

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

Part – I:

- (1) - **Name of Sarpanch**- Shri Frank Fernandes - 01.04.2017 to 27.05.2017.
-Smt. Vilma D'Silva - 19.06.2017 to 31.03.2018.
- (2) - **Name of Secretary**- 1. Mario J. J. Viegas - 01.04.2017 to 19.04.2017.
2. Angelico Gracias - 20.04.2017 to 12.05.2017
3. Mario J.J. Viegas - 15.05.2017 to 24.01.2018
4. Allauddin Maniyar - 25.01.2018 to 20.02.2018
5. Joaquim Rodrigues - 21.02.2018 to 31.03.2018.

B) Name of Audit Party and their designation:

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

C) Date of Audit: 12.10.2018 to 17.10.2018.

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

Part II – Introductory:

The audit of the accounts of Village Panchayat, Navelim of Salcete Block for the period from 01.04.2017 to 31.03.2018 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 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 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 2017 -18 | Rs.1,29,92,887.16 |
| b) Receipts during the year 2017-18 | Rs. 70,69,490.94 |
| c) Expenditure during the year 2017-18 | Rs. 52,52,586.40 |
| d) Funds available with Panchayat as on 31/03/2018 | Rs. 1,48,09,791.70 |

Details of funds available:

- | | |
|--------------------------|--------------------------|
| 1) Government Grants | Rs.46,29,824.00 |
| 2) Security Deposit | Rs. 32,426.00 |
| 3) Earnest Money Deposit | Rs. 43,178.00 |
| 4) Panchayat Fund | <u>Rs.1,01,04,363.70</u> |
| | Rs. 1,48,09,791.70 |

The liabilities of the Panchayat are as follows:

- | | |
|-------------------------|------------------|
| 1)Government Grants | Rs. 46,29,824.00 |
| 2) Security Deposit | Rs. 32,426.00 |
| 3)Earnest Money Deposit | Rs. 43,178.00 |
| | Rs. 4705428.00 |

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	2,12,556/-	4,14,000/-	4,93,466/-	1,33,090/-
2	XIIIth Finance	2,62,104/-	----	1,20,300/-	1,41,804/-
3	XIVth Finance	28,51,484/-	14,74,354/-	----	43,25,838/-
4	Golden Jubilee(Dev)	29,092/-	---	----	29,092/-
5	Garbage grants	----	1,00,000/-	1,00,000/-	----
	Total	33,55,236/-	19,88,354/-	7,13,766/-	46,29,824/-

Out of the grants sanctioned an amount of Rs.46,29,824/- have remained unspent as on 31.03.18.Those grants remaining unspent beyond one year are to 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 2017-18 are as follows:

Budget Estimate

Rs.1,79,27,450/-

INCOME**Actual**

Rs. 70,69,490.94

Variation

Rs.1,08,57,959.06

Rs.1,54,65,000/-

EXPENDITURE

Rs. 52,52,586.40

Rs.1,02,12,413.60

Budget is approved vide Resolution No.2 dated 09/03/2017 and submitted to BDO on 18.03.2017. 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 31/3/2017
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)
8	2015-16	14	13	1(Para 10(a)

Audit Report 2016-17:**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.**Para 5 - Rental** - Dropped and commented.**Para 6 - a) Construction license:**

-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-** Dropped**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.1,48,09,791.70 as on 31.03.2018. Out of which Rs. 95,77,652.16/- are Panchayat fund. 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 Panchayat as per Cash Book is Rs. 1,48,09,791.70 as on 31.03.2018.

The details of closing balance is as follows:

Sr. No.	Name of Bank with A/c No.	Balance as per		Differences
		Cash Book	Pass Book	
1	Bank of Baroda A/c 2585	3,69,832.00	3,69,832.00	----
2	Bank of Baroda A/c 6495	2,72,554.00	2,72,554.00	----
3	Corporation Bank A/c 5027	39,16,575.63	39,16,575.63	----
4	State Bank of India A/c 3863	2,69,713.00	2,69,713.00	----
5	Bank of Baroda FDR 3188	4,61,964.00	4,61,964.00	----
6	Bank of Baroda FDR 3189	4,67,934.00	4,67,934.00	----
7	Bank of India FDR 1778	16,08,320.85	16,08,320.85	----
8	HDFC Bank FDR 7248	15,84,017.00	17,07,001.00	1,22,984.00
9	Cash in HDFC 38	1,00,232.00	1,01,097.00	865.00
10	Cash in ICICI 193	11,92,780.00	11,92,780.00	----
11	Cash in IDBI 5371	45,65,375.74	45,33,989.74	31,386.00
	Cash in Hand	493.48		
	Closing Balance	1,48,09,791.70		

IV – Reconciliation:

A) HDFC Bank FD No.7248:

Balance as per Cash Book

Rs.15,84,017.00

Add: Interest credited but not accounted in Cash book
Balance as per Pass Book

Rs. 1,22,984.00

Rs. 17,07,001.00

B) HDFC Bank A/c No.38:

Balance as per Cash Book

Rs.1,00,232.00

Add: Interest credited but not accounted in Cash book
As on 27/06/2018

Rs. 865.00

Rs. 1,01,097.00

Balance as per Pass Book

C) IDBI Bank A/c No.5371:

Balance as per Cash Book

Rs.45,65,375.74

Less: Chq of ICICI bank deposited but not realized
as on 31/03/18

Rs.1,000.00

Less: Chq No.000020 deposited but not realized
as on 31/03/18

Rs.23,473.00

Less: POS Recpt.No.55/85 dtd.17/03/2018 accounted on
Cashbook but not credited on Pass book as on 31/03/18

Rs. 6,913.00

Balance as per Pass Book

Rs.45,33,989.74

Observations of Cash book

1. The Village Panchayat has used 52 receipt books i.e. from 7/36 to 58/94 balance 42 unused receipt book from 59/100 to 100/100 as on 31.03.2018.
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 31.03.2018 are as follows:

Sr. No.	Types of Taxes	Opening Balance	Current demand	Collection	Bal. as on 31/03/2018
1	House Tax	24,52,295/-	16,21,369/-	14,69,093/-	26,04,571/-
2	Light Tax	25,098/-	14,331/-	13,191/-	26,238/-
3	Vehicle Tax	666/-	60/-	----	726/-
4	Trade Tax	1,25,142/-	33,123/-	15,639/-	1,42,626/-
5	Rental Tax	88,500/-	90,500/-	1,16,100/-	62,900/-
	Total	26,91,701/-	17,59,383/-	16,14,023/-	28,37,061/-

The revenue collected by Panchayat on various taxes is only 36.26% of the opening balance and demand billed during the year 2017-18. 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 auction for collection of fees on sale of goods in market melas, fairs and festivals and slaughter fees on pigs and cattles in the jurisdiction of the village Panchayat of Navelim for the financial year 2017-18 was carried out on 17/03/2017 vide Public auction Notice no VP/N/2170/2016-2017/132 dt 10/03/2017. The initial bid was fixed at Rs.2,50,000/-. Accordingly 6 bidders have participated in auction and Shri Sadiq Sayed who quoted Rs.5,65,000/- was the highest bidder and his bid was accepted by the Panchayat.

The agreement was executed on 20/03/2017 between the highest bidder and the Panchayat. The bidder paid the amount in 2 installments vide Rt.No.4/51 dt 20/03/2017 Rs.285000/- and Rt.No.31/74 dt 28/08/2017 Rs 2,80,000/-.

Para 5- Rentals:

V.P. Navelim had leased out only one premises on rental basis to M/s.kissanPahdte@ Rs.1500/- per month. However w.e.f. 1/12/2016 since the Panchayat has been shifted to the new premises, this premise(Shop) has been handed over to its original owner i.e. Fabrica of Our Lady of Rosary Church, Navelim.

Para 6 (a) – Construction Licenses: V.P. Navelim have issued 40 Construction Licenses and collected an amount of Rs.6,77,700/- as license fees during the year 2017-18.

(b)Illegal Construction: There are altogether 38 illegal constructions pending with the Panchayat including 2 cases detected as on 31/03/2018.

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)
- 4) Village Development Committee

- 5) Bio-Diversity Committee
- 6) Garbage committee.

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 produced the surety bond and is valid upto 01/07/2019.

Para 10 - Works: V. P. Navelim has executed one works during the year 2017-18.

After scrutiny of file it is observed as follows:-

Work of Construction of segregation cum collection shed with suitable enclosures near new panchayat building at Buticas was awarded to Paulo Colaco at his quoted amount of Rs.308318.32 which is 4.99% above the estimated cost put to tender i.e. Rs.293742.35 vide W.O.No.VP/N/223/2017-18/134 dated 9/5/2017.

- a. Stipulated date of commencement and completion not mentioned on work order.
- b. Amount quoted by Paulo Colaco is not mentioned on work order.

Para 11 - Vouchers:

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

Para 12 - 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 38 cases pending with the Panchayat as on 31/3/2018. Nineteen cases were disposed during the year 2017-18. An amount of Rs.28,920/- are spent as legal fees for the year 2017-18.

d) **Security Deposit/EMD Register:**

The Village Panchayat has maintained the security deposit/EMD register. An amount of Rs.32,426/- is outstanding as security deposit and an amount of Rs.43,178/- is outstanding as EMD as on 31.03.2018. Out of Rs.43,178/- an amount of Rs.8072/- pertains to 2011-12 & 2012-13. Unclaimed amount for more than 3 years has to be forfeited and credited to panchayat fund.

Para 13 (a) Service Book and leave Accounts:

The Village Panchayat has maintained the service book and leave account of staff of V.P but are incomplete.

(b) Salary Reserve fund:

The Village Panchayat has created salary reserve fund equivalent to 3 months salary of staff. The balance of amount created as salary reserve fund is Rs.6,42,386/- as on 31.03.2018.

(c) Provident Fund:

All the regular employees of this Panchayat were contributing towards EPF every month and were remitting to State Bank of India through challan however it is stopped since February, 2018. The reason for stopping contribution towards EPF may be justified to audit.

(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 etc. to the working staff of Panchayat. Immediate action may be taken to create the same.

Para 14(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 2017-18. 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 5 special gram sabhas during the year 2017-18.

c) **Administrative Report:** V.P. have prepared the Administrative Report and submitted the same to BDO and copy endorsed to audit.

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.