

**Audit Report of the accounts of Village Panchayat, Poinguinim of
Canacona Block for the year 2017-18;**

Part I - Introductory:

(a) Name of Sarpanch:- Shri Vallabh R Tengse: -01/04/2017 to 18/06/2017.
S hri Ramdas B. Pujari:-19/06/2017 to 31/03/2018.

(b) Name of Secretary:- Shri Sushant V. Lolyekar : - 01/04/17 to 09/11/17.
Shri Manjunath P.Gaonkar: 10/11/17 to 31/03/18.

(B) Name of the members of audit party and 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, Accounts Clerk.

C) Dates of Audit: 20/11/2018 to 22/11/2018.

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

Part II - Introductory:

The audit of the accounts of Village Panchayat, Poinguinim of Canacona Block for the period from 01/04/2017 to 31/03/2018 was conducted by the office of 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 has sanctioned the following administrative grants during the year 2017-18.

- 1) Matching Grants Rs.2,02,427/-

Part III - Comments on Accounts:

The Village Panchayat is maintaining the accounts in Form No.1 to 10 as per Rule 20,21(a) & 25 of Goa Panchayat (Accounts, audit and custody of funds) Rules 1997, comprising particulars of income and expenditure of all grants received.

I - Summary of Accounts:

a) Opening balance for the year 2017-18	Rs.1,06,05,089.02
b) Total Receipts during the year 2017-18	Rs. 76,77,080.45
c) Total Expenditure during the year 2017-18	<u>Rs. 58,66,518.50</u>
d) Total Funds available with VP as on 31/03/18	Rs.1,24,15,650.97

Details of funds available:

1. Govt. grants	Rs. 96,09,943.00
2. EMD	Rs. 4,53,815.00
3. Security Deposit	Rs. 6,84,990.00
4. Labour Cess	Rs. 46,422.00
5. Royalty	Rs. 25,081.00
6. Panchayat fund	<u>Rs. 15,95,399.97</u>
	Rs.1,24,15,650.97

Liabilities of the Panchayat:

1. Govt. grants	Rs. 96,09,943.00
2. EMD	Rs. 4,53,815.00
3. Security Deposit	Rs. 6,84,990.00
4. Labour Cess	Rs. 46,422.00
5. Royalty	<u>Rs. 25,081.00</u>
	Rs.1,08,20,251.00

II - Grants:

The grants received, utilized and balances as on 31/03/2018 are as follows:

Sr. No	Type of grants	Opening balance	Grants received	Grants utilized	Balance as on 31/03/18
1	Member salary	231760/-	342000/-	427500/-	146260/-
2	Staff salary	552347/-	725000/-	683254/-	594093/-
3	XIIIth Finance	68716/-	----	-----	68716/-
4	XIVth Finance	1564275/-	792632/-	-----	2356907/-
5	GIA grants for works	5501784/-	2240204/-	1528645/-	6213343/-
6	Golden Jubilee (Dev)	215324/-	----	-----	215324/-
7	Dir. Of Sports	15300/-	----	-----	15300/-
8	Grants for garbage	----	100000/-	100000/-	-----
9	Tribal grants	----	162743/-	162743/-	-----
	TOTAL:-	8149506/-	4362579/-	2902142/-	9609943/-

Out of the grants sanctioned an amount of Rs.96,09,943/- has remained unspent as on 31/03/2018. The grants sanctioned should be utilized within the period of one year of sanction. The permission of sanctioning authority is required to be obtained to utilize the grants beyond the stipulated period failing which same are to be surrendered to the sanctioning authority.

III - Budget:

The budget estimate and the actual income and expenditure for the year 2017-18 is as follows:

<u>Budget Estimate</u>	<u>INCOME</u> <u>Actual</u>	<u>Variations.</u>
Rs.87,92,000.00	Rs.76,77,080.45	Rs.11,14,919.55
Rs.93,27,000.00	<u>EXPENDITURE</u> Rs.58,66,518.50	Rs.34,60,481.50

Budget is approved vide Resolution No.03 dated 27/2/2017 and submitted to BDO on 30/03/2017. On review of budget estimate, it is noticed that there is a huge variation between the budgeted income and the actual income and expenditure made during the year. The budget prepared is fictitious and unrealistic. In future care should be taken to prepare realistic.

Part IV - Current Audit:

Section A(a) Introductory - Nil

b) Outstanding paras of previous audit.

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

<u>Sr.No.</u>	<u>Year</u>	<u>Op.Bal.</u>	<u>Paras dropped</u>	<u>Paras outstanding as on</u> <u>31/03/2017</u>
1	1979-80	1	-	1(para 5)
2	1990-91	4	-	4 (para 3*8),6,7,(9d) & 8(iii)
3	1991-92	2	-	2 (para 8 & 10 c)
4	1992-93	9	-	9 (all paras if audit report)
5	1993-94	3	-	3 (para 2(c)(9), 3(7)(4)
6	1994-95	3	-	3 (para 4(c) 5(a)(h) & 3)
7	1995-96	2	-	2 (para 3,7(a)(b)
8	1996-97	7	-	7 (para 1 to 7)
9	1997-98	4	-	4 (para 3(a)(f)(g)5(a) to 9(2) & 10(h) 9c)(d)(f)
10	1999-00	2	-	2 (para 5(2)2b)
11	2000-01	3	-	3 (para 492)(3)(4)692) & 10(c)
12	2001-02	6	-	6 (para 2(3)(4)(8)3(i)2(13)5,6,7 & 9(2)(4)(6)
13	2002-03	1	-	1(para 7(8)
14	2003-04	1	-	1(para 7(7)
15	2004-05	2	-	2 (para 8 & 9(5)
16	2005-06	1	-	1 (para 9(d)
17	2006-07	10	-	10 (para 1 to 10)
18	2007-08	12	-	12 (para 1,2,3,4,6,7,8,9,11,12,13,16(c)
19	2008-09	3	-	3 (para 4,15,16)
20	2009-10	2	-	2 Para 5,16(1 to 10)
21	2010-11	4	-	4 Section B1(para 1,2,3(ii) 4(para 2)(4,6 + 8 ,5,14(9a),15
22	2011-12	1	-	1 Para 15(1 to 6)
23	2012-13	15	10	5(para 7 Sr.no 7,9 10 (a),12,13 (a) (b)
24	2013-14	14	09	5(Para 8,9,11,12,13(a,b)&6(1to 10)
25	2014-15	14	10	4(Para 8,11a &b,12,13)
26	2015-16	14	12	2(Para 8,11(a&b)

It may be noted that the V.P. has not taken any initiative to comply to previous outstanding para. The same may be complied immediately.

Audit report 2016-17:

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

Para 2 - Cash Book -do-

Para 3 - Demand, Collection and arrears of taxes -do-

Para 4 - Rental: -do-

Para 5- Market Auction--do-

Para 6 - Furnishing of security Bond by V.P. Secretary: Dropped and commented

Para 7 -Annual Action Plan- -do-

Para 8 -Formation of Committees:- Maintained.

Para 9- (a), (b), (c): Dropped and commented

Para 10- (a), (b): Dropped and commented in current audit

Para 11 - a. Provident fund: Maintained.

b. Salary reserve fund Dropped

Para 12 -Works- Dropped and commented in current audit

Para 13 -Vouchers: - Dropped and commented in current audit

Para 14 - Maintenance of Registers: Sr.no.1, Maintained

Para 1(a) - The financial position

The financial position of the Panchayat is quite satisfactory. The closing balance of Panchayat as per cash book is Rs.1,24,15,650.97 as on 31/03/2018 out of which Rs.15,95,399.97 is Panchayat fund. The Panchayat should invest the Panchayat funds in fixed deposit in order to increase Panchayat fund by way of interest.

Para 2 - Cash Book- The closing balance as per cash book was Rs.1,24,15,650.97 as on 31/03/2018. The details of closing balance is as follows:

Sr. no	Name of bank	A/C No	Balance as per cash book	Balance as per pass book	Difference
1	Corporation bank, Painginim	1101	1931479.36	2062985.36	131506.00
2	Goa State bank, Painginim	0012	1876480.03	1876480.03	----
3	Goa State Coop. bank Painginim	0019	95640.00	95640.00	----
4	S.B.I Canacona	6220	2628816.00	2628816.00	----
5	Corporation bank, Painginim	7629	116545.00	116545.00	----
6	Post office, Canacona	00431	3077.34	3200.34	123.00
7	H.D.F.C bank, Canacona	0013	5043694.98	5043694.98	----
8	H.D.F.C bank, Canacona	6297	719448.00	719448.00	----
9	Cash in hand		470.26		
	Closing balance		12415650.97		

IV-Reconciliation:

1. Corporation Bank . A/c No.1101:

Balance as per Cash Book

Rs.19,31,479.36

Add: Cheque issued but not realized as on 31.03.18

Cheque No.	Amount
317194,	3448.00
317193,	22999.00
317192,	29559.00
317191,	9000.00
317190,	9000.00
317189,	9000.00
317188,	9000.00
317187,	9000.00
317186,	9000.00
317185,	9000.00
317184,	10500.00
317183,	12000.00

Rs. 1,41,506.00

Less: Cheque No.765328 deposited but not realized as on 31.03.2018

Rs. 10,000.00

Balance as per the pass book

Rs.20,62,985.36.36

2. Post Office A/c no.0431

Balance as per Cash book

Rs. 3,077.34

Add: Interest credited but not accounted on cash book

Rs. 123.00

Balance as per Post office

Rs. 3,200.34

Observation as per cash book

1. The Panchayat has used 23 nos. Receipt books which start from 45/65 to 67/80 and unused books 19 nos. from 68/100 to 86/100.

Para 3 - Demand, collection and arrears of taxes:

The position of various taxes collected by Panchayat, their demand and arrears balances 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	186947.10	185056.65	144113.45	227890.30
2	Professional tax	96698.00	200550.00	103471.00	193777.00
3	Cycle tax	7077.00	469.00	142.00	7404.00
4	Dog tax	2826.00	176.00	50.00	2952.00
	Grand total	293548.10	386251.65	247776.45	432023.30

The various taxes collected by the V.P is only 36.44% of the opening balance and demand billed during the year. The Panchayat has to put in more efforts for collection of various taxes by issuing demand notices to the defaulters for recovery of outstanding taxes. Progress made may be reported to audit.

Para 4 - Rentals:

The V.P. has leased out its 2 shops on rental basis. The position of rent collected, demand & balance outstanding is as follows:

Sr No	Name of lessee	Opening balance	Current demand	Collection	Balance as on 31/03/2018
1	WSTA Cr. Sty.	550.00	6600.00	7150.00	---
2	Mahiti Ghar	85565.00	6540.00	---	92105.00
		86115.00	13140.00	7150.00	92105.00

The outstanding balance of Rs. 92,105/- as on 31.3.2018 pertains to Mahiti Ghar. The village Panchayat through Advocate served final Notice dt 2/10/15 to the Director of Information & technology, Porvorim to recover the outstanding dues of rent. The Dept. of Information & Technology, Porvorim replied vide letter dated 19/1/16 stating that the matter is under submission to the Govt. for decision. A reminder may be sent to Dept. of Information & Technology with a copy to Secretariat. Further Progress made may be reported to audit.

Para 5 - Market Auction: The V.P. Poinguinim has not conducted the Market Auction for collection of market fees during melas and festivals for the year 2017-18. The reason for not conducting the market auction is justified. Due to not conducting the market auction, the Panchayat lost a revenue of Rs. 7000/- approx. as compared to last year.

Para 6 - Furnishing of Surety Bond by V. P. Secretary:

As required under Section 4(3) of the Goa Panchayat (accounts, audit and custody of funds) Rules 1997, the V. P. Secretary has executed the surety bond which is valid up to 10th November 2019.

Para 7 - Annual Action Plan: As required under Section 238 of the Goa Panchayat Raj Act 1994 every Panchayat has to prepare a development plan in prescribed format and submit the same to Zilla Panchayat in prescribed time limit. The V.P. Poinguinim has prepared the annual action plan and endorsed copy to audit.

Para 8 - Formation of Committees: The V.P. has executed the following committee except Vigilance Committee.

- 1) Supervisory Committee Sec.6(2)
- 2) Standing Committee Sec.6(3)
- 3) Development Committee
- 4) Village Development Committee
- 5) Bio Diversity Committee
- 6) Garbage management committee.

Para 9(a) - Construction Licences: The V.P. has issued total 5 construction licenses and collected an amount of Rs. 75,440/- as license fees during the year 2017-18. The estimated cost of construction is not shown on the register at Column no.9.

(b) Illegal constructions: The Village Panchayat has maintained the illegal construction register in prescribed format. There are altogether 6 cases pending as on 31/03/2018 including one detected during 2017-18.

Para 10(a) Contribution towards Provident Fund: As per notification No. 25/DP/PAN/FMP/2000 dated 05/03/2003 facility of provident fund scheme is to be extended to regular staff of the village Panchayat. The V.P. has not taken any initiative in this regard. Immediate action may be initiated to extend the said facility to regular V.P. staff.

(b) Salary Reserve Fund: Panchayat has created a salary reserve amounting to Rs.18,76,480/- as on 31/03/2018 which is more than three month salary of regular staff of the Panchayat.

Para 11 - Works: V.P. has executed 9 works during the year 2017-18. The following observations are raised for compliance.

1. Agreements signed between contractors and sarpanch not found in the files.
2. Copy of work orders not sent to Income tax office, CTO office, Dept. of Industries and Mines and Goa Labour Welfare Board.
3. Approved NIT's not found in the files.
4. Technical Sanction orders not found in the files.
5. Stipulated date of completion mentioned on work orders differs that with NIT form and also with the paras in work order itself.
6. In some of the work orders stipulated date of commencement is prior to the date of issue work orders.
7. Payment of Rs.325725/- towards the work of Construction of well at Chiplem under survey no. 1/8 in VP Poinguinim is done without grant of time extension, which is not correct. Ex.Post facto time extension may be granted and shown to audit.

8. Dates of recording each set of measurements is not mentioned on MB's.
9. Actual date of completion of works is not mentioned on completion certificates of MB's.
10. Contractors have not signed the MB's for having accepted the measurements.
11. Measurements on MB are not scrolled out by diagonal line with red ink after payment.
12. All the works are entered on register of properties and assets which is not correct. Separate work register shall be maintained for works.

Para 12 - Vouchers: The TA of Shri Vijay Velip, VP Peon is taken as Rs.400/- same should have been Rs.800/-.

Para 13 - Service books & leave account: The Service books and leave accounts of the staff of the panchayat were checked and were found to be upto date. Service verification is also done.

Para 14 - Maintenance of Registers:

1) Pay Bill Register: The V.P has not maintained the pay bill register in prescribed format TR 22A even after several audit observations. An immediate action may be taken to maintain the pay bill register.

2) Security Deposit/EMD Register: The V.P has maintained the security deposit and EMD registers. The balance of security deposit is Rs. 6,84,990/- and EMD is Rs. 4,53,815/- as on 31/03/2018 as verified from register.

3) Property and Assets Register: The V.P has maintained the property and Assets register in prescribed format. It is noticed that some items recorded in this register, have to be transferred to dead stock register. Physical verification of assets has to be carried out every year.

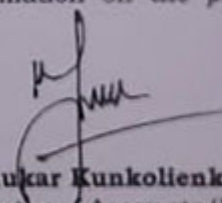
4) Court case Register: As per the court case register maintained by the V. P. there are 6 cases pending with the Panchayat during the year 2017-18.

Para 15 (a) - Departmental Inspection: BDO has conducted 3 inspections and EO(VP) has also conducted 5 inspections of the V.P. as per the prescribed 3 & 5 respectively during the year 2017-18.

(b) Gramsabhas: V.P. has conducted 4 Nos. ordinary and 4 Nos. Special Gram sabhas during the year 2017-18.

(c) Administrative Report: The V.P. has prepared the administrative report in prescribed format during the year 2017-18 and submitted to BDO and copy endorsed to audit.

NOTE: The Inspection report has been prepared on the basis of information furnished and made available to audit by the Secretary of Village Panchayat Poinguinim. The Office of the Joint Directorate of Accounts, Margao-Goa, disclaims any responsibility for any misinformation and/or non-information on the part of auditee.


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