

**ANNUAL AUDIT REPORT ON ACCOUNTS OF THE VILLAGE  
PANCHAYAT " CHIMBEL " IN TISWADI  
BLOCK FOR THE YEAR 2016-2017**

**PART-I**

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

Sr.No	Name of the Sarpanch	Fr.	To
1	Smt.ManishaChopdekar	01/04/2016	20/10/2016
2	Shri.Chandrakant P. Kunkolkar	21/10/2016	15/11/2016
3	Smt.ShobhanBorkar	16/11/2016	31/03/2017

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

Scr.No	Name of the Secretary	Fr.	To
1	Shri:- Ashish Naik	01/04/2015	20/12/2016
2	Shri. Bhedas Karapurkar	21/12/2016	31/03/2017

**C. Names & designation of audit parties:-**

Sr.No	Names of the audit parties	Designation
1	Shri.KisanGaude	Dy. D.A./Insp.
2	Shri.Deepak K. Velip	A.A.O.
3	Shri.Milind H. Bodke	A.C.
4	Shri.Supresh S. Naik	A.C.

**D. Date of Audit :-**

From :-30/01/2018 to 01/02/2018

**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 Chimbel* in Tiswadi Block for the year 2016-17 was conducted from 30/01/2018 to 01/02/2018 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 PanchayatChimbel* was sanctioned the following types of grants during the year 2016-17. 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. 4,50,000=00
<b>Developmental Grants</b>		
3	Garbage Grants	Rs. 1,00,000=00
4	XIV Finance Grants	Rs. 33,38,750=00
5	MGNREGA	Rs. 1,00,000=00
<b>Total</b>		<b>Rs.44,13,750=00</b>

**PART –III**

The Village Panchayat Chimbel 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	<b>Rs.80,59,549=15</b>
Total Expenditure for the year 2016-17	<b>Rs. 31,85,033=00</b>

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. 41,66,045=69
2	DRDA Grants	Rs. 1,06,748=27
3	E.M.D.	Rs. 1,61,270=00
4	S.D.	Rs. 55,124=00
5	Income Tax	Rs. nil
6	Vat (Sales Tax)	Rs. 78,458=00
7	Royalty	Rs.3,882=00.
8	Labour Cess	Rs. 4,097=00
9	Panchayat Fund	Rs.29,54,859=00
<b>Total</b>		<b>Rs.75,30,483=96</b>

**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	Grants Sanctioned during 16-17	Amount utilized during the year	Balance as on 31/03/2017
<b>I - Administrative/Govt. Grants</b>					
1.	V.P. Member Salary	2,40,254=69	4,50,000=00	3,00,000=00	3,90,254=69
2.	Matching Grants	-	4,25,000=00	4,25,000=00	Duly Accounted
3.	XIVth Finance	2,71,244=00	33,38,750=00	-	36,09,994=00
4.	Garbage	77,800=00	1,00,000=00	1,77,800=00	-
5.	G.I.A.	25,990=00 1,00,286=00	-	-	25,990=00 1,00,286=00
6.	S.P. Grants	2,021=00	-	-	2,021=00
7.	PYKKA Grants	37,500=00	-	-	37,500=00
	<b>Total I</b>	<b>7,55,095=69</b>	<b>43,13,750=00</b>	<b>9,02,800=00</b>	<b>41,66,045=69</b>
<b>II - DRDA/RDA</b>					
1.	MGNREGA	11,789=80	1,00,000=00 Int. 1,133=47	6,161=00 B.C. 14=00	1,06,748=27
	<b>Total II</b>	<b>11,789=80</b>	<b>1,01,133=47</b>	<b>6,175=00</b>	<b>1,06,748=27</b>

**Note:-** Total expenditure incurred towards Garbage was Rs.1,85,550/-, out of which Rs.1,77,800/- was paid from Garbage grants available and excess payment of Rs.7,750/- was utilized from Panchayat Fund.

During audit it was noticed that the VP was having a spare grants of Rs.3,90,254=69, Rs. 1,26,276/-, 2,021/- 36,09,994/- & 37,500=00 received under Member Salary, GIA, Special Grants, XIVth finance commission & Pykka is still lying in the Panchayat fund (Saving Bank Accounts) for so long time, instead of utilizing the same for the purpose for which it was sanctioned. The same may be utilized after obtaining extension of time limit, or may be refunded back to the grant sanctioning authority immediately. Secondly, after utilizing the grants sanctioned amount, a Utilization Certificate should be furnished to the grants sanctioning authority as required under GFR 19 in stipulated time. The duplicate copy of UC shall be retained by VP for record and for verification as and when called for. 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 immediately under intimation to audit. 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
66,15,000=00	-	80,59,549=15	14,44,549=15

#### B) EXPENDITURE

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDITURE	SHORT
71,97,000=00	-	31,85,033=00	40,11,967=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 revise based on the available trends of actuals. This has not done. There was need to revise the Budget Estimates based on comparing the original Budget prepared for the year 2016-17 to avoid the variations between the budget and actual Income and expenditure. 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 as brief
1983-84	1		1	Para on works
1990-91	1		1	(i) Two rooms extension of V.P. Building (ii) Slab drains and soiling of road

				R.T.S. is awaited in both the cases. Income tax not deducted at sr.no.1
1997-98	2		2	Para-11-renewals of garbage Para-12-supplying of sports articles
1998-99	1		1	Para on construction license fee
2009-10	1		1	Para-10-purchase of hardware for water pipe line
2011-12	3		3	Para-12-works Para-9-financial powers (A)Excess expenditure over prescribed Limit from 1999 to 2005 (B)Excess expenditure over prescribed Limit from 1995 to 2010 Para-10-departmental work by engaging daily wages labourers from 1994-2011 approval is awaited
2011-12	3		3	Para-7-Excess expenditure over budget under (i) Admn Rs.292263/- Approval awaited Para-8-excess expenditure over prescribed limit under (i) advocate fee Rs.52780/- Approval awaited Para-9- works
2012-13	3		3	Para-6-Excess expenditure over budget Para-7- works no. VI Para-11- Excess expenditure over prescribed limit
2014-15	01	---	01	Para-5- Excess expenditure over prescribed limit
2015-16	20	18	02	Para-10- Purchase of Electrical/Register Para-17- Works (1) & (2) Remaining 18 paras are dropped and commented in the current audit
<b>Total</b>	<b>36</b>	<b>18</b>	<b>18</b>	

There are 18 outstanding paras are remained unsettle from 1983-84 to 2016-17. Early action may be taken to settle all outstanding paras by rectifying the deficiencies with the assistance of B.D.O, EO(RE) and EO(VP). Action taken in this regards will be verified during the course of next audit.

### 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 31/03/2017 is Rs. 75,30,483=96.

There was a difference of Rs. 5,072/- due to non-accounting of Receipts from 267/51 to 267/100 dated 08/04/2015 (Total Fifty receipts) in the Cash Book during the year 2015-16. Also the amount was recovered from the concerned Secretary and deposited in the Syndicate Bank A/c No. 72132200046570. But on 16/02/2017 on cash Book Page No. 270, the amount of Rs. 5,072/- was deducted from Cash in Hand. Hence the above amount was showing as shortage for the year 2016-17 again. The above short accounted amount is now recovered by Village Panchayat vide Receipt No. 385/37 dated 22/02/2018 and accounted in the Cash Book which will be verified during the next Audit.

The details of the closing balance as per the Cash Book as on 31/03/2017 are as follows:-

1	Closing Balance as per State Bank of India a/c No. 30645364133	Rs. 23,86,222=00
Closing balance as per the Cash book		<b>Rs. 23,86,222=00</b>
2	Closing Balance as per Syndicate a/c No. 721322000074146	Rs. 1,06,748=27
Closing balance as per the Cash book		<b>Rs. 1,06,748=27</b>
3	Closing Balance as per Syndicate a/c No. 72132200002595	Rs. 2,079=68
Closing balance as per the Cash book		<b>Rs. 2,079=68</b>
4	Closing Balance as per Syndicate a/c No. 721322000046570	Rs. 50,32,147=06
Closing balance as per the Cash book		<b>Rs. 50,32,147=06</b>
5	Cash in Hand	<b>Rs. 3,286=95</b>
Closing balance as per the Cash book as on 31/03/2017		<b>Rs. 75,30,483=96</b>

After verification, 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.

### SECTION-B-I

#### MAJOR IRREGULARITIES

1) Scrutiny of receipts Book No 267 revealed that, almost 50 Receipts bearing no. 267/51 to 267/ 100 dated 08/04/2015 amounting to Rs. 5,072/- were not taken into the account during the year 2015-16. On being pointed out the fact and figure, the then Secretary immediately deposited the entire amount on

17/02/2017. All money received shall without undue delay be paid into govt. account. There was delay in crediting the money nearly for more than one year. This is highly irregular. Secondly before bringing a receipt book into use, the head of office should count the number of pages and record a certificate of count on the last page of the receipt book. Also the physical verification of the receipt book should be done at least once in a year and a certificate to that effect should be recorded in the register. This has not done.

## **SECTION-B-II**

### **OTHER IRREGULARITIES**

- 1) Vouchers are not certified by Sarpanch
- 2) Bank reconciliation statement is not prepared and recorded in the cash book at the end of the each month.
- 3) Pages of cash book are not certified by the Sarpanch.
- 4) Overwriting's made in the cash book are not attested by the competent authority.
- 5) Thumb impressions on vouchers are not authenticated by the Sarpanch.
- 6) Pay bill Register, Salary Register is not maintained.
- 7) Form No. 6 Assets and Property register is maintained but not found in order
- 8) It has been seen that the V.P. Secretary Shri. Pandurang Pednekar, has deposited an excess amount of Rs. 35,637/- in the cash book, vide receipt no. 43/248 dt. 10/11/2014. The reason for depositing excess amount without mention any reason is not yet clarified by the Panchayat. This excess amount may be forfeited into Panchayat fund and appropriate explanation should be reported to next audit.

## 2) **RDA ACCOUNTS**

- i) **RDA/MGNREGA:** The following are the details position of MGNREGA (Syndicate Bank A/c No. 7212200074146)

i)	Opening balance for 2016-2017	Rs. 11,789=80
ii)	Grants rec. during the year 2016-2017	Rs. 1,00,000=00
iii)	Add:- Int. Accrued during the year 2016-2017	Rs. 1,133=47
iv)	Less:- Expenditure incurred	Rs. 6,161=00
v)	Less : BC	Rs. 14=00
	<b>Closing balance for the year.....2016-2017</b>	<b>Rs. 1,06,748=27</b>

The Scrutiny of RDA account during 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 1/4/2016 to 31/3/2017.

S. No.	Nature of Taxes	Arrears	Current Demand	Total Demand	Collection	Balance
1.	House Tax	12,79,029=00	12,90,440=00 0	25,69,469=00	11,69,081=00	14,00,388=00
2.	Light Tax	15,824=00	-	15,824=00	-	15,824=00
3.	Prof. Tax	18,20,194=00	6,73,505=00	24,93,699=00	1,34,205=00	23,59,494=00
4.	Cycle Tax	51,012=00	-	51,012=00	-	51,012=00
5.	Dog Tax	394=00	200=00	594=00	-	594=00
6.	Cart Tax	268=00	-	268=00	-	268=00
<b>TOTAL</b>		<b>31,66,721=00</b>	<b>19,64,145=00</b>	<b>51,30,866=00</b>	<b>13,03,286=00</b>	<b>38,27,580=00</b>

The Panchayat has collected an amount of Rs. 13,03,286/- towards the various taxes during the year 2016-17. The tax collection is just 25% 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. 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. Further, as per section 153 of the Goa Panchayat Raj Act, 1994 the Village Panchayat has to revise the rates and Taxes once in three years by minimum increase of 10%. It was however noticed that House Tax is not revise nor reassessment is carried out for so long. Therefore, the VP is required to take remedial action for recovery of all outstanding taxes along with the prescribed penalty from the defaulters. So also the reassessment of house tax is also required to be carried out as per the provision of GPRA. Reassessment is also required to be carried out in respect of those houses where NOC for repairs were issued, and where there has been increase in the plinth area.

#### 4) CONSTRUCTION ACTIVITIES/CONSTRUCTION LICENCES

V.P. Sarpanch had certified vide certificate No. VP/Chim/2017-2018/2219 dated 31/01/2018, that he had issued 39nos construction licenses during the year 2016-2017. And an amount of Rs. 12,56,424=00 was recovered as license fees during the year 2016-17. The fees are charged as per estimate certified by Civil Engineer. Relevant records are seen in audit.

However while going through construction license files, the following observation has been raised:

SR. NO.	Name of the party	Type of construction	Estimate cost	Amount works out	Amount collected	Short Amount to be recovered
1	Shri. Siddharth V.	Construction of Bungalow & compound wall	30,17,085/-	15,133/-	9368/- + 5345/-	420/-

R. No  
388/71  
dt 28/3/18

Sarmalkar	(Revised Plan)				
		30,17,085/-	15,133/-	14,713/-	420/-

The short collection amount of Rs.420/-towards construction license should be recovered from party shown to next audit.

#### 5) ILLEGAL CONSTRUCTION:

V.P Sarpanch certified vide certificate No.No. VP/Chim/2017-2018/2218 dated 31/01/2018 that he had detected 03 nos. of illegal construction cases during the year 2016-2017. The details of illegal construction cases are as follows

1) Nos. of Illegal Construction cases on 01/04/2016	31
2) Illegal Construction cases detected during the year 2016-17	03
3) Nos of illegal construction cases settle/ disposed during the year 16-17	00
<b>Total cases pending for settlement upto 31/03/2017</b>	<b>34</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 34 cases of illegal constructions in the Village Panchayat as on 31/03/2017. Non regularization of above illegal constructions resulted in loss of revenue of the Panchayat. The Village Panchayat should take corrective action in the matter immediately. Action taken and result thereof may be intimated to audit.

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

It was observed during audit that the V.P. had a balance of Rs. 1.61 lakhs as E.M.D and Rs. 0.55 lakhs S.D. as on 31/03/2017. The section 19 of C.P.W.D. Manual 2007, states that 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 lapsed deposits and accordingly forfeited to the Panchayat account as revenue of V.P.

#### 8) TIME BOND CLAIM

The time bound claims such as Electricity, Telephone, Water are to be cleared expeditiously as and when these are received or in any case within the prescribed date so as not to attract delay payment charges/fine. This may be noted for future guidance.

### 9) NON COLLECTION OF TAX/FEEES ON MOBILE TOWER

The Cellular phone service providers/companies need to obtain permission from the local bodies to erect Mobile Towers. Panchayat is authorized to issue No Objection Certificate and license to Cellular companies. It is told by the dealing hand that Panchayat permitted and issued construction licenses for erecting mobile towers in its jurisdiction. However, the vp neither took any initiative to collect tax nor the party has paid any tax till date. The particulars in respect of all such cases were called for verification. However, no detail records were made available to audit. Due to which audit could not find out, whether the construction licenses issued for erection of Mobile Towers was renewed annually with applicable fees or otherwise. However, the VP should find out the total numbers of mobile towers are erected within its jurisdiction and fix the fees/charges as applicable. Also it has to be ensured whether the towers are erected in the individual property of the villagers who in turn taking rent from the mobile company. In such case, property tax should be levied as he /she leased out their property for running business.

In view of above, at the time of 2016-17 secretary replied that necessary action will be made to recover the pending due and lease rent and will be shown to next audit.

### 10) PURCHASE OF ELECTRICAL MATERIAL/ REGISTER

The Panchayat have purchased street light materials valued at Rs.4,03,486/- during the year2016-17 inviting quotations from few local dealers without following the purchase procedure. 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.

As per General Financial Rules, purchase of stores exceeding Rs. 15,000/- at a time shall be made by inviting open tenders. However, in the present case the Panchayat have purchased street light materials valued at Rs. 4,03,483/-during the year by call of quotations by violating the provisions laid down in GFR 2005. As such expenditure incurred by the Panchayat is irregular which is required to be regularized by obtaining post facto approval for condemning the procedure for call of tenders from Government.

Further, the street light register maintained by the Panchayat is incomplete. The details such as pole No's to which the material is replaced has not been indicated. Street light materials are issued ward wise. The receiver's signatures are not obtained on each occasion. The street light materials should be issued only to Electrician/lineman as per the requirement and when required. However, it is notice that all the materials are disposed off at one time to the wards members. This is highly irregular as street light materials should be issued as per the requirement. The secretary has to sign the issued street light materials. It may be noted that the light material should be issued by Secretary as he is responsible for such issues.

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.

**11) REMITTENCE OF TAX DEDUCTED AT SOURCE WITHOUT DEDUCTION :**

It is noted that, the amount of T.D.S. remitted to Income tax Department in the year 2016-17. However, which was not collected/deducted from payment made to parties for the earlier years i.e. 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 in respect of following heads of account:-

- i) Member salary of Rs.1,56,448/-
- ii) Advocate fees of Rs.15,461/-
- iii) Advertisement of Rs.1,831/-

In view above it seen that, total amount of T.D.S. was Rs.1,73,740/- utilised from Panchayat fund. As such now non-deducted T.D.S. amount should be recovered from concern parties and maybe credited to Panchayat fund with the information to audit.

**12) 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. Action taken in the matter may be intimated to audit.

**13) 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 states 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 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.

**14) 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.

**15) 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.

**16) WORKS**

The Panchayat has not executed any developmental work during the year 2016-17.

**17) 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.

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

The Panchayat is having an amount of Rs.29,54,859/-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 from the defaulters, in order to further strengthen the financial position of the Panchayat. The VP has huge spare amount of Rs. 29,54,859/- as Panchayat Fund as on 31/03/2017 in the different Saving Bank Account. However, no FD's were made by the VP. The VP should make FD's of smaller amount of various denominations so as to earn more revenue in the form of higher rate of bank interest. The Panchayat may consider the possibility of investing its funds in short term deposits keeping in view its immediate needs so that additional revenue by way of higher rate of interest could be earned which is not earned on saving/current account.

#### 19) 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 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.

#### 20) 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.

#### 21) 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:

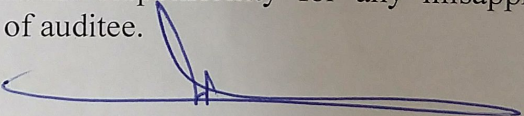
As per Rule 4 (3) of the Goa Panchayat (Accounts, Audit and Custody of Funds) Rule 1997, the Secretary shall furnish the security bond in such a form and for such an amount as may be prescribed by the Director of Panchayat.

- 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 Chimbel. 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

# Form No. 10

(See Rule 21(a) and 25 of THE GOA PANCHAYAT (ACCOUNT, AUDIT AND CUSTODY OF FUND) RULES 1997



ANNUAL ACCOUNT OF INCOME AND EXPENDITURE  
OF.....CHIMBEL.....PANCHAYAT FOR THE YEAR 2016-2017.....

Particulars of Income	Amount	Particulars of Expenditure	Amount
Income		Expenditure	
		Budget Head	
1) Closing of the last year	26,55967=81	1) Administration	1817203=00
Budget Head		2) Sanitation Public Health and Family Welfare.	378681=00
2) Grants from Government	4,41,3750=00	3) Public Works	441942=00
i) Special		4) Planning and Development	—
Salary of v.p members	4,50,000=00	5) Social Welfare	47926=00
Grants	3338750=00	6) Education and Culture	6910=00
ii) General		7) Rural Housing	—
Grants	1,00,000=00	8) Drinking water	—
Maintenance Grants	1,00,000=00	9) Poverty alleviation Programs	—
3) Other Grants	425,000=00	10) Libraries	—
i) Local Authorities		11) Rural Sanitation	—
ii) Private		12) Construction and maintenance of slaughter house and cattle pounds	—
4) Proceeds of taxes fees etc	3407943=00	13) Miscellaneous	472371=00
under Sec. 153 of the Act.		Expenditure Total	3185033=00
Taxes — 1303286=00		Closing Balance	7530483=96
Fees — 2104657=00		Grand Total	10715516=96
5) Proceed of other loans etc.			
6) Sales Proceeds.	9300=00		
7) Extraordinary	228556=15		
Total Receipts	8059549=15		
Grand Total	10715516=96		

**N.B.** Details of Receipts and Expenditure of the items may be given separately.

Sarpanch

Sarpanch  
V. P. Chimbel, Tiswadi - Goa

Secretary

Secretary (P. T. O.)  
V. P. Chimbel, Tiswadi - Goa