

**ANNUAL AUDIT REPORT OF ACCOUNTS OF THE VILLAGE
PANCHAYAT "CAMURLIM" IN BARDEZ
BLOCK FOR THE YEAR 2017-18**

PART-I

A. Name of the Sarpanch:-

Sr.No	Name of the Sarpanch	Fr.	To
1	Shri:- Vishant G.N. Gaonkar	01/04/2017	31/03/2018

B. Name of the Secretary :-

Sr.No	Name of the Secretary	Fr.	To
1	Miss. Manjita M. Phadte	01/04/2017	11/03/2018
2	Shri:- Bhiva Thakur	12/03/2018	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 :- 18/09/2018 to 19/09/2018

E. Period covered during the Audit :-

From:- 01/04/2017 to 31/03/2018

PART - II - INTRODUCTORY

The audit of Accounts of the Village Panchayat Camurlim in Bardez Block for the year 2017-18 was conducted from 18/09/2018 to 19/09/2018 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 Camurlim 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
1	Member salary	Rs 2,70,000=00
2	Staff Salary	Rs. 10,06,062=00
3	Matching Grants	Rs. 1,78,522=00
4	Garbage Grants	Rs. 1,00,000=00
5	XIV Finance Grants	Rs. 3,60,722 =00
6	Library Grants	Rs. 1,13,125=00
	Total	Rs. 20,28,431=00

PART-III

The Village Panchayat Camurlim 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. 29,07,569=00 ✓
Total Expenditure for the year 2017-18	Rs. 28,46,409=00 ✓

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. 37,55,197=00
2	DRDA Grants	Rs. 22,895=00
3	V.C.C.	Rs. 3,116=00
4	Library Grants	Rs. 53,438=50
5	E.M.D.	Rs. 61,736=00
6	S.D.	Rs. 90,953=00
7	Income Tax	Rs. 19,868=00
	Ed. Cess	Rs. 138=00
	Hr. Ed. Cess	Rs. 69=00
8	Vat (Sales Tax)	Rs. 41,953=00
9	Royalty	Rs. 9,862=00
10	Labour Cess	Rs. 15,881=00
11	CGST/SGST	Rs. 14,890=00
12	Panchayat Fund	Rs. 27,93,450 =27
	Total	Rs. 68,83,446=77 ✓

ii) 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.	Staff Salary	5,71,685=00	10,06,062=00	9,37,365=00	6,40,382=0
2.	Members Salary	2,55,855=00	2,70,000=00	67,500=00	4,58,355=0
3.	Matching Grants	--	1,78,522=00	1,78,522=00	-
4.	XIIIth Finance	2,91,231=00	-	81,228=00	2,10,003=0
5.	GIA	19,84,818=00	-	11,89,221=00	7,95,597=0
6.	XIVth Finance	7,11,893=00	3,60,722=00	-	10,72,615=0
7.	Golden Jublee	5,08,492=00	-	-	5,08,492=0
8.	Garbage Grants	62,853=00	1,00,000=00	93,100=00	69,753=0

Total	43,86,827=00	19,15,306=00	25,46,936=00	37,55,197=00
II. DRDA/RDA				
1. MGNREGA	22,047=00	Int. 848=00	-	22,895=00
Total	22,047=00	848=00	-	22,895=00
1. Library Grants	1,143=50	1,13,125=00	61,926=00	53,438=50
		Int. 1,096=00		
Total	1,143=50	1,14,221=50	61,926=00	53,438=50
1. V.C.C.	3,001=00	Int. 115=00	-	3,116=00
Total	3,001=00	Int. 115=00	-	3,116=00

It can be seen from above Statement that Golden Jubilee grant is still lying in the Panchayat fund (Saving Bank Accounts) despite the most recent extension was granted with the condition that no further extension will be granted for utilization of grants by the grant sanctioning authority. Secondly, other grants like XIIIth, XIVth, Member Salary and GAI grants also remained unspent for the more than a year. As you very well aware that after utilizing the grants sanctioned amount, 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. Blocking of Government funds for long in some cases are adversely affected the development and public works in Panchayat.

Reasons for not utilizing the grants for the specified purpose and not refunding the unutilized grants along with the interest accrued thereon to Government when these are not required may be stated.

Action taken in this regards will be verified during next audit.

iii) VARIATION BETWEEN BUDGET ESTIMATE AND ACTUAL

A) INCOME

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL INCOME	SHORT
60,90,000=00	-	29,07,569=00	31,82,431=00

B) EXPENDITURE

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDITURE	SHORT
60,98,000=00	-	28,46,409=00	32,51,591=00

Although it was told earlier that, if in the course of the financial year, Panchayat finds it necessary to revise the provision made in original budget, it may revised at the end of the financial year, when likely figures of Receipts & Payments readily available to avoid variations between the budget and actual Income and expenditure. This has not done. The secretary has projected his

ignorance in preparing realistic budget. This may be noted and in future budget may be prepared in realistic manner in order to avoid variations.

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
1986-87	01	-	01	Para-8- Purchase without quotation
2001-02	01	-	01	Para-4- works 1-RTS,
2010-11	01	-	01	Para-10- Departmentals works
2011-12	02	-	02	Para-7- works Para -9- excess payment As per report 2007-2008 1. Income tax 14608/- 2. Sales tax 4864/- 3. Report 2008-09 4. security deposit 23139/- 5. 2.royalty 75/-
2013-14	01	-	01	Para- 10-Works
2014-15	01	-	01	Para-8- Excess Expenditure.
2015-16	01	-	01	Para-8- Non maintenance of register of deductions.
2016-17	16	16	00	All the 16 paras are dropped and commented in the current audit wherever required.
Total	24 23	16	08 07	

There are 08 outstanding paras which have remained unsettled. The pendency of audit paras which relate to a very old period covering almost 32 years is alarming. It is therefore brought to the notice of Director of Panchayat that the V.P. Camurim has failed to submit appropriate replies and get any of the paras dropped. The issue needs to be viewed seriously and every possible effort be made to get long pending paras settled once and for all.

Part -III-CURRENT -AUDIT

1) 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. 68,83,446=77 (Rupees Sixty Eight Lakh Eighty Three Thousand Four Hundred Forty Six and paise seventy seven only).

Sr.No.	Receipt No.	Actual Amt.	Amt. shown in the cash book	Difference
1	379/13	Rs. 2040=00	Rs. 2640=00	Rs 600=00 (E)
Total Para accounted amount				Rs. 600=00

The above excess accounted amount is treated as Panchayat Fund.

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

1	Closing balance as per Bank of Baroda A/c SB-129-11260100001905 Rs. 60,42,939=27	
	Closing balance as per cash Book as on 31/3/2018	Rs. 60,42,939=27
2	Closing balance as per Bank of Baroda A/c SB-129-11260100002244 Rs. 90,942=00	
	Closing balance as per cash Book as on 31/3/2018	Rs. 90,942=00
3	Closing balance as per Bank of Baroda A/c SB-129-1126010000993 Rs. 16,105=00	
	Closing balance as per cash Book as on 31/3/2018	Rs. 16,105=00
4	Closing balance as per Bank of Baroda A/c SB-129-1126010002222 Rs. 22,895=00	
	Closing balance as per cash Book as on 31/3/2018	Rs. 22,895=00
5	Closing balance as per Bank of Baroda A/c SB-101-11260100001690 Rs. 53,438=50	
	Closing balance as per cash Book as on 31/3/2018	Rs. 53,438=50
6	Closing balance as per Bank of Baroda A/c SB-101-11260100004542 Rs. 3,116=00	
	Closing balance as per cash Book as on 31/3/2018	Rs. 3,116=00
7	Closing balance as per State Bank Of India SB-129-30665977736 Rs. 2,46,123=00	
	Closing balance as per cash Book as on 31/3/2018	Rs. 2,46,123=00
8	Investment in FD's Bank of Baroda a) Receipt No. TBM/TDR/2008/F 052613 Rs. 1,98,944=00 b) Receipt No. TDR/2007/ KA/ 053186 Rs. 1,12,860=00 c) Receipt No. TDR/2007/KA 709248 Rs. 83,244=00 Less: interest not a/c Rs. 8=00 Rs. 3,95,040=00	
	Total FD's a+b+c=Rs as on 31/3/2018	Rs. 3,95,040=00
9	Cash in hand	Rs. 12,848=00
	Total Closing balance as per Cash Book as on 31/03/2018	Rs. 68,83,446=77

After reconciliation the above bank closing balances as per cash book are found to be tallied with the closing balances as per the bank figures/FD'S as on 31/03/2018.

SECTION-B-I

MAJOR IRREGULARITIES

Nil

SECTION-B-II

OTHER IRREGULARITIES

- 1) 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. 4,58,449/- is remained undisbursed for more than year in the Panchayat fund. The reason for not paying the member salary in time should be examined and such salary be settled immediately or refund the balance amount to grant sanctioning authority under intimation to audit.
- 1) Director of Panchayat vide Memorandum No. 19/DP/Inspection/2017/7696 dated 28/09/2017 issued directions to the Village Panchayats that limits of keeping cash in hand are only 500 should be maintained. However, Cash book for the year 2017-18 revealed that most of the time Cash in hand is exceeded the limit laid down in the above Memorandum. Secondly, the payment of Rs. 1,000/- and above should be done by cheque or ECS as the case may be. However, payment more than Rs. 1000 against the voucher No 143, 144, 145, 151, 177 and 178 has been made in Cash. Thus it was observed that directions issued by the Director of Panchayat have been violated. The above irregularity may be strictly observed and in future care may be taken the balance of Cash in hand does not exceeds the prescribed limit and payment of Rs. 1,000/- and above be made by through Cheque/ECS.
- 2) It is noticed that the development works executed from its own fund as well as under the scheme are not recorded in the Assets and Property register Form No. 6 in orderly manner inspite of direction in this regards by the Director of Panchayat.
- 3) Bank reconciliation statement is not prepared and recorded in the cash book at the end of the each month.
- 4) Pay bill Register, Salary Register is not maintained.
- 5) Due & Drawn statement of the salary bills are not enclosed to the bill.
- 6) Cancelled receipts during the year 2017-18 are not attested by the Sarpanch and Secretary by recording the genuine reason of cancellation on the noticeable place of the receipts.
- 7) A register of Receipt Book shall be maintained in Form No. 5 and shall be kept with the stock of new and returned Receipt Books under lock and key on the responsibility of the Secretary. The receipt books must be kept under lock and key in the personal custody of the officer authorized to sign the receipt on behalf of the Government. Before the receipt book is brought into the use, the number of forms contained therein shall be counted and the result recorded in a noticeable place in the book over the signature of the government office in charge of the book. Counterfoils of the used receipt book shall be kept in his personal custody. The receipt book stock register were checked during the course of audit however it is seen that no annual verification certificate is recorded under attestation of competent authority incorporating therein the balance receipt books at the end of every financial year. However, it is noticed that Form No. 5 Receipts Book Register is found not updated in all respect in order as necessary.

2) RDA ACCOUNTS

i) **RDA/MGNREGA:** The following are the details position of MGNREGA Grants (Bank of Baroda A/C No.SB-129- 11260100002222)

i)	Opening balance as on 01/04/2017	Rs.	22,047=00
ii)	Add:-Grants rec. during the year 2017-18	Rs.	nil
iii)	Add:-Int. Accrued during the year 2017-18	Rs.	848=00
iv)	Less:- Expenditure incurred 2017-18	Rs.	nil
v)	Less:- Bank commission 2017-18	Rs.	nil
	Closing balance as on 31/03/2018	Rs.	22,895=00

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

The Scrutiny of PDA 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.

ii) **Library Grants :** The following are the details position of library Grants (Dena Bank A/C No. 017810004506)

i)	Opening balance as on 01/04/2017	Rs.	1,143=50
ii)	Add:-Grants rec. during the year 2017-18	Rs.	1,13,125=00
iv)	Add:-Int. Accrued during the year 2017-18	Rs.	1,096=00
v)	Less:- Expenditure incurred	Rs.	61,926=00
	Closing balance as on 31/03/2018	Rs.	53,438=50

The audit of library A/C is carried out by the office of Art & Culture. Library Section 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.

Sr No	Nature of Taxes	Arrears	Current Demand	Total Demand	Collection	Balance
1	House Tax	4,26,418=75	2,17,116=00	6,43,534=75	2,56,220=00	3,87,314=75
2	Light Tax	16,373=00	4,265=00	20,638=00	4,995=00	15,643=00
3	Profes. Tax	90,590=00	26,000=00	1,16,590=00	11,165=00	1,05,425=00
4	Cycle Tax	13,061=00	58=00	13,119=00	-	13,119=00
5	Token House No.Tax	--	2,005=00	2,005=00	-	2,005=00
	Total	5,46,447=75	2,49,444=00	7,95,886=75	2,72,380=00	5,23,506=75

The Panchayat has collected an amount of Rs. 2,72,380 =00 towards the various taxes during the year 2017-18. The tax collection is only 34 % out of total demand. The position of the Panchayat in respect of collection of taxes is poor. 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. 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 's 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 01 premise on rental basis and collected an amount of Rs. 65,936=00 as a rent. The detail of rent is as follows.

Sr. No.	Name of the Premises	Arrears Demand	Arrears 08/16 to 03/17 Demand	Current Demand	Total Demand	Collection	Balance
1	PHC	14585=00	22,664=00	44,748=00	81,997=00	65,936=00	16,061=00
	Total	14585=00	22,664=00	44,748=00	81,997=00	65,936=00	16,061=00

The collection of total demand for the year 2017-18 towards rent is 65,936=00. The position of the Panchayat in respect of collection of rent is satisfactory. However, Balance amount of arrears may be recovered and shown to the next audit.

5) CONSTRUCTION ACTIVITIES

i) CONSTRUCTION LICENCES

The V.P. has certified vide certificate No.VP/CAM/BAR/2018-19/675 dated 05/09/2018 that it has issued 08 nos. of construction licenses including revised, renewal and repair during the year 2017-18 and collected an amount of Rs. 53,900 =00 (Rupees Fifty three thousand nine hundred only) was recovered as license fees. The fees are charged as per estimate certified by Civil Engineer. Relevant records are seen in audit.

ii) ILLEGAL CONSTRUCTION:

V.P Sarpanch certified vide certificate No.VP/CAM/BAR/2018-19/674 dated 05/09/2018, that he had detected 12 nos. of illegal construction cases during the year 2017-18. The details of illegal construction cases are as follows

1) Nos. of Illegal Construction cases on 01/04/2017	13 ✓
2) Illegal Construction cases detected during the year 2017-18	12
3) Nos of illegal construction cases settle/ disposed during the year 17-18	05
Total cases pending for settlement upto 31/03/2018	20 ✓

As per the provision of Section 66 of the Goa Panchayat Raj Act, 1994 no person shall erect any building as 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 20 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. Further, it can be seen at sr. no. 2 above that 05 illegal cases are shown as settled/disposed. However, requisite records/revenue collection against settlements/ disposals has not produced to audit. In absence of such records, audit could not confirm the fact whether above cases are actually disposed off after following prescribed procedure laid down in G.P.R.A. 1994 or not. Appropriate reply in this regard is waited.

6) **REFUND OF E.M.D AND S.D.**

It has seen that the V.P. has a balance of Rs. 0.62 lakh as E.M.D and Rs. 0.91 lakh 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/ forfeit the EMD's /SD's which is lying with the Panchayat for more than three years. If not than the unclaimed EMD's and S.D.'s lying with Panchayat more than three years may be treated as lapse deposits and accordingly forfeited to the Panchayat account

7) **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, every Panchayat shall reserve 2.5% of their income as reserve fund for contributory Provident fund, Pensionary Benefits etc to the staff working in the village Panchayats . However, It is seen that no such funds have been created nor any efforts have been made to implement the above scheme . Failure to create Reserve Fund is against the provision of the Panchayat Raj Act. Despite been recording similar observation in the past no action has been taken by the V.P. in the matter. Action proposed to be taken may be intimated to audit.

8) **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 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.

9) 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.

10) 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 furnished 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 in charge of cash transaction of a Panchayat.

11) 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. The VP before remitting the amount of Cess to the Goa Building & Other Construction Workers Welfare Board can deduct 1% of the total Cess amount collected for their administrative expenses.

12) WORKS

The Panchayat has undertaken and paid for 3 works during the year 2017-2018 as per the statement of works submitted to audit. The relevant works files were randomly checked during the course of audit and the following are observed in general for guidance and compliance.

1) The statutory deductions such as Sales Tax/Vat, Labour Cess, Royalty etc. deducted from the contractors R.A. bills/Final R.A. Bills during the year 2017-18 and previous years have not been remitted in the Government Treasury under appropriate head of account from time to time. Above observation was constantly pointed out in the previous audit reports. But no attention has been paid to comply the same.

2) Envelopes containing the tender papers are not numbered serially. It may be ensured in future that all envelopes should be numbered serially in red ink pen and same number should be recorded on the tender documents after opening. Corrections/Cancellations/Overwriting's if any should be recorded in the schedule and initialed by the person witnessing the opening of tender.

3) M.B.'s were not produce for verification.

4) The work orders are issued in a simple letter form. Infact the same should be issued in Form 10 or 11 as the case may be, as per CPWD Manual. The work order should be contained the percentage quoted, estimated Cost, the tendered amount and period allowed to complete the must be part of the works orders. Also stipulated date of commencement and completion must be worked out and entered at bottom left hand side of the work order. This will facilitate to find out the delays in starting and competing the work and working of fines on delay period etc.

13) FINANCIAL POSITION OF THE PANCHAYAT DURING THE YEAR 2017-18

The Panchayat is having an amount of Rs. 27,93,450=27 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 sincere efforts to recover the amount of arrears of Taxes / Rents along with prescribed penalty form the defaulters, in order to further strengthen the financial position of the Panchayat. The V.P. has huge spare amount of Rs. 27,93,450=27 as Panchayat Fund as on 31/03/2018 in the different Saving Bank Account. However, FD's are only for 4.00 lakhs by the VP. The VP should make more FD's of smaller amount of various denominations so as to earn more revenue in the form of higher rate of bank interest.

14) 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.

15) FUNCTION OF THE GRAM SABHA

The Village Panchayat should constitute two Supervisory Committees as per 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.

16) 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	01	02

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 **Camurlim**. The office of the Directorate of Accounts disclaims responsibility for any misrepresentation or non information on the part of auditee.

Seen and discussed

[Signature]
2018

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Dy. Director of Accounts
Inspection Cell