rs.50,85,333.83

B) State Bank of India No.3863:

Balance as per Cash Book

Rs.3,72,335.00

Add: Interest not accounted in cash book

Rs. 3,672.00

Balance as per Pass Book

Rs. 3,76,007.00

C) Bank of Baroda A/c No.6495:

Balance as per Cash Book

Rs.2,57,354.00

Add: Interest not accounted in cash book

Rs. 5095.00

Balance as per Pass Book

Rs.2,62,449.00

D) Bank of Baroda A/c No.2585:

Balance as per Cash Book

Rs.3,49,209.00

Add: Non accounted Interest on cash book

Rs. 6,913.00

Balance as per Pass Book

Rs.3,56,122.00

E) I.C.I.C.I. A/c No.193:

Balance as per Cash Book

Rs.11,38,483.00

Add: Non accounted interest on cash book

Rs. 11,354.00

Balance as per Pass Book

Rs.11,49,837.00

F.I.D.B.I. A/c No.5371

Balance as per Cash Book	Rs.22,10,740.00
Less: Cheque dated 30.03.17 not accounted on pass bk.	Rs. 938.00
Cheque dated 29.03.17 not accounted on pass bk.	Rs. 1,551.00
Bank test charges not accounted	Rs. 0.99
Balance as per Pass Book	Rs. 22,08,250.01

Observations of Cash book

1. The Village Panchayat has used 55 receipt books i.e. from 53/35 to 100 and 1 to 7/35 balance 43 unused receipt book from 08 to 50 as on 31.03.2017.
2. Cash book: Each entries receipt and payment side are not attested by Secretary.

Para 3 – Demand, collection and arrears of taxes:

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

Sr.No.	Type of taxes	Op.Balance	Cur.Demand.	Collection	Bal.as on 31.3.16.
1.	House tax	20,82,067	15,86,225	12,15,997	24,52,295
2.	Light tax	22,389	14184	11,475	25,098
3.	Vehicle tax	10699	70	10,103	666
4.	Trade tax	99,758	32,023	6639	1,25,142
5.	Rental Tax	-----	88,500	-----	88,500
		22,14,913	17,21,002	12,44,214	26,91,701

The revenue collected by Panchayat on various taxes is only 31.61% of the opening balance and demand billed during the year 2016-17. The Village Panchayat has to put more efforts to recover the outstanding taxes by invoking the provisions of Goa Panchayat Raj Act issuing demand notices to defaulters.

Para 4 – Market Auction:

The Procedure for auction for collection of fees on sale of goods in market, melas, fairs, festivals and slaughter on pigs and cattles in the jurisdiction of Village Panchayat of Navelim for the financial year 2016-17 was carried out vide public auction notice No.VP/N/2293/2015-2016/132 dt.7/3/2016 and auction scheduled on 18/3/2016. However same was postponed due to inadequate participation of bidders and refixed on 29/03/2016 vide notice No.VP/N/2376/2015-16/132 dt.18/3/2016. Accordingly 3 bidders have participated in auction process Mr.Domnide Furtado quoted for Rs.1225000, Mr. Frances Michael D'Souza quoted for Rs.1200000 and Mr. Jose Francisco Pereira quoted for Rs.300000/-. The first highest bidder failed to pay the bid amount as such second highest bidder called to give his willingness. However second highest bidder also not shown his willingness to accept the offer.

The bid process has been cancelled and fresh auction has been invited vide notice No.VP/N/103/2016-2017/132 dt.18/4/2016 with initial bid amount of Rs.150000 for the period from 01.05.2016 to 03.03.2017 and was scheduled on 27/4/2016 at 11.30 a.m. In response 4 bidders have participated in the auction amongst which Mr.Floyed Rodrigues has quoted his highest bid for Rs.4,90,000/- same has been accepted by the Panchayat and agreement was executed on 29/4/2016. Party paid the full amount in two installments vide receipt No.57/67 dt.29/4/2016 for Rs.245190 and receipt No.79/20 dt.27/9/2016 for Rs.245000.

Panchayat has collected an amount of Rs.14485/- for the month of April 2016 departmently

It may be intimated to audit whether EMD of the 1st highest bidder who had declined to accept the offer has been forfeited to Panchayat funds or not.

Para 5- Rentals:

V.P. Navelim has leased out only one premises on rental basis @ Rs.1500/- per month. The details of rent received, demand and balances outstanding as on 31.3.2017 are as follows:

Sr.No.	Name of lessee	Op.Bal.	Cur.demand	Collection	Bal. as on 31/03/2017.
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1.	M/s.Kissan Phadte	-	18,000/-	18,000/-	-
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Para 6 (a) – Construction Licences: V.P. Navelim have issued 49 Construction Licences and collected an amount of Rs.6,95,483/- as licence fees during the year 2016-17.

(b) Illegal Construction: There are altogether 55 illegal constructions pending with the Panchayat including 3 cases detected as on 31/03/2017.

Para 7 – Annual Action Plan: V. P. Navelim has prepared the annual action plan and submitted the same to Zilla Panchayat as required under Section 238 of the Goa Panchayat Raj Act 1994.

Para 8 – Formation of Committees:

The V. P. Navelim have constituted the following committees.

- 1) Supervisory Committee, Sec.6(2)
- 2) Standing Committee, Sec.6(4)
- 3) Development Committee, Sec.6(8)

Para 9 – Furnishing surety Bond by V.P. Secretary:

As required under Section 4(3) of the Goa Panchayat Raj Act., the Village Panchayat Secretary has failed to produce the surety bond. The Village Panchayat has not taken any action against non-production of surety bond by Secretary. BDO may take note of the same and issue necessary directions to the Secretary for violation of codal procedure.

Para 10(a)-Departmental Inspection:

The BDO and E.O.(VP) have not conducted any inspections of Village Panchayat as prescribed 3 & 5 respectively during the year 2016-17. Reasons for non-conducting the inspections may be justified. Director of Panchayat may take necessary action for intentional violation of codal procedure

- b) **Gramsabhas:** V.P. have conducted 4 ordinary and 4 special gramsabhas during the year 2016-17.
- c) **Administrative Report:** V.P. have prepared the Administrative Report and submitted the same to BDO and copy endorsed to audit.

Para 11 – Works: V. P. Navelim has executed one works during the year 2016-17.

Observations for the same as follows:-

1. Agreement not executed between both parties.
2. Passed for payment order is not recorded in red ink on Bill copy/MB.
3. Bid Schedules are not signed in token of witness for opening of tender. Also same is not marked/numbered in red ink.
4. Approved deviated items statement deviating estimate ie: (+) (-) 10% is not prepared & enclosed along with the bill/file. Also excess /saving statement is not found along with the bill.
5. Details of payment eg. Chq no, date of payments; voucher no is not recorded or found on bill copy/MB.
6. Security Deposit deduction found to be less than 10% & same is not as per the actual requirement.

Para 12 – Vouchers:

All the vouchers are verified and found in order.

a 13 – Maintenance of Register:

- a) **Pay Bill Register:** The V. P. has maintained the pay bill register in the prescribed format i.e. TR-22 A and records are found to be in order.
- b) **Property register:**
The property register is maintained in prescribed format. Some of the items which are recorded in this register are to be recorded in dead stock register. Separate Dead stock register may be maintained and transfer all the entries which has been recorded in property register.
- c) **Court Cases Register:** As per register of court cases produced to audit there are 55 cases pending with the Panchayat as on 31/3/2017. Five cases were disposed and 8 cases included new during the year 2016-17. An amount of Rs.20400/- is spent as legal fees for the year 2016-17.
- d) **Security Deposit/EMD Register:**
The Village Panchayat has maintained the security deposit/EMD register. The outstanding balance of security deposit is Rs.6927 and EMD is Rs.31072/- as on 31/3/2017.

Para 14 (a) Service Book and leave Accounts:

The Village Panchayat has maintained the service book and leave account of staff of V.P. however same are not updated.

(b)Salary Reserve fund:

The Village Panchayat has created salary reserve fund equivalent to 3 months salary of staff. The balance of amount salary reserve fund is Rs.4,57,934/- as on 31.03.2017. It may be noted that provision of salary reserve fund is to be made every year to build up salary reserve fund.

(c)Provident Fund:

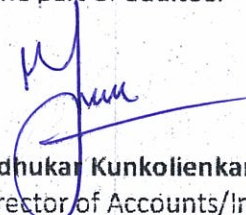
All the regular employees of Panchayat are contributing towards provident fund every month and is remitted to State Bank of India through challan in favor of provident fund commissioner, Panaji.

(d)Reserve for pensionary benefits:

Every Panchayat shall reserve not less than two and half percent(2.5%) of their income as reserve fund for contributing provident fund and pension benefits to the staff of Panchayat. Immediate action may be taken to create the same.

Para 15: The register, forms of accounts are not signed by the Secretary and Sarpanch. Same may be get signed and noted for future.

NOTE: The inspection report is prepared on the basis of information furnished and made available by the Secretary of V.P. Navelim. The office of Jt. Director of Accounts, South Branch, Margao disclaims any responsibility and non-information on the part of auditee.


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