

**ANNUAL AUDIT REPORT ON ACCOUNTS OF THE VILLAGE  
PANCHAYAT "Tivim" IN Bardez  
BLOCK FOR THE YEAR 2017-18**

**PART-I**

**A. Name of the Sarpanch/Dy. Sarpanch:-**

Sr.No	Name of the Sarpanch	Fr.	To
1	Shri:- Shivdas Kambali	01/04/2017	21/06/2017
2	Smt:- <del>Tripti</del> Shinde	22/06/2017	24/02/2018
3	Shri:- Shivdas Kambali	25/02/2018	28/02/2018
4	Smt:- <del>Tripti</del> Shinde	01/03/2018	31/03/2018

**B. Name of the Secretary :-**

Sr.No	Name of the Secretary	Fr.	To
1	Shri. Francis Fernandes	01/04/2017	16/01/2018
2	Mr. Dhiraj J. Govekar	17/01/2018	24/03/2018
3	Shri. Rupesh Halankar	25/03/2018	31/03/2018

**C. Names & Designation of Audit Parties**

Sr.No	Names of the audit parties	Designation
1	Shri:- Kisan Gaude	Dy. D.A./Insp.
2	Shri:- Milind M. Sadvelkar	A.A.O.
3	Shri:- Dasharath Tuenkar	A.C.
4	Shri:- Shekhar L T Khorjuvekar	A.C.

D. **Date of Audit :-** From :- 08/08/2018 to 10/08/2018

E. **Period covered during the Audit :-** From:- 01/04/2017 to 31/03/2018

**PART - II - INTRODUCTORY**

The audit an Accounts of the **Village Panchayat Tivim** in Bardez Block for the year 2017-18 was conducted from 08/08/2018 to 10/08/2018 as per the Circular No.30/7/75Fin(Bud) dated 21/08/1996 from Finance (Budget) Department, based on the records furnished by the Panchayat.

The **Village Panchayat Tivim** was sanctioned the following types of grants during the year 2017-18. The details of the same are given below:

Sr.No.	Type of Grants	Amount
<b>Administrative Grants</b>		
1	Matching Grants	Rs. 4,25,000=00
2	Member salary	Rs. 4,08,000=00
3	Octroi	Rs. 16,40,614=00
<b>Development Grants</b>		

3	Garbage Grants	Rs.	1,00,000=00
4	XIV Finance Grants	Rs.	10,85,875=00
<b>Total</b>		Rs.	<b>36,59,489=00</b>

### PART-III

The **Village Panchayat Tivim** maintaining its records in the Form 1 to 11 as per Rule 20, 21 (a) and 25 of the Goa Panchayat, (Accounts, Audit & Custody of Funds ) Rules 1997, comprising particulars of Income & Expenditure for all the grants, received i.e Administrative & Development Grants.

#### i) SUMMARY OF THE ACCOUNTS

Total Receipts for the year 2017-18	Rs.	67,97,027=00
Total Expenditure for the year 2017-18	Rs.	42,19,686=55

**Total Funds available with the Panchayat as on 31/03/2018 are as detailed below:**

Sr. No.	Total Funds/deductions as on 31/03/2018	Amount
1	Government Grants	Rs. 36,99,926=00
2	DRDA Grants	Rs. 64,656=59
3	E.M.D.	Rs. 2,04,471=00
4	S.D.	Rs. 3,69,667=00
5	Income Tax	Rs. 21,708=00
	Education Cess	Rs. 537=00
6	Vat (Sales Tax)	Rs. 47,181=00
7	Royalty	Rs. 14,463=00
	2% TCS on Royalty	Rs. 87=00
8	Labour Cess	Rs. 20,670 =00
9	CGST	Rs. 9,241=00
10	SGST	Rs. 9,241=00
11	Panchayat Fund	Rs. 80,08,713=93
<b>Total</b>		<b>Rs. 1,24,70,562=52</b>

#### Details of Utilized / Unutilized Grants

The statement showing details of grants as on 31/03/2018 are as follows:

Sr No	Name of Grants	Previous Year Balance as on 01/04/2017	Amount Sanctioned (2017-18)	Amount Utilized/ref. (2017-18)	Balance as on 31/03/2018
1.	V.P. Members Salary	1,40,416=00	4,08,000=00	3,87,300=00	1,61,116=00
2.	Matching Grants	-	4,25,000=00	4,25,000=00	-
3.	Octroi Grants	-	16,40,614=00	16,40,614=00	-
3.	XIII th Fin Comm	2,31,482=00	-	-	2,31,482=00
4.	XIV th FinComm	21,42,999=00	10,85,875=00	2,56,524=00	20,72,350=00



5.	Garbage Grants	-	1,00,000=00	1,00,000=00	-
6.	Golden Jubilee Gr	42,400=00	-	-	42,400=00
7.	GIA Grants Dev)	2,62,578=00	-	-	2,62,578=00
8.	Biodiversity Grants	30,000=00	-	-	30,000=00
<b>Total</b>		<b>28,49,875=00</b>	<b>36,59,489=00</b>	<b>28,09,438=00</b>	<b>36,99,926=00</b>
<b>II. DRDA/RDA</b>					
1.	GREGS	3,858=00	Int. 146=00	-	4,004=00
2.	GGSY	1,195=59	Int. 42=00	BC 115=00	1,122=59
3.	NREGA	57,392=00	Int. 2,138=00	-	59,530=00
<b>Total</b>		<b>62,445=59</b>	<b>2,326=00</b>	<b>115=00</b>	<b>64,656=59</b>

It can be seen from the above table that that the member salary amounting Rs.1,61,116/-, XIIIth Finance Rs. 2,31,482/- and XIVth Finance Rs. 29,72,350/- remained unutilized over prescribed limits. The reasons for non utilisation of the said grants as per the guidelines may be stated. A Utilization Certificates should be furnished to the grants sanctioning authority as required under GFR 19 in stipulated time. In case the grants are not utilized within the specific time, then necessary approval of extension of time limits has to be obtained from the grants sanctioning authority or else the same should be refunded in the Government Treasury. However, the UC's of utilized grants are not made available for verification.

**(iii) VARIATION BETWEEN BUDGET ESTIMATE AND ACTUAL**

**A) INCOME**

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL INCOME	EXCESS
84,72,939=00	84,72,939=00	Rs. 67,97,027=00	Rs. 16,75,912=00

**B) EXPENDITURE**

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDIRUTE	EXCESS
1,09,84,000=00	93,01,500=00	Rs. 42,19,686=55	Rs. 50,81,813=45

Although the budget is revised but there is huge difference in revised budget estimates and actual during the year 2017-18. There was need to revise the Budget Estimates based on comparing the original Budget prepared for the year 2017-18 to avoid the variations between the budget and actual Income and expenditure. This may be noted and in future budget may be prepared in realistic manner in order to avoid variations. Secondly the copy of budget has not been forwarded to B.D.O. for necessary action. Thus it was observed that provisions of Goa Panchayat Raj Act have been violated in failure to forward mandatory budget estimates for the year 2017-18 to the B.D.O.

**PART - IV - COMMENTS ON TRANSACTION**

Section A:- Outstanding audit paras from previous Audit Report in brief

Year	Paras B/F	Paras settled	Paras outstanding	Subject in brief
1990-91	01	-	01	Para-2- works
1991-92	01	-	01	Para-2- works
1994-95	01	-	01	Para-9- works
2000-01	01	-	01	Para-9- works
2000-11	01	-	01	Para- 9- dept. works
2011-12	02	-	02	Para-8- Works Para -10- Excess Expenditure over (1) excess expenditure over prescribed limit Rs.122680/- (2) Excess expenditure over budget (i) Mis. Rs.52,532/-
2017-18	20	18	02	Para- 14- Works Sales Tax/Vat has not been recovered from the contractor. Para-15- Excess Expenditure over prescribed limit. Remaining 18 paras are dropped and commented in the current audit wherever required.
<b>Total</b>	<b>27</b>	<b>18</b>	<b>09</b>	

There are 09 outstanding paras are remained unsettle. The pendency of audit paras are relating to very old period is alarming. It is therefore brought to the notice of Directorate of Panchayat that the V.P. Tivim has failed to submit appropriate replies and get any of the paras dropped. This issue may be viewed seriously and every possible effort be made to get long pending paras settled once for all.

### Part - V-CURRENT -AUDIT

#### I. CASH BOOK

The Cash book is checked during the course of audit. The closing balance as per the cash book as on 31/03/2018 is Rs.1,24,70,562=52 (Rupees One Corer Twenty four Lakhs Seventy thousand five hundred sixty two and paise fifty two only). But the actual closing balance as on : 1/03/2018 will be Rs. 1,24,70,572=52 due to the following description.

R. No.	Dated	Actual	Taken in Cash book	Short / Excess
565/60	26/10/2017	10=00	-----	(-) 10=00

The short accounted amount of Rs. 10/- may be deposited in the Panchayat fund by removing receipt during the year 2018-19 under intimation to audit.

The details of the closing balance as per the Cash Book as on 31/03/2018 is as follows:-

i)	Closing balance as per Denu Bank A/c No. 4822	
	Balance as per Pass Book	Rs. 1,09,27,331=60
	Less: XIVth Finance Grant wrongly Deposited in V.P. Fund A/c	Rs. 8,60,440=00
	Less: Cheque issued but not present Payment	Rs. 30,208=00



	But not credited in Bank	Rs. (+) 8,484=00	
	Closing balance as per cash book as on 31/03/2018		Rs. 1,00,45,167=60
ii)	Closing balance as per Dena Bank A/c No. 04850	Rs. 17,616=00	
	Closing balance as per cash book as on 31/03/2018		Rs. 17,616=00
iii)	Closing balance as per Dena Bank A/c No. 04914	Rs. 4,004=00	
	Closing balance as per cash book as on 31/03/2018		Rs. 4,004=00
iv)	Closing balance as per Dena Bank A/c No. 26611	Rs. 31,393=40	
	Closing balance as per cash book as on 31/03/2018		Rs. 31,393=40
v)	Closing balance as per State Bank of India A/c No. 69923	Rs. 1,122=59	
	Closing balance as per cash book as on 31/03/2018		Rs. 1,122=59
vi)	Closing balance as per State Bank of India A/c No. 08248 Balance as per Pass Book Rs. 3,77,151=00 Add: XIVth Finance Wroglly dep. in V.P. Fund A/c Rs. 8,60,440=00		
	Closing balance as per cash book as on 31/03/2018		Rs. 12,37,591=00
vii)	Closing balance as per State Bank of India A/c No. 295037	Rs. 59,530=00	
	Closing balance as per cash book as on 31/03/2018		Rs. 59,530=00
viii)	Closing balance as per State Bank of India A/c No. 99716	Rs. 2,72,266=00	
	Closing balance as per cash book as on 31/03/2018		Rs. 2,72,266=00
ix)	FD's in Dena Bank (i) Receipt No. 021866027438 Closing balance as per certificate Rs. 6,38,792=00 Less: Interest not taken in cash book Rs. 38,792=00 Rs. 6,00,000=00 (ii) Receipt No. 021866027836 Closing balance as per certificate Rs. 2,12,931=00 Less: Interest not taken in cash book Rs. 12,931=00 Rs. 2,00,000=00 Closing balance as per cash book		Rs. 8,00,000=00
x)	Cash on hand		Rs. 1,871=93
	<b>Total closing balance as per cash book as on 31/03/2018</b>		<b>Rs. 1,24,70,562=52</b>

After verification of above bank closing balance as per the cash book is found to be tallied with the closing balance as per the bank pass book /certificates as on 31/03/2018.

**SECTION-B-I**  
**MAJOR IRREGULARITIES**

- 1) Budget Estimate for the year 2017-18 has not been prepared.

**SECTION-B-II**  
**OTHER IRREGULARITIES**

- 1) Bank reconciliation statement is not prepared and recorded in the cash book at the end of the each month.
- 2) Pay bill Register, Salary Register is not maintained.
- 3) The TDS on professional fees bills of Rs. 96,250/- have not been deducted and paid to Income Tax Department for the year 2017-18.
- 4) The Voucher no 334,335,336,348,356,364,377,388,399,408, 434, 450, and 467 more than Rs. 1000/- has been paid in cash in violation of instructions issued by the Director of Panchayat that the payment above 1,000/- should be made by cheque.
- 5) Form No. 6 Assets and Property register is maintained but not found in order.
- 6) The Panchayat receives the Grants-in-aid every financial year for payment of Salaries and Allowances as fixed by the Government to the Sarpanch, Dy. Sarpanch and directly elected members as well as Co-opted members as the case may be. The amount so received has to be paid to the members within one year from the receipt of the same. However, scrutiny of Form 9 grants register revealed that the amount of Rs. 1,61,116/- is remained undisbursed for more than year in the Panchayat fund. It is also noticed that the member salary for the month of March is paid in advance.

**2. RDA ACCOUNTS**

- i) **GREGS:** The following are the details position of MGNRE GS Dena Bank A/C No.041914

i)	Opening balance as on 01/04/2017	₹	3,858=00 ✓
ii)	Grants rec. during the year 2017-2018	₹	NIL
iii)	Add:-Interest Accrued during the year 2017-2018	₹	146=00
iv)	Less:- Expenditure incurred	₹	NIL
	<b>Closing balance as on 31/03/2018</b>	₹	<b>4,004=00 ✓</b>

- ii) **GGSY:** The following are the details position of GGSY State bank Of India A/C No. 699923

i)	Opening balance as on 01/04/2017	₹	1,195=59 ✓
ii)	Grants rec. during the year 2017-2018	₹	NIL
iii)	Add:-Interest Accrued during the year 2017-2018	₹	42=00
iv)	Less:- Expenditure incurred	₹	115=00
	<b>Closing balance as on 31/03/2018</b>	₹	<b>1,122=59 ✓</b>

- iii) **MGNREGA:** The following are the details position of MGNREGS State Bank Of India A/C No.295037

i)	Opening balance as on 01/04/2017	₹	57,392=00 ✓
ii)	Grants rec. during the year 2017-2018	₹	NIL
iii)	Add:-Interest Accrued during the year 2017-2018	₹	2,138=00
iv)	Less:- Expenditure incurred	₹	NIL
	<b>Closing balance as on 31/03/2018</b>	₹	<b>59,530=00 ✓</b>



1	Balance b/d	12,23,393				
2	House Tax	10,62,023				
3	Commercial Tax	1,11,980				
4	Light Tax	59,566				
5	Prof. Tax	1,24,212				
6	Hoarding/sign board Tax	9,191				
7	Cycle Tax	6,192				
8	Cart Tax	83				
9	Dog Tax	1,702				
10	Land Tax	-				
	<b>Total</b>	<b>13,74,949</b>	<b>12,75,054</b>	<b>26,50,003</b>	<b>10,43,591</b>	<b>16,06,412</b>

The above closing balance is found to be tallied with the closing balance as per the cash book as on 31/03/2018.

The Scrutiny of RDA account in audit is only to confirm the closing balance figures only. The audit of the RDA account is carried out by the office of the District. Rural Development Agency, Panaji-Goa.

### 3. TAXES

The following statement showing the arrears current Demand, Collection and Balance for the period from 1/4/2017 to 31/3/2018.

	Nature of Taxes	Arrears	Current Demand	Total Demand	Collection	Balance
1	House Tax	10,62,023=00	10,73,314=00	21,35,337=00	9,11,944=00	12,23,393=00
2	Commercial Tax	1,11,980=00	61,390=00	1,73,370=00	39,915=00	1,33,455=00
3	Light Tax	59,566=00	33,980=00	93,546=00	29,157=00	64,389=00
4	Proff. Tax	1,24,212=00	85,765=00	2,09,977=00	43,440=00	1,66,537=00
5	Hoarding/sign board Tax	9,191=00	12,925=00	22,116=00	11,635=00	10,481=00
6	Cycle Tax	6,192=00	90=00	6,282=00	-	6,282=00
7	Cart Tax	83=00	-	83=00	-	83=00
8	Dog Tax	1,702=00	90=00	1,792=00	-	1,792=00
9	Land Tax	-	7,500=00	7,500=00	7,500=00	-
	<b>Total</b>	<b>13,74,949=00</b>	<b>12,75,054=00</b>	<b>26,50,003=00</b>	<b>10,43,591=00</b>	<b>16,06,412=00</b>

The Panchayat has collected an amount of Rs.10,43,591=00 towards the various taxes during the year 2017-18. The tax collection is only 39% out of total demand. The position of the Panchayat in respect of collection of taxes is not satisfactory. The lethargic nature of the Village Panchayat in recovering of Taxes has resulted in accumulation of these arrears. Over the years, arrears of revenue recoverable has gone up considerably and the Panchayat failed to give due attention in collecting of revenue as well as accumulated arrears. The overall arrears of taxes are mounting year by year. As specially House Tax, Professional Tax and Commercial. As per Sub-Section (3) of Section 154 of the Goa Panchayat Raj Act, 1994, Vp s empowered to issue notices to defaulter of taxes and revenue arrears and levy 10% penalty to outstanding arrears recoverable under Sub-Section (4). Thus it was observed that provisions of Panchayat Raj act have been violated in failure to recover the arrears. Therefore, the VP is required to take remedial action for recovery of all outstanding taxes along with the prescribed penalty from the defaulters and revision of taxes as well.

### 4. RENT

The Panchayat has leased out its 14 shops on rental basis and collected an amount of Rs.1,64,880=00 as a rent. The details of rent are as follows.

Sr.	Name of	Arrears	Current	Total	Collection	Balance
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No.	the Premises	Demand	Demand	Demand		
1	Shops	12,015	1,74,492=00	1,86,507=00	1,64,880=00	21,627=00
	<b>Total</b>	<b>12,015</b>	<b>1,74,492=00</b>	<b>1,86,507=00</b>	<b>1,64,880=00</b>	<b>21,627=00</b>

The collection is 88% out of total demand. The position of the Panchayat in respect of collection of rent is satisfactory. Balance amount may be recovered and shown to the next audit.

#### 5. CONSTRUCTION ACTIVITIES/CONSTRUCTION LICENCES

The Sarpanch of Village Panchayat "Tivim" has certified vide Letter No. F.Audit/18-19/960 dated 16/07/2018, that <sup>Panchayat</sup> he has issued 38 nos. of construction licenses including and renewal and repair during the year 2017-2018 and collected an amount of Rs. 8,06,025=00 (Rupees Eight lakh six thousand twenty five only). The fees are charged as per estimate certified by Civil Engineer/Architect and technical clearance order issued by Town & Country Planning Department. Relevant files are seen during the course of audit and found in order.

#### 6. ILLEGAL CONSTRUCTION

The Sarpanch of Village Panchayat "Tivim" has certified vide Letter No. F.Audit/18-19/ 961 dated 19/07/2018 that he had detected 05 nos. of illegal construction cases within Panchayat jurisdiction during the year 2017-18. The details of illegal construction cases are as follows,

Nos. of Illegal Construction cases on 01/04/2017	67
Illegal Construction cases detected during the year 2017-18	05
Nos of illegal construction cases settle/ disposed during the year 2017-18	--
<b>Total Cases pending upto 31/03/2018</b>	<b>72</b>

As per the provision of Section 66 of the Goa Panchayat Raj Act, 1994 no person shall erect any building or alter or add any existing building or reconstruct any building without the written permission from Panchayat and payment of fees. However, it is noticed that, the houses are constructed without obtaining VP's permission. There are 72 cases of illegal constructions in the Village Panchayat as on 31/03/2018. Non regularization of above illegal constructions resulted in loss of revenue of Panchayat. The Village Panchayat should take corrective action in the matter immediately. Action taken and result thereof may be intimated to audit.

#### 7. REFUND OF E.M.D AND S.D.

It has seen that the V.P. Guirim has a balance of Rs. 2.04 lakh as E.M.D and Rs. 3.70 lakh as S.D as on 31/03/2018. As per the section 19 of C.P.W.D. Manual 2007, the E.M.D given by the contractors except the successful contractor should be refunded immediately after completion of opening of tender process or within a week time from the date of opening the tender. It may please be stated whether any action has been initiated to refund/or forfeit the EMD's/SD's lying with the Panchayat fund beyond three years.



8.

### RESERVE FUND FOR STAFF RETIRMENT BENEFITS

The Goa Panchayat Raj (Application of Panchayat or Zilla Panchayat funds Coordination & Limitation) Rules 2006 which came into force vide Notification No. 34/DA/PAN/2P/2006 dated 03/11/2006 and as per Rule 4 of Goa Panchayat Raj Rules 2006. The Panchayat has maintained the Reserve Fund for Retirement Benefits for staff to the tune of Rs.8,00,000/- as on 31/03/2018 under the Investment in FDR's of Dena Bank.

### 9. VIOLATION OF STATUTORY PROVISION TOWARDS PROVIDENT FUND BENEFITS

As per para 5 of order No. 35/OP/PAN/EMP/2000 dated 06/03/2003 published in the official Gazette Govt. of Goa, it is stated that permanent employee shall be entitled for the benefits of employees Provident Fund. The amendment of the said order was published in the official gazette of Govt. of Goa under No. 35/DP/PAN/EMP/2006 dated 25/01/2007 under the title Goa Panchayat (staffing pattern, Scale of Pay & mode of recruitment of staff of Panchayats first Amendment) order, 2006 clause 5 stated that permanent employee of the Panchayat shall be entitled for EPF, Gratuity, Pensionary benefits etc. Also, the circular No. 19/33/DA/PAN/STAFF/PAN/05/3947 dated 18/11/2005 and No.19/31/DA/STAFF/09/3937 dated 21/10/2009 issued guidelines about implementation of Provident Fund, Gratuity, Pensionary Benefits, etc. to the permanent staff of the Panchayats. However, it was noticed that except Village Panchayat Secretary, no recoveries or provision towards provident fund and benefits have been made applicable to other regular staff of the Panchayats. Non-recovery of provident fund from the monthly salaries of the regular staff amounts to violation of Employees Provident Funds Rules & regulations.

Despite been recording similar observation in the past no action has been taken by the V.P. in the matter. Appropriate action may be taken against the above referred order and subsequent Amendments/Notifications/Circulars/Orders (if any) issued in this regards by the Government from time to time & result may be intimated to audit.

### 10. NON FILING OF E-TDS RETURNS WITH INCOME TAX DEPARTMENT & ASSESSING OF STAFF

The Panchayat is recovering TDS (Tax Deduction at Source) from the contractor bills and remitting to the Government Treasury under appropriate head of account. However, it is observed that quarterly TDS Returns for recovery of Income Tax is not being filed online which has been made mandatory by Income Tax Department. Further, every employer (DDO) should deduct Income Tax at source in monthly installment on salaries disbursed by him to his employees, and accordingly quarterly TDS returns for the recovery of Income Tax has to be filed online on quarterly basis. The final adjustment of Income Tax, should made from the last salary payable before the end of the March. Whereas, in your case it is observed that no Income Tax has been deducted nor it is feel compulsory to do so. Any fine /penalty levied by the Income Tax Department on late payment have to be borne by the person responsible for late remittance. Despite been recording similar observation in the past no TDS has been deducted from the V.P. Staff

salary during the year 2017-18 and e-filed with Income Tax Department. Action proposed to be taken may be intimated to audit.

### 11. SURETY BOND OF V.P. SECRETARY

The V.P. secretary is handling cash transactions of the village Panchayat, however, the mandatory security/Surety bond has not been furnished by the secretary. In this connection it is noticed that the Goa Panchayat (Accounts, Audit and Custody of Funds) Rules, 1997 provides under rules 4(3) the Secretary shall furnish a security in such form and for such amount as may be specified by Director. As per Rule 4(4), the Director of Panchayats may also demand a security from such persons as are actually incharge of cash transaction of a Panchayat.

### 12. AUCTION

The Village Panchayat issued Public Auction Notice No.VP/T/BAR/ F. Mkt/17-18/2554 dated 12/03/2018 for collecting fees (Sopo) on sale of goods in Marke/Melas Fair and Festivals for the year 2018-19. The initial bid for Market auction was fixed for Rs. 18,000/- The said auction was held in Village Panchayat premises Tivim on 31/03/2018 at 11.00 a.m. In response to this, three bidders were participated in the said auction and highest bid of Rs. 30,000/- raised by Shri. Jitendra Ambekar has been accepted by the Panchayat. The full bid of amount Rs.30,000/-was received vide receipt No.578/70 dated 31/03/2018.

Further, necessary agreement with the successful bidder and Sarpanch has been executed.

### 13. WORKS

The Village Panchayat has undertaken for 3 works during the year 2017-2018 under Panchayat fund as per the statement of works submitted to audit. On random verification of the work files, the following points are observed for compliance and necessary action.

1. Excess /Saving statement of works has not been prepared and placed in the respective work file.
2. Agreement in Form No 7/8 has not been executed in all cases and the payment is released without agreement which is irregular and not acceptable.
3. Form 24 First/Final R.A. Bills has not sign by the Sarpanch/Secretary.

### 14. EXCESS EXPENDITURE OVER PRESCRIBED LIMIT

The following is excess expenditure over prescribed limit.

Major Head	Limit	Actual Exp.	Excess
Advocate Fees	Rs. 30,000 = 00	Rs. 59,100 = 00	Rs. 29,100 = 00 ✓

The above excess expenditure may be got regularized under intimation to audit.

### 15. LABOUR CESS



As per the rules, all the Government Departments, local bodies PSU's and other Govt. agencies carrying out the building and other construction works under the act shall get themselves register under section 7 of the Act with the registering authority of the labour Department. Such institutions are required to mandatorily deduct 1% of the total cost from the bills at the time of making payment to the contractors. Thereafter, the VP before remitting the amount of cess to the Goa Building & Other Construction Workers Welfare Board can retain 1% of the total Cess amount collected for their administrative expenses.

#### 16. FINANCIAL POSITION OF THE PANCHAYAT DURING THE YEAR 2017-18

The Panchayat is having an amount of 80,08,713=93 ( Rupees Eighty lakh eight thousand seven hundred thirteen and ninety-three paise only) in their Panchayat Fund Account as on 31/03/2018. This shows that the financial position of the Panchayat is satisfactory during the year. However, Panchayat should make efforts to recover the huge amount of Arrears of Taxes / Rents along with prescribed penalty from the defaulters, in order to further strengthen the financial position of the Panchayat. Although the Panchayat Fund as on 31/03/2018 is Rs. 80,08,713=93 in the different Saving Bank Account, but no FD,S has been made by the Panchayat. The Panchayat may consider the possibility of investing its funds in short term deposits keeping in view its immediate needs so as to maximize the returns by obtaining details of the interest offered by different banks before investing the same.

#### 17. ANNUAL ACTION PLAN

As per section 238 of Goa Panchayat Raj Act, 1994 the VP is required to submit their annual action plans to the Zilla Panchayat, who is in turn would consolidate and forward the same to District Planning Committees for the development work to be undertaken during the next financial year. Further, Government of Goa has framed Rules under Goa Panchayat (Constitution, Power and Functions of Ward Development Committees and preparation of Annual Development Plan) Rules, 2008 so as to guide the Village Panchayats in preparation of Annual Action Plans.

In this connection, it is observed that Panchayat had not prepared any plans so far for preparation of Annual Action Plan which is contrary to the provision of the Panchayat Raj Act.

#### 18. FUNCTION OF THE GRAM SABHA

1. The Village Panchayat should constitute two Supervisory Committees as per the section 6 (2) of the Goa Panchayat Raj Act / Rules to supervise the Panchayat works, Schemes and other activities. The committees should submit their report to the Panchayat and place the copy of the report in the Gram Sabha Meeting for an appropriate decision.

2. As per Section 6 (8) of the Act *ibid*, the Panchayat should constitute two or more Ward Development Committees for keep proper on development activities of wards.

3. As per Section 6 (3) of the Act *ibid*, the Government should constitute Vigilance Committee to oversee the different works/schemes and other activities of the Panchayat.

## 19. GENERAL

As per the system in vogue, the Block Development Officer (BDO) should conduct at least three inspections and Extension officer VP (EOVP) five of the Village Panchayat.

a)	<u>Inspections</u>	<u>B.D.O.</u>	<u>E.O.(VP)</u>
i)	Prescribed	03	05
ii)	Actually carried out	Nil	Nil

Non-compliance of above requirement may be justified and in future B.D.O. /EO (V.P.) should ensure that the prescribed numbers of inspections are carried out at regular intervals in order to have control over the Administration of the Panchayat.

b) The B.D.O. should also ensure to take appropriate action on the following points:

As per Rule 4 (3) of the Goa Panchayat (Accounts, Audit and Custody of Funds) Rule 1997, the Secretary shall furnished the security bond in such a form and for such an amount as may be prescribed by the Director of Panchayat.

c) As per Section 113 (1) of the act, the salary and allowances of the Secretary shall be drawn from the Panchayat funds.

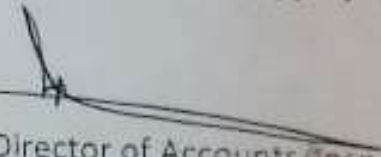
d) Panchayat Secretary shall maintain the personal cash register in terms of Circulars No. ACB/Vigilance/404/1066 dated 22/03/2004 from Vigilance Department, Panaji.


e) As per Section 5(i) and (ii) of the Act, there shall be minimum 4 (four) each ordinary and special Gram Sabha meetings of the Panchayat during every year. Action at b (i), (ii) & (iii) should be initiated and compliance should be reported to Audit.

Despite recording the observation during the last inspection report compliance to the previous audit, observations are still awaited. Rigorous efforts should be made to comply with the audit observations without further delay.

### DISCLAIMER

The inspection report has been prepared on the basis of information furnished and made available by the Village Panchayat Thivim. The office of the Directorate of Accounts disclaims responsibility for any misappropriation and or non information on the part of auditee.

  
Dy. Director of Accounts/Insp Cell  
Directorate of Accounts  
Panaji-Goa

Seen & discussed  
  
V.P. Secretary