

**ANNUAL AUDIT REPORT ON ACCOUNTS OF THE VILLAGE**  
**PANCHAYAT "Agarwada-Chopdem" INPERNEM**  
**BLOCK FOR THE YEAR 2016-17**

**PART-I**

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

Sr.No	Name of the Sarpanch	Fr.	To
1	Smt:- Shashikala S Damaji	01/04/2016	31/03/2017

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

Sr.No	Name of the Secretary	Fr.	To
1	Shri:- Ramesh P. Mandrekar	01/04/2016	09/01/2017
2	Shri:- Viraj Kinalkar	10/01/2017	08/02/2017
3	Shri:- Ramesh P. Mandrekar	09/02/2017	31/03/2017

**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 N. N. Tuenkar	A.C.
4	Shri:- Shekhar L.T. Khorjuvekar	A.C.

**D. Date of Audit :-**

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

**E. Period covered during the Audit :-** From:- 01/04/2016 to 31 /03/2017

**PART – II - INTRODUCTORY**

The audit on Accounts of the Village Panchayat "Agarwada-Chopdem" in Pernem Block for the year 2016-17 was conducted from 03/01/2018 to 04/01/2018 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 "Agarwada-Chopdem" was sanctioned the following types of grants/funds during the year 2016-17. The details of the same are given below:

Sr.No.	Type of Grants	Amount
1	Member Salary	Rs. 3,06,000=00
2	Matching Grants	Rs. 4,25,000=00
3	Garbage Grants	Rs. 1,00,000=00
4	XIV Finance Grants	Rs. 3,07,780=00
5	GIA	Rs. 66,55,291=00
6	NREGA	Rs. 1,50,000=00
7	Library Grants	Rs. 2,22,714=00
<b>Total</b>		<b>Rs. 81,66,785=00</b>

### PART -III

The Village Panchayat "Agarwada-Chopdem" 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 2016-17	Rs. 97,40,278=00
Total Expenditure for the year 2016-17	Rs. 40,95,012=17

**Total Funds available with the Panchayat as on 31/03/2017 are as detailed below:**

Sr. No.	Total Funds/deductions as on 31/03/2017	Amount
1	Government Grants	Rs. 98,26,094=00
2	DRDA ( MGNERGA)	Rs. 1,21,946=67
3	Library Grants	Rs. 47,564=04
4	E.M.D.	Rs. 1,41,602=00
5	S.D. (Works)	Rs. 1,83,608=00
6	Income Tax	Rs. nil
7	Vat (Sales Tax)	Rs. nil
8	Royalty	Rs. nil
9	LabourCess	Rs. nil
10	Panchayat Fund	Rs. 53,46,219=86
<b>Total</b>		<b>Rs. 1,56,67,034=57</b>



From above table it can be seen that, the VP is having Rs. 53,45,219=86 as its own Panchayat Fund as on 31/03/2017 in saving account. Since VP have a substantial amount of money in a saving account, it is suggested that you need to put it in F.D. short term deposit so as to earn higher rate of interest than what you would get from a savings account in a short period.

ii) **Details of Utilized / Unutilized Grants**

The statement showing details of grants as on 31/03/2017 are as follows:

Sr. No.	Name of the Grants	Previous Balance upto 01/04/2016	Grants Sanctioned 2016-17	Amount Utilised during the year 2016-17	Balance as on 31/03/2017
<b>I-Administrative /Govt. Grants</b>					
1	V.P. Member Salary	40,758=00	3,06,000=00	3,06,000=00	40,758=00
2	V.P. Staff Salary	1,77,933=00	--	1,77,933=00	--
3	Golden Jubilee	3,66,013=00	--	--	3,66,013=00
4	Matching Grants	--	4,25,000=00	4,25,000=00	--
5	GIA	34,09,994=00	66,55,291=00	9,35,437=00 Ref. 12,978=00	91,16,870=00
7	Garbage	25,952=00	1,00,000=00	99,600=00	26,352=00
8	XIIIth Fin. Com	1,88,764=45	--	1,88,764=45	--
9	XIVth Fin. Com	2,71,244=00	3,07,780=00	3,04,823=00	2,74,201=00
10	RBD Binding	1,900=00	--	--	1,900=00
<b>Total – I</b>		<b>44,82,558=45</b>	<b>77,94,071=00</b>	<b>24,50,535=45</b>	<b>98,26,094=00</b>
<b>II – DRDA/RDA</b>					

1	DRDA GGSY	50,124=42	int. 2,550=00	--	52,674=42
2	DRDA NREGS	21,043=25	1,50,000=00 int 3,737=00	1,05,508=00	69,272=25
<b>TOTAL - II</b>		<b>71,167=67</b>	<b>1,56,287=00</b>	<b>1,05,508=00</b>	<b>1,21,946=67</b>
<b>III – LIBRARY GRANT</b>					
1	Library	8,156=04	2,22,714=00 int. 2,386=00	1,85,692=00	47,564=04
<b>TOTAL - II</b>		<b>8,156=04</b>	<b>2,25,100=00</b>	<b>1,85,692=00</b>	<b>47,564=04</b>

It can be seen from above table that most of the grants are remained unutilized for so long in the Panchayat fund (in Saving Bank Account) instead of utilizing the same for the purpose for which these grants were given. The same may be utilize after obtaining extension of time limit, or may be refunded back to the grant sanctioning authority immediately. Despite observations to this effect in the past, no timely action has been taken by the Panchayat to utilize the grants. The Directorate of Panchayat may evolve a mechanism to ensure that utilization certificates in respect of grants released for specific purposes are furnished by the grantee institution in time.

Action taken in this regard will be verified during next audit

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

**A) INCOME**

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL INCOME	EXCESS
67,01,000=00	97,51,785=00	97,40,278=00	11,507=00

**B) EXPENDITURE**

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDIRUTE	SHORT
1,53,21,985=00	41,33,500=00	40,95,012=17	38,487=83



### **PART – IV -A– COMMENTS ON TRANSACTION**

Section A: Outstanding Audit observation from previous audit report.

Year	Paras B/F	Paras settled	Paras outstanding	Subject in brief
1984-85	01	—	01	Para -4- work sub-para (122) approval for extra items.
1988-89	01	—	01	Para -2- purchase of DAP fertilizers recovery work dues from Ex-Sarpanch Shri. S.V. Parekar.
1992-93	01	—	01	Para -5- purchase made without celing quotation Rs. 8880/-
1995-96	02	—	02	Para -4- purchase of goods without giving for tender furniture works Rs. 2500/- Para -6- works
1996-97	01	—	01	Para -9- purchase of furniture Rs.32500/-
1997-98	01	—	01	Para -3- works ETL of non recovery of royalty.
2003-04	01	—	01	Para -6- Purchase of Stationery in previous year ex-post facto approval.
2010-11	01	—	01	Para-10- excess expenditure over budget.
2013-14	01	--	01	Para-9- works.
2015-16	16	16	--	All 16 paras are dropped and commented in the current audit wherever required.
Total	26	16	10	

There are 10 outstanding paras are remained unsettle. The pendency of audit paras are relating to very old period covering almost 32 years is alarming. It is therefore brought to the notice of Directorate of Panchayat that the V.P. Agarwada-Chopdem has failed to submit appropriate replies and get any of the paras dropped. The issue may be viewed seriously and every possible effort be made to get long pending paras settled once for all.

### Part -IV- B 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 31/03/2017 is shown as Rs. 1,56,66,994=57.

However, on physical verification of Cash Book, the actual closing balance as per cash book works out to Rs.1,56,67,034=57. There was a difference of Rs.40/- due to following discrepancies.

Sr.No.	Receipt No./Voucher No.	Actual Amt.	Amt. shown in the cash book	Difference
1	204/78	Rs. 40=00	Rs.nil	Rs. 40=00 (S)
<b>Total short accounted amount</b>				<b>Rs. 40=00</b>

The details of closing balance as per the Cash Book as on 31/03/2017 is as follow.

Sr.No. i)	Closing balance as per Goa State Co-op Bank Ltd. A/c no.00072030000280Rs. 6,694=00	
Closing balance as per Cash Book		Rs. 6,694=00
ii)	Closing balance as per State Bank of India Parcema/cno.11268861099Rs. 1,15,27,149=22 Less:- Checque issued but notRealise in bank Rs. 29,500=00 Rs. 1,14,97,649=22	
Closing balance as per Cash Book		Rs. 1,14,97,649=22
iii)	Closing balance as per State Bank of India Parcema/c no.11268860539Rs. 52,674=42	
Closing balance as per Cash Book		Rs. 52,674=42
iv)	Closing balance as per State Bank of India Parcema/c no.30324636966 Rs. 1,14,44=45	
Closing balance as per Cash Book		Rs. 1,11,444=45
v)	Closing balance as per State Bank of India Parcema/c no.11268861180 Rs. 47,564=04	
Closing balance as per Cash Book		Rs. 47,564=04
vi)	Closing balance as per State Bank of India Parcema/c no. 30654694070 Rs. 69,272=25	
Closing balance as per Cash Book		Rs. 69,272=25
vii)	Closing balance as per State Bank of India	



	Parcem A/c no.31379890615 Rs. 7,51,920=00	
	Closing balance as per Cash Book	Rs. 7,51,920=00
viii)	Closing balance as per Indian Overseas Bank, Agarwada A/c No.333901000000214 Rs. 20,39,035=83	
	Closing balance as per Cash Book	Rs. 20,39,035=83
xi)	Closing balance as per ICICI Bank, Pernem A/c no.260301000115Rs. 10,83,732=00	
	Closing balance as per Cash Book	Rs. 10,83,732=00
x)	Cash in Hand	Rs. 7,048=36
	Total Closing balance as per Cash Book as on 31/03/2017	<b>Rs. 1,56,67,034=57</b>

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 as on 31/03/2017.

### **B- MAJOR IRREGULARITIES**

Nil

### **B II OTHER IRREGULARITIES**

i) The Village Panchayat has not maintained the mandatory registers like PayBill Register, Asset & Property Register and Dead Stock Register. This registers may be maintained and updated in all respect under intimation to audit.

ii) Limits of keeping cash in hand have not maintained. The cash in hand is exceeded the limit laid down in the regulation. This should be strictly observed and in future care may be taken the balance of cash in hand doesn't exceeds the prescribed limit.

iii) Many receipts found cancelled during the year 2016-17. Same are however, not cancelled by drawing a line through them and writing "Cancelled". Such Cancellation should be attested by the Secretary and the Sarpanch.

iv) The VP has failed to maintain the register for Disbursement of Salaries & Allowances to the Sarpanch/ Dy. Sarpanch\ Elected Members and Co-Opted Members. The register should be maintained to made necessary entry as soon as the salary & allowances made to the VP members. In absence of proper records audit could not ascertain whether the closing balance of Rs. 40,758/- as on 31/03/2017 shown in the Register 9 and grants statement is correct or not and also, there are likely chances of misappropriation and therefore necessary

measures are required to be taken by initiating action in this regards. The BDO has sanctioned the Grants on receipts of sanction order from the Directorate of Panchayat with the condition that the grants sanctioned should be utilized within a period of one year from the date of drawal. If so, then how the members salary has been remained unutilized beyond one year may be justified.

v) Short accounted receipt during the year 2016-17 is Rs. 40/-.

## 2) RDA ACCOUNTS

- i. **MGNREGA:** The following are the details position of MGNREGS in the bank of State Bank of India Parcem A/c no.306546694070 (MGREGS)

i)	Opening balance for 2016-17	Rs. 21,043=25
ii)	Grants rec. during the year 2016-17	Rs. 1,50,000=00
iii)	Add:-Interest Accrued during the year 2016-17	Rs. 3,737=00
iv)	Less:- Expenditure incurred	Rs. 1,05,508=00
	<b>Closing balance for the year.....2016-17</b>	<b>Rs. 69,272=25</b>

- ii) **GGSY:** The following are the details position of GGSY in the bank of State Bank of India Parcem A/c no.11268860539 (GGSY)

i)	Opening balance for 2016-17	Rs. 50,124=42
ii)	Grants rec. during the year 2016-17	Rs. nil
iii)	Add:-Interest Accrued during the year 2016-17	Rs. 2,550=00
iv)	Less:- Expenditure incurred	Rs.nil
	<b>Closing balance for the year.....2016-17</b>	<b>Rs. 52,674=42</b>

The above closing balance is found to be tallied with the closing balance as per the cash book as on 31/03/2017.

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.



iii) **LIBRARY GRANTS:** The following are the details position of Library account State Bank of India Parcem A/c no.11268861180 (Library )

i)	Opening balance for 2016-17	Rs. 8,156=04
ii)	Grants rec. during the year 2016-17	Rs. 2,22,714=00
iii)	Add:-Interest Accrued during the year 2016-17	Rs. 2,386=00
iv)	Less:- Expenditure incurred	Rs. 1,85,692=00
	<b>Closing balance for the year.....2016-17</b>	<b>Rs. 47,564=04</b>

The above closing balance is found to be tallied with the closing balance as per the bank pass book as on 31/03/2017.

The Audit of Library Account is being carried out by Directorate of Art & Culture.

### 3) TAXES

The following statement showing the Arrears Current Demand Collection and Balance for the period from 01/04/2016 to 31/03/2017.

Sr. N o.	Nature of Taxes	Arrears Demand upto 01/04/2016	Current Demand 2016-17	Total Demand	Collection As on 31/03/2017	Balance as on 31/03/2017
1	House Tax	1,12,438=20	1,01,246=00	2,13,684=20	1,10,408=00	1,03,276=20
2	Light Tax	16,028 =25	7,910=00	23,938=25	7,849=00	16,089=25
3	Profession al Tax	2,37,556 = 00	2,09,895=00	4,47,451=00	1,53,615=00	2,93,836=00
4	Cycle Tax	4,178 = 00	194=00	4,372=00	8=00	4,364=00
5	Hoarding/ Advt Tax	9,541 = 00	9,387=00	18,928=00	700=00	18,228=00
	<b>Total</b>	<b>3,79,741=45</b>	<b>3,28,632=00</b>	<b>7,08,373=45</b>	<b>2,72,580=00</b>	<b>4,35,793=45</b>

Panchayat has collected an amount of Rs. 2,72,580=00 towards the various taxes during the year 2016-17. The tax collection is only 38% out of total demand. The position of the Panchayat in respect of collection of taxes is unsatisfactory. 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. The last assessment of House Tax was done in the year 2001-2002, thereafter no assessment is done. Please comment.

Progress made in this regard may be stated.

#### 4) RENT

The Panchayat has leased out five premises on rental basis and collected an amount of Rs. 4,800/- as rent during the year 2016-17.

The details of the rent are as follows.

Sr. No.	Name of the Premises	Arrears Demand up to 01/04/2016	Current Demand 2016-17	Total Demand	Collection as on 31/03/2017	Balance as on 31/03/2017
1.	Animal Husbandry & Veterinary Services.	8,413=00	2,148=00	10,561=00	--	10,561=00
2.	Pedne Taluka Farmers co.op Society	--	4,800=00	4,800=00	4,800=00	--
3.	Sub Health Centre Agarwada	2,221=00	26,652=00	28,873=00	--	28,873=00
<b>Total</b>		<b>10,634=00</b>	<b>33,600=00</b>	<b>44,234=00</b>	<b>4,800=00</b>	<b>39,434=00</b>

The Rent collected is just 11% out of total demand. The position of the Panchayat in respect of collection of Rent is very poor.

However, the agreements executed between the V.P. and parties who had taken the shops on rental basis are not made available for verification due to which audit could not ascertain validity of the agreements and whether same are renewed annually with revised rent as prescribed from time to time. It is stated that the Agreements are not renewed for years together. The revaluation of Rent may be done since the last revaluation was done years before. A



proposal may be processed to PWD for revaluation of rent without further delay. Also the agreement may be got executed and rent may be revised as per PWD valuation. Further progress may be intimated.

#### 5) CONSTRUCTION ACTIVITIES/CONSTRUCTION LICENCES

V.P. Sarpanch had certified vide certificate No.VP/AC/PER/Certi/2016-17/808 dated 31/03/2017 that the Panchayat has issued total 02 construction licenses during the year 2016-2017 and an amount of Rs. 1,22,210/- was recovered as license fees. The relevant files were examined and checked during the course of audit and it has been verified that the levy of fees in all the cases is in the order.

#### 6) ILLEGAL CONSTRUCTION

V.P Sarpanch certified vide certificate No. VP/AC/PER/Certi/2016-17/807 dated 31/03/2017 that the Panchayat has detected 04 illegal constructions cases within its jurisdiction during the year 2016-2017. The details of illegal construction cases are as follows.

1) Nos. of Illegal Construction cases on 01/04/2016	09
2) Illegal Construction cases detected during the year 2016-17	04
3) Nos of illegal construction cases settled/ disposed during the year 2016-17	--
<b>Total cases pending for settlement upto 31/03/2017</b>	<b>13</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 13 cases of illegal constructions in the Village Panchayat as on 31/03/2017. Non regularization of above illegal constructions under section 66 (2) resulted in loss of revenue of the Panchayat. The Village Panchayat should take corrective action by exercising the powers available under the Goa Panchayat Raj Act, 1994 in the matter immediately. Action taken and result thereof may be intimated to audit.

## **7) PURCHASE OF ELECTRICAL MATERIAL/ REGISTER**

The Panchayat have purchased street light materials valued at Rs. 96,098/- during the year 2016-17 inviting quotations from few local dealers. However, since overall value of the goods exceeded Rs. 15,000/ notice inviting tenders should have been issued to the local newspapers and tenders invited. This has not been done. In fact, the Panchayat required to assess the annual needs of Electrical materials and only then purchase the electrical items from the open market after observing the necessary purchase procedure as prescribed from time to time i.e. placing indent for calling quotations/tenders, preparing comparative statement etc.

Secondly, bills submitted by the concerned supplier for payment has not been certified by the Sarpanch/Secretary by recording necessary certificate that the goods/materials are received correctly and in good condition & necessary note has been taken in stock register No. and page No. etc. This may be noted for future guidance.

## **8) REFUND OF E.M.D AND S.D.**

It has seen that the V.P. has a balance of Rs. 1,42 lakhs as E.M.D and Rs.1,84 lakhs as on 31/03/2017. 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.

## **9) 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.



## 10) AUCTION

### a) Collection of Marked Cum Jatra Fees

The Panchayat had leased out its right for the collection of market cum jatra fees within the jurisdiction of Village Panchayat Agarwada-Chopdem for the period from 01/04/2016 to 31/03/2017. The said auction was held on 17/03/2016 at 11.00 a.m. by fixing the initial bid of Rs. 1,85,000/-. In response to above auction six persons were participated in the same and finally highest bid amount of Rs. 3,31,500/- quoted by Shri:-Subhash R. Chopdekar r/o Chopdem Pernem-Goa has been accepted by the Panchayat. The successful contractor has paid full amount in two installments of Rs. 1,65,000/- vide receipt no 37/201 dated 17/03/2016 and Rs. 1,66,500/- vide receipt no 10/202 dated 02/04/2016.

Necessary agreement has been executed by the Panchayat with successful bidder.

## 11) RECEIPT BOOK STOCK REGISTER

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 as on 31/03/2017. (Last receipt Bk.no. 64/203 is used upto 31/03/2017).

## 12) REGISTER OF PROPERTIES AND ASSETS

All property vested in the Panchayat shall be entered in a Register of Properties and Assets in Form No. 6. In addition to all items of furniture and other equipment, this register shall contain a list of buildings, land Manual of Goa Laws (Vol. III) -789- Panchayat Raj Act & Rules and the like which is vested in the Panchayat. Whenever any property is acquired or disposed of it shall be entered in the Register of properties and Assets. Secretary stated that the necessary register will be maintained and shown to next audit.

### **13) ASSESSMENT AND DEMAND AND COLLECTION REGISTER:**

A list of all persons liable to pay any rate, tax, cess or fee and the amount to be paid by them in respect of each such rate, tax, fee shall be maintained separately for assessment in Form No. 7 and demand and collection in Form No. 8. The Secretary of the Panchayat shall be responsible for causing preparation of such Assessment and Demand and Collection Registers and maintaining the same in the office of the Panchayat.

### **14) MONTHLY AND ANNUAL ACCOUNTS**

Every Panchayat shall, at the end of each month as well as at the end of the year, prepare an Account in Form No.10 showing the receipts and payments classified under the several Heads of Account contained in the Budget Estimates. The totals of the details under each head of receipt and payment as given in account shall agree with the figure under the same heads in the General Ledger. The details of the balance in the office and in the Bank shall be separately shown in the account and a certificate that the closing balance as shown in the accounts has been compared with that shown in the cash book and the Bank Pass Book, Certificate, and found to be correct shall be appended to the account. A memo explaining the differences, if any, shall also be attached to the certificate. Certificate showing the 'Monthly Closing Balance' in the Account shall be obtained and kept on record. The Pass Book of the Bank shall be under the lock and key of the Secretary. He shall examine the Pass Book/Certificates from time to time and shall immediately call the attention of the Bank to any discrepancy that may appear.

### **15) 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.

Appropriate action may be taken & result may be intimated to audit.

## 16) WORKS

The Panchayat has undertaken and paid for four works during the financial year 2016-17 as per the statement of work submitted to audit. The relevant work files were randomly checked and found that:-

- i) The normal procedure was adopted for tendering process by floating tenders and publishing notice in Local Daily Newspapers. The work orders awarded to contractors was costing above Rs.5.00 Lakhs. As per Government Vide Circular no.7/13/2011/Fin-Exp dated 07.06.2011 has decided to implement e-Procurement/e-Tendering in order to improve the transparency and expediency in tendering process for all the Departments. The Government has decided to float all tender costing above Rs.5.00 Lakhs by using e-Tendering w.e.f. 1<sup>st</sup> July 2011. The same been done in future.
- ii) Work orders are not issued in form 10 or 11 as per C.P.W.D. Manual showing the details like, estimated cost, tender amount, percentage rate below/above accepted tender amount and period allowed to complete the work. Stipulated date of commencement and completion of work. This helps to find out the delays in starting and completing the work and working of fines etc.
- iii) The tender notice were published in the newspapers but no paper cutting found place in the work files.
- iv) The 1% labour Cess on actual cost of work in respect works “Repair of well near Shri:- Bhumika Temple under XIIth/XIIIth Finance Fund in VP Agarwada-Chopdem, Pernem –Goa and “Repair of gutter near the house of Shri:- Umesh Raut and Shri:- Laxman Agarwadekar in VP Agarwada-Chopdem, Pernem-Goa has not been deducted from the contractors final bill. Same may be verified and recovery to that effect may be made from concerned contractor and remitted to Labour Department.

Some general points for future guidance.

- v) Envelopes containing the tender papers should number serially. It may be ensured in future that all envelopes should be numbered serially in red ink pen and same number should record 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.

vi) Performance Guarantee @ 5% of the tendered value should be obtained from the contractors before commencement of work. Thus allowing him undue financial benefits. This requirement may be noted for future guidance.

vii) Revised rates of taxes, ie towards Income Tax, Sales Tax, Royalty LabourCess, Service Tax may be watch time to time and accordingly deducted from the contractors bill and remit to Government treasury with in stipulated time.

The following clauses should be taken in to consideration during execution of works.

1) Clause 1 (i) b) If tenderer fails to give Performance Gaureentee within 15 days of letter of acceptance , his/her EMD should be forfeited as per Section 18-8(2) of CPWD Manual 2007

2) Clause 1 (i) c) forfeiture of EMD on three occasions due to non-submission of PG in time will liable the tenderer to be blacklisted and tender forms may not be issued to him in future.

3) Clause 5 Extension of time limit (CPWD Manual 2007) If the contractor is desired an extension of time for completion of work on the ground of he is having unavoidable hindered in execution of his work or on the other grounds, he shall apply in writing to the engineer in charge in its execution within 30 days of date of hindered and Eng. Concerned finds the reason given is proper as per his opinion can authorized such extension.

4) Completion certificate (CPWD Manual 2007) within 10 days of the completion of work, the contractor shall give notice of such completion to the Engineer-in-charge in writing. And on receipt of such notice the Engineer-in-charge should inspect the work and no defect found in the work shall furnish the contractor with a certificate of completion.

#### **17) FINANCIAL POSITION OF THE PANCHAYAT DURING THE YEAR 2016-17**

The Panchayat is having an amount of Rs.53,46,219=86 in their Panchayat Fund Account as on 31/03/2017. 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. Although the VP is having huge amount of Rs. 53,46,219=86 as Panchayat Fund as on 31/03/2017 in the different



Saving Bank Account, no FD's are made by the Panchayat. The Panchayat may consider the possibility of investing its money in short term deposits keeping in view its immediate needs so that additional revenue by way of higher rate of interest could be earned than what you would get from a savings account in a short period.

### 18) 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 ZillaPanchayat, 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.

### 19) 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.

## 20) 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	03	02

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 Agarwada-Chopdem. 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/IC  
Directorate of Accounts  
Panaji-Goa