

**Audit report of the accounts of Village Panchayat, Volvoi of Ponda Block
for the year 2017-18.**

Part - I:

(A)(1) - Name of Sarpanch: Smt. Ankita A. Naik - 01/04/2017 to 16/05/2017.

Smt. Mithali Shet - 17/05/2017 to 18/06/2017.

Shri Digambar D. Tari - 19/06/2017 to 31/03/2018 (Dy. Sarpanch)

(2) - Name of Secretary: Shri. Somnath Tari - 1/4/2017 to 31/03/2018.

(B) - Name of audit party and their designation:

(1) Shri Shridhar Sawant, Asst. Accounts Officer.

(2) Shri Dilkush Shinde, Asst. Accounts Officer.

(3) Shri Shivram Jamuni, Accounts Clerk.

(C) - Date of Audit: 20/12/2018 to 21/12/2018

(D) - Period of audit: 1/4/2017 to 31/3/2018

Part II - Introductory:

The audit of the account of Village Panchayat, Volvoi of Ponda block for the year 2017-18 was carried out by the Office of the Jt. 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 the following administrative grants during the year 2017-18:

Matching Grants Rs.96,544/-.

Part III - Comments on Accounts:

The Village Panchayat is maintaining the accounts in Form 1 to 10 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 & developmental grants)

I - Summary of Accounts:

1. Opening balance for the year 2017-18	Rs.23,78,270.70
2. Receipt during the year 2017-18	Rs. 20,64,591.00
3. Expenditure during the year 2017-18	Rs. 16,33,021.90
4. Funds available with VP as on 31.3.2018	Rs. 28,09,839.80

Details of funds available:

1. Government Grants	Rs. 12,98,859.50
2. EMD	Rs. 47,410.00
3. Security Deposit	Rs. 73,054.00
4. Royalty	Rs. 280.00
5. Labour Cess	Rs. 10,753.00
6. Panchayat funds	Rs.13,79,483.30
	Rs.28,09,839.80

The Liabilities of the Panchayat

1. Government Grants	Rs. 12,98,859.50
2. EMD	Rs. 47,410.00
3. Security Deposit	Rs. 73,054.00
4. Royalty	Rs. 280.00
5. Labour Cess	Rs. 10,753.00
Total	Rs. 14,30,356.50

II: Grants: The details of grants sanctioned, utilized and unspent grants as on 31/3/2018 are as follows

Sr No	Types of grants	Opening Balance	Grants Received	Grants utilized	Grants utilised during 2015-16	Balance as on 31/3/18
(1)	Staff salary	-----	5,43,390.00	5,43,390.00	-----	-----
(2)	Member salary	1,32,500.00	1,98,000.00	2,82,011.00	-----	48,489.00
(3)	GIA	4,60,097.50	2,47,527.00	3,52,240.00	-----	3,55,384.50
(4)	Garbage grants	1,59,332.00	1,00,000.00	20,400.00	-----	2,38,932.00
(5)	XIIIth Finance	1,04,728.00	-----	-----	68,400.00	36,328.00
(6)	XIVth Finance	3,85,889.00	2,20,382.00	-----	-----	6,06,271.00
(7)	Golden Jubilee	13,455.00	-----	-----	-----	13,455.00
		12,56,001.50	13,09,299.00	11,98,041.00	68,400.00	12,98,859.50

Out of grants sanctioned an amount of Rs.12,98,859.50 has remained unutilised as on 31/3/2018. The grants sanctioned shall be spent within the stipulated period i.e within a period of one year failing which same shall be refunded to the sanctioning authority. If the unutilized grants are required to be spent beyond stipulated period permission of sanctioning authority is required to be obtained.

Noted
M
20/12/2018

III: Budget: The budget estimate and the actual Income and expenditure for the year 2017-18 are as follows:

<u>Budget Estimate</u>		<u>INCOME</u>	
		Actual	Variation
Rs. 32,00,000.00		Rs. 20,64,591.00	Rs. 11,35,409.00
<u>EXPENDITURE</u>			
Rs. 44,62,000.00		Rs. 16,33,021.90	Rs. 28,28,978.10

The budget is approved vide resolution No. 04 dated 01/04/2017. There are huge variations in the budget estimate and actual Income & Expenditure. The variations in the actual income represent 64.51% of the budgeted income, whereas the actual expenditure represents 36.59% of the Budgeted expenditure.

Thus the budget estimates prepared by Panchayat are unrealistic/fictitious as there are huge variations in the actuals.

Part IV- Current Audit:

Section A (a) Introductory: NIL

b) Outstanding paras of previous audit: upto 2016-17.

Sr.No	Year	Op.Bal	Paras dropped	Paras outstanding as on 31/3/17
1	1970-71	1	-----	1(Para 10)
2	1986-87	2	-----	2(Para 3 & 8))
3	1988-89	1	-----	1(para 3)
4	1989-90	2	-----	2(para 8 & 6a))
5	2004-05	2	-----	1(para 5,6 (1)(2)(3)(1))
6	2005-06	2	-----	2(para 5 & 6(7))
7	2006-07	7	-----	7(para 2, 3, 4, 5, 6, 10, 12)
8	2007-08	15	-----	15(1 to 15) since no reply is furnished
9	2008-09	15	-----	(para 1 to 15)
10	2009-10	2	-----	2(para 13a(1)b & c(1 & 2)15(1 to 4))
11	2010-11	5	-----	5(B-B1,Para 7,11,15(2)(4))
12	2011-12	1	-----	1(Para 7)
13	2012-13	1	-----	1 (Para 14)
14	2013-14	4	-----	4(Para 6, 10(a)(b),12,13)
15	2014-15	3	-----	3(Para 7,8,10(a&b))
16	2015-16	13	10	3(Para 7,8,9Sr.No.1,10)

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

Audit Report 2016-17:

Para 1 -Financial Position: Commented in Current audit.

Para 2 - Cash Book: -do-

Para 3 - Demand, Collection & Arrears of taxes: -do-

Para 4 -Market auction: -do-

Para 5- Works: Maintained

Para 6- Vouchers: Maintained

Para 7 - (a) Construction License: Dropped and commented

(b) Illegal Construction :- Dropped and commented.

Para 8 - Furnishing of Surety bond by V.P Secretary: Maintained

Para 9 - Annual Action Plan: Maintained

Para 10- Maintenance of registers: Sr.No.1 Maintained

Para 11 - (a) Provident Fund: Maintained

(b) Salary Reserve Fund: Maintained

Para 12 - Formation of Committees: Dropped & Commented

Para 13 - (a) Departmental Inspection: Dropped & commented

(b) Gramsabhas: Dropped

(c) Administrative Report: -do-

Audit Report - 2017-18:

Para1: Financial position-The financial position of the Village Panchayat is not sound. The closing balance as per cash book as on 31/3/2018 is Rs. 28,09,836.80 out of which Rs.13,79,483.30 are Panchayat funds. The Panchayat may take initiative to increase the Panchayat funds to improve the financial position of the Panchayat.

Para2-Cash book- The closing balance of Village Panchayat as on 31/3/2018 is Rs. 28,09,836.80 The details of closing balance is as follows.

Sr. No	Name of the bank	A/c. No	Balance as per		Difference
			Cash book	Pass book	
.	State Bank of India	1966	1,04,882.99	1,04,882.99	----
.	State Bank of India	8659	1,16,381.00	1,16,381.00	----
.	Indian Overseas Bank	5002	20,29,209.91	20,29,209.91	----
.	-do-	5605	4,98,011.90	4,98,011.90	----
.	-do-	6642	58,063.10	58,063.10	----
.	Cash in hand		3,290.90		
	Closing balance		28,09,839.80		

Reconciliation: There is no difference between cash book and pass book hence reconciliation is not required.

Observation on cash book

1) The Panchayat has used receipt books 08 Nos. from 210/72 to 217/48 and balance receipt books is 05Nos from 218 to 222.

Para 3 – Demand, collection and arrears of taxes: The position of taxes collected, arrears outstanding as on 31/3/2018 are as follows

Sr. No	Types of taxes	Opening balance	Current demand	Collection	Balance as on 31/3/18
1.	House tax	48,220.00	61,215.00	47,455.00	61,980.00
2.	Proff. Tax	2,370.00	6,710.00	3,460.00	5,620.00
	Total	50,590.00	67,925.00	50,915.00	67,600.00

The collection of taxes is 42.96% of the opening balance and the demand billed during the year 2017-18.

Para 4 –(a) Market Auction: The Village Panchayat has called the market auction on 27/3/16 for collection of market fees for the period from 1/4/2016 to 31/3/2017. The initial bid was fixed at Rs.13,100/- . Only 5 bidders participated in the auction proceedings. Shri. Mahadev Tari who quoted the highest bid of Rs. 13,100/- was accepted by Panchayat. The reason to reduce the initial bid for market auction during the year 2017-18 to Rs.13,100/- as the bid amount of previous year was Rs. 46,000/- be justified. The bidder made payment in three instalment as follows.

1st instalment receipt No.210/90 dated 6/04/2017 of Rs.6,600/-

2nd instalment receipt No.215/23 dated 6/12/2017 of Rs.3,300/-

3rd instalment receipt No.216/71 dated 21/02/2018 of Rs.3,300/-

(b) Sand Dumping Auction: 1) VP Volvoi has also called Sand Dumping auction for collection of fees for dumping of sand for the period from 1/4/2017 to 31/3/2018 at Banderi Bhag. The initial bid was fixed at Rs.25,000/- . Altogether 5 bidders participated in the auction proceedings. Shri. Surendra Volvoikar who quoted the highest bid of Rs. 25,100/- was accepted by Panchayat. The bidder made payment in three instalment as follows.

1st instalment receipt No.210/91 dated 6/04/2017 of Rs.13,100/-

2nd instalment receipt No.215/24 dated 6/12/2017 of Rs.6,000/-

3rd instalment receipt No.216/72 dated 21/02/2018 of Rs.6,000/-

2) VP Volvoi has also called Sand Dumping auction for collection of fees for dumping of sand for the period from 1/4/2017 to 31/3/2018 at Metti Wada. The initial bid was fixed at Rs.20,000/- . Altogether 4 bidders participated in the auction proceedings. Shri. Santosh Naik who quoted the highest bid of Rs. 20,300/- was accepted by Panchayat. The bidder made payment in three instalment as follows.

1st instalment receipt No.210/89 dated 6/04/2017 of Rs.10,150/-

2nd instalment receipt No.215/25 dated 6/12/2017 of Rs.5,075/-

3rd instalment receipt No.216/73 dated 21/02/2018 of Rs.5,075/-

Para 5 – Works: V.P has executed two works during the year 2017-18. The following observations were noticed:

Work of improvement to Dhalom and in ward No.4 near Lumo D. Tari's house in V. P. Volvoi was awarded to Shri. Amit Tari for Rs.120959.81 vide W.O. No.VP/Devel. Works/Vol/16-17/183 dated 30/06/2016.

- Approved NIT not found in the file.
- Comparative statement not found in the file.
- Agreement signed between Contractor and Sarpanch not found in the file.
- Copy of work order not send to income tax office, commercial tax office, Industries and Mines Dept. and Goa Labour Welfare Board.
- As per w. o. stipulated date for completion of work is 11/08/2016 whereas the work completed on 28/07/2017 as certified on F&F bill. Payment is done without grant of time extension which is incorrect and unauthorised Ex-Post-Facto time extension may be granted and shown to audit.
- Excess/Saving statement not found in the file.

Work of shifting of LT pole alongwith LT near Shanta Durga Devastan, Sattari Bhat in V.P. Volvoi is awarded to M/s Vidhut Engineer for Rs.1,15,000/- Vide W. O. No.VP/Quot/Vol/17-18/394 dated 17/10/2017.

- Approved NIT not found in the file.
- Agreement signed between Contractor and Sarpanch not found in the file.
- Copy of work order not send to income tax office, commercial tax office, Industries and Mines Dept. and Goa Labour Welfare Board.
- Time allowed to carry out work is not mentioned on work order.

- e) Stipulated date of commencement and completion of work not mentioned on W.O.
- f) Bill is not prepared in prescribed format.
- g) As time being for works contract GST is payable @ 12% whereas Panchayat has paid GST @ 24% on materials and 18% on erection/labour which is contrary to the GST rules. Excess paid towards GST shall be recovered from Contractor and intimated to audit.
- h) Estimate is prepared by Asst. Engineer, Electricity Sub Div.III (R), Ponda

1. Cost of Material -----	Rs.79876.20
2. Cost of erection -----	Rs.26064.87
Total	Rs.105941.07
3. 15% Supervision charges	Rs.3909.73
4. 15% Service tax on Super.	Rs.586.45
Sub Total -----	Rs.110437.26
5. 5% Contingencies	Rs.5521.86
Grand Total	Rs.115959.12

Estimated cost put to tender is Rs.110437.26 as seen from tender notice No.VP/VOL/17-18/352 dated 16/09/2017 which is inclusive of supervision charges and service tax on supervision charges which is wrong. Estimated cost put to tender should have been exclusive of other charges.

Para 6 - Vouchers:

- 1. Vr.no.159 dtd.14/11/17 amounting to Rs.6,300/- paid to Abhinav Publisher Goa Pvt. Ltd. towards birthday greeting. Such expenditure is not permissible as per Government guidelines.

Para 7(a) - Construction Licences: The Village Panchayat has not issued any construction licences during the year 2017-18.

(b) - Illegal Construction: There are no Illegal constructions pending with the Panchayat during the year 2017-18 as stated by V.P Secretary.

Para 8: Furnishing surety bond by V.P. Secretary: The V.P Secretary has not furnished the surety bond as required under sec. 4 (3) of Goa Panchayat Raj Act 1997. The same may be furnished immediately.

Para 9- Annual Action Plan: The Panchayat is required to prepare Development Plan every year as required under sect. 238 of Goa Panchayat Raj Act 1994, and submit the same to Zilla Panchayat within the time framed for its submission. V.P Volvoi has failed to prepare the Annual action plan for the year 2017-18. Higher authorities may take necessary action in this regard.

Para 10 - Maintenance of Registers:

(1) Pay Bill Register: Maintained but not in prescribed format i.e TR - 22 A. same may be maintained immediately in form TR-22 A and compliance reported to next audit.

(2) Security deposit/EMD: as per register maintained the outstanding balance of Security Deposit is Rs. 73,054.00 and balance of EMD is nil as on 31/03/2018.

(3) Property Register: This register is maintained by V. P. The same is physically verified by the Sarpanch.

(4) Court Case register: There are no court cases pending with V. P.

(5) Service books & leave account: The service books and leave account are complete however service verification is not done.

Smt. Sneha Tari, Clerk pay fixed on initial joining is not correct. Pay is fixed at Rs.5200+1900 instead of Rs.5880+1900. Pay may be verified and accordingly annual increments be regulated and shown to audit.

Para 11 (a)- Provident fund: The benefit of Employee Provident Fund has not been extended to the regular V.P staff. The same may be done immediately.

(b) Salary Reserve Fund: V.P has created/maintained an amount of Rs.58,063/- towards salary reserve fund which is short of Rs.21,000/- to equivalent to 3 months salary of V.P staff. The same may be created now and compliance reported to audit.

(c) Reserve for pensionery benefits: V.P. has to reserve 2.5% as reserve fund for pensionery benefit etc. to the staff working in the Panchayat. This provision is not made by Panchayat. Same be made immediately.

Para 12- Formation of committees: Panchayat has constituted the below mentioned committees for the year 2017-18.

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

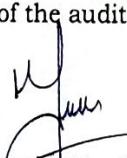
5) Vigilance committee.

Para 13 (a) Departmental Inspection: As per the information provided by V.P Secretary, BDO has conducted 3 inspections and EO (VP) have not conducted any inspection of the Panchayat. The lapse is brought to the notice of Director of Panchayat for necessary action.

(b) Gram-sabhas: Panchayat has conducted 4 ordinary and 4 special gram-sabhas during the year 2017-18.

(c) Administrative Report: Village Panchayat has prepared the administrative report and furnished the same to BDO and copy endorsed to audit.

Note: The inspection report has been prepared on the basis of information furnished and made available by the Secretary of Village Panchayat, Volvoi of Ponda Taluka. The Office of Jt. Director of Accounts, South Branch, Margao disclaims any responsibility for any non-information and/or misinformation on the part of the auditee.


(**Madhukar Kunkolienkar**)
Dy. Director of Account/Insp.