

**ANNUAL AUDIT REPORT ON ACCOUNTS OF THE VILLAGE
PANCHAYAT "Curca-Bambolim & Talaulim" IN TISWADI
BLOCK FOR THE YEAR 2017-18**

OFFICE OF THE V. P. CURCA BAMBOLIM
TALAU LIM-TISWADI-GO A

WARD No.: 219
DATE: 21/05/2019

PART-I

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

Sr.No	Name of the Sarpanch	Fr.	To
1	Smt. Maria Leena D'Cunha	01/04/2017	31/03/2018

B. Name of the Secretary :-

Sr.No	Name of the Secretary	Fr.	To
1	Shri Rajendra B. Gawas	01/04/2017	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 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 :- 14/02/2019 to 18/02/2019

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

PART - II - INTRODUCTORY

The audit on Accounts of the Village Panchayat "Curca-Bambolim & Talaulim" in Tiswadi Block for the year 2017-18 was conducted from 14/02/2019 to 18/02/2019 as per the Circular No. 30/7/75 Fin(Bud) dated 21/08/1996 from Finance (Budget) Department, based on the records furnished by the Panchayat.

The Village Panchayat "Curca - Bambolim & Talaulim" was sanctioned the following types of grants/funds during the year 2017-18. The details of the same are given below:

Sr.No.	Type of Grants	Amount
1	Member Salary	Rs. 4,20,000=00
2	Matching Grants	Rs. 4,25,000=00
3	Garbage Grants	Rs. 1,00,000=00
4	XIV Finance Grants	Rs. 13,56,148=00

Res. No. 5-1(C)
30/05/2019

5	NREGA	Rs.	355,000=00
Total		Rs.	26,56,148=00

PART -III

The Village Panchayat "Curca-Bambolim & Talaulim" 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.	96,60,529=50
Total Expenditure for the year 2017-18	Rs.	1,44,27,156=08

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. 8,81,745=00
2	DRDA (MGNERGA)	Rs. 68,466=25
3	E.M.D.	Rs. 4,07,317=00
4	S.D.	Rs. 10,20,868=00
5	Income Tax	Rs. nil
6	Vat (Sales Tax)	Rs. nil
	CGST	Rs. 41,698=00
	SGST	Rs. 41,698=00
7	Royalty	Rs. nil
8	Labour Cess	Rs. nil
9	Panchayat Fund	Rs. 56,21,500 =05
Total		Rs. 80,83,292=30

ii) Details of Utilized / Unutilized Grants

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

Name of the Grants	Previous Balance	Grants Sanctioned During 17-18	Amount Utilized During the Year	Balance as On 31/03/2018
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Administrative/Govt. Grants

V.P. Member Salary	2,87,921=00	4,20,000=00	5,79,000=00	1,28,921=
Matching	----	4,25,000=00	4,25,000=00	Duly

	Grants				accounted
3.	XIVth Finance	24,71,883=00	13,56,148=00	30,75,207=00	7,52,824=00
4.	Garbage Grants	----	1,00,000=00	1,00,000=00	--
	Total	27,59,804=00	23,01,148=00	41,79,207=00	8,81,745=00
II-DRDA/RDA					
1.	MGNREGA	1,79,864=00	3,55,000=00 Int. 6,150=00	4,72,547=75	68,466=25
	Total II	1,79,864=00	3,61,150=00	4,72,547=75	68,466=25

Note: Actual expenditure incurred for Garbage collection was Rs. 8,50,435=00, out of which Rs. 7,50,435=00 was utilised from Panchayat fund.

The timely action may be taken 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	SHORT
1,17,66,000=00	---	96,60,529=50	21,05,470=50

B) EXPENDITURE

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDITURE	SHORT
1,81,28,500=00	---	1,44,27,156=08	37,01,343=92

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 actual. This has not done. There was need to revise the Budget Estimates based on comparing the original Budget prepared for the year 2017-18 to avoid the variations between the budget and actual Income and expenditure. 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 -A- COMMENTS ON TRANSACTION

Section A: Outstanding Audit observation from previous audit report.m

Year	Paras B/F	Paras settled	Paras outstanding	Subject in brief
1992-93	01	-	01	Para-10-Purchase. Condemnation certificate
1994-95	03	-	03	Para-04-Voucher Purchase of Electrical Materials Para-08-Works T.S for execution of work Para-07-Recovery of Licence fees
1995-96	02	-	02	Para- Travelling Allowance Purchase of stationary
2009-10	04	-	04	Para-10-Works from Panchayat Funds without normal procedure. Para-11-Irregular expenditure i.e. excess expenditure on legal matters of Rs.20000/-in 2008-09 Rs.25000/-in 2007-08 should be regularized. Para-12-Departmental works approval is awaited for Rs.767802/-from 1993-94 to 2007-08. Para-13-Supply of uniform
2010-11	02	-	02	Para-08-Excess expenditure over budget form 08-09 to 09-11 to be regularized. Para-09-Payment of compensation for damage Rs.425000/-to Smt.Maria Rodrigues in obedience to the Hon'ble court. Compliance is still awaited.
2011-12	02	-	02	Para-10-Excess expenditure over prescribed limit a)Purchase of stationery b)Advocate fees. Para-12-Excess expenditure over budget misc.not complied
2013-14	03	-	03	Para-06-Excess expenditure over prescribed limit Para-07-Excess expenditure over budget provision Para-08-Works Vat recovery of Rs.5948/-is still
2014-15	01	-	01	Para-13-works
2015-16	01	-	01	10- Para- 10 Excess expenditure over prescribed limit.
2016-17	20	18	02	Para-9- Excess expenditure over Prescribed limit. Para-10 Excess expenditure over budget provision Remaining 18 Para's are settled and commented in the current audit whenever required.

	39	18	21	
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There are 21 outstanding paras are remained unsettled. The pendency of audit paras are relating to very old period is alarming. It is therefore brought to the notice of Directorate of Panchayat that the V.P. Curca- Bambolim&Talaulim 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 31/03/2018 is Rs. 80,83,292=30.

The details of closing balances are as follows.

i)	Closing balance as per State Bank of India A/C No. 11144431103	
	Closing balance as per Cash Book	Rs. 5,06,647=99
ii)	Closing balance as per State Bank of India A/C No. 11144431114	
	Closing balance as per Cash Book	Rs. 5,45,951=08
iii)	Closing balance as per State Bank of India A/C No. 11144431114	
	Closing balance as per Cash Book	Rs. 56,373=20
iv)	Closing balance as per State Bank of India A/C No. 30771451146	
	Closing balance as per Cash Book	Rs. 68,466=2
v)	Closing balance as per State Bank of India A/C No. 36449997053	
	Closing balance as per Cash Book	Rs. 43,910=9
vi)	Closing balance as per Dena Bank A/C No. 021610005462	
	Closing balance as per Cash Book	Rs. 18,54,278=1
vii)	(FDR) n Dena Bank A/C no. 021666029649	Rs. 50,00,000=1
viii)	Cash in Hand	Rs. 7,664=
	Total Closing balance as per Cash Book as on 31/03/2018	Rs. 80,83,292=

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 31/03/2018.

B- MAJOR IRREGULARITIES

Nil

B II OTHER IRREGULARITIES

- 1) Bank reconciliation statement is not prepared and recorded in the cash book at the end of the each month.
- 2) The Village Panchayat has not maintained the mandatory registers like Pay Bill Register, Asset & Property Register and Dead Stock Register. These registers may be maintained and updated in all respect under intimation to audit.
- 3) Form 10 register revealed that the Village Panchayat has paid penalty on income tax of Rs. 1,65,340/- during the year 2016-17/-. The reason for paying such a huge amount of penalty was asked to the Secretary. In reply, he told that in the past no income tax was deducted by the V.P. from work contract bills/supplier bills and professional bills etc. resulted in the Income Tax department imposing the penalty. Further he said that the above amount is towards income tax including penalty for late payment. The penalty on income tax could have been saved by filling the Income Tax form time to time. The lethargic nature of functioning of the administration has resulted loss to the Panchayat. Thus the working condition of the Panchayat should improve a lot and should avoid such lapses in future. It is high time that the Panchayat has to initiate immediate action in remitting the statutory deductions in concern department. The Secretary may take note of this and guide the staff doing the needful. He assured that above amount will be bifurcated and confirmed the actual figure of Income tax and penalty and accordingly income tax recovery will be made from concerned party under intimation to audit.
- 4) Form 7-8. Detailed summary of taxes i.e. Arrears, Demand & Collection has not been shown in FORM No. 8 [See rule 20 (vi)] Demand and Collection Register.

2) RDA ACCOUNTS

- i) **MGNREGA:** The following are the details position of MGNREGS in the State Bank of India A/C No. 30771451146.

i)	Opening balance for 2017-18	Rs. 1,79,864=00
ii)	Grants rec. during the year 2017-18	Rs. 3,55,000=00
iii)	Add:-Interest Accrued during the year 2017-18	Rs. 6,150=00
iv)	Less:- Expenditure incurred	Rs. 4,71,703=00
v)	Less:- Bank Charges	Rs. 186=75
vi)	Less:- Photo Development charges	Rs. 658=00
Closing balance for the year.....2017-18		Rs. 68,466=25

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

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

3) TAXES

The following statement showing the Arrears Current Demand Collection and Balance for the period from 01/04/2017 to 31/03/2018.

R N o	Nature of Taxes	Arrears Demand	Current Demand	Total Demand	Collection of Taxes	Balance Of Taxes
1.	House Tax	21,46,455=00	21,92,556=00	43,39,011=00	20,14,327=00	23,24,684=00
2.	Light Tax	29,468=00	11,538=00	41,006=00	11,015=00	29,991=00
3.	Professio nal Tax	1,95,332=00	2,03,136=00	3,98,468=00	2,53,472=00	1,44,996=00
4.	Cycle/Ve hicle Tax	30,058=00	846=00	30,904=00	--	30,904=00
5.	Board/H oarding tax	4,25,776=00	84,825=00	5,10,601=00	51,711=00	4,58,890=00
6.	Bullock Cart tax	723=00	18=00	741=00	--	741=00
7.	Commer cial cart tax	2,028=00	64=00	2,092=00	--	2,092=00
TOTAL		28,29,840=00	24,92,983=00	53,22,823=00	23,30,525=00	29,92,298=00

Panchayat has collected an amount of Rs.23,30,525=00 towards the various taxes during the year 2017-18. The tax collection is only 44% out of total demand. The position of the Panchayat in respect of collection of taxes is good. 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. Further, the VP has to conduct house tax revision periodically and revised taxes should be levied by the VP.

Progress made in this regard may be stated.

4) I) CONSTRUCTION ACTIVITIES/CONSTRUCTION LICENCES

V.P. Sarpanch had certified vide certificate No.VP/CBT/2017-18/1897 dated 29/01/2019 that the Panchayat has issued 44 construction licenses including renewal and repairs etc. and an amount of Rs. 19,92,728/- was collected as license fees during the year 2017-2018. 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.

As per previous audit the short recoveries of licence fees are still outstanding. The details of licence fees are as given below.

SR. NO.	Year	Name of the party	Amount works out	Amount collected	Amount short
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					collected
01	2007-2008	M/s Reliance comp. Ltd.	7,791=00	6,863=00	928=00
02	2007-2008	Trinity land base Pvt.Ltd.	7,900=00	7,800=00	100=00
03	2008-2009	SebastiaoBothelno	9,350=00	5,371=00	3,979=00
04	2009-2010	AnkushKandolkar	7,920=00	7,900=00	20=00
05	2009-2010	Sanjay Chatarjee	29,370=00	28,850=00	520=00
06	2009-2010	Sunil Agrawal	22,590=00	17,600=00	4,990=00
07	2012-2013	Huron Builders	1,419=00	1,150=00	269=00
					10,806=00

License fees pertains to year 2009-2010 of Soevis Promoters Builders amounting to Rs. 25/- recovered vide receipt no. 181/54 dated 04/09/2017 and an amount of Rs.5,162/- of Ankush Kandolkar has been recovered vide 181/49 dated 04/09/2017.

Remaining amount of **Rs.10,806/-** for short recovery stated above towards the licence fees should be recovered and receipt of the same should be shown to next audit.

5) ILLEGAL CONSTRUCTION

V.P Sarpanch certified vide certificate No. VP/CBT/2016-17/44/1826, dated 08/02/2018 that the Panchayat has detected 05 illegal constructions during the year 2016-2017. The details of illegal construction cases are as follows

1) Nos. of Illegal Construction cases on 01/04/2017	43
2) Illegal Construction cases detected during the year 2017-18	05
3) Nos of illegal construction cases settled/ disposed during the year 2017-18	--
Total cases pending for settlement upto 31/03/2018	48

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 48 cases of illegal constructions in the Village Panchayat as on 31/03/2018. 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.

5) AUCTION

Market/Jatra fees

The auction for the collection for fees for the sale of goods at market melas, fairs and festivals within the area of village panchayat Curca-Bambolim and Talaulim-Tiswadi-Goa for the auction year 2018-19 in pursuance to notice under ref. no- VP/CBT/2017-18/1992 dated 28/02/2018.

The auction was conducted on 14/03/2018 in the V. P. office at Curca at 10.30 am. The initial bid for the auction was fixed to Rs.3,500/-. In response to above notice two parties were participated in the auction and final highest amount of Rs.26,000/- quoted by Shri Aldrin D'souza, was accepted by the Sarpanch of Village Panchayat, Curca. The full bid amount of Rs. 26,000/- has been paid by the Contractor on 14/03/2018 and also auction bid amount of Rs.3600/- for the year 2017-18 was received.

The necessary agreement between higher bidder Shri Aldrin D'souza and Sarpanch of village panchayat Curca - Bambolim has been executed.

6) PURCHASE OF ELECTRICAL MATERIAL/ REGISTER

The Panchayat have purchased street light materials valued at Rs. 1,90,187/- 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.

Further, the VP has given supply order to JayLaxmi Electrical Company Caranzalem- Goa to supply electrical material during the year 2016-17. However, he has supplied one extra item namely watts C.F.L. bulb Siplal 30 nos @ 850/- totalling to Rs. 25,500/- which was paid even for this item was not included in the quotation/ supply order. Purchase of extra item without comparing rate is irregular and need to be justified.

The compliance for above para is not submitted, hence para stands.

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

It has seen that the V.P. has a balance of Rs. 4.07 lakhs as E.M.D and Rs.10.20 lakhs S.D. as on 31/03/2018. As per the section 19 of C.P.W.D. Manual 2007, the E.M.D given by the contractors except the successful contractor should be refunded immediately after completion of opening of tender process or within a week time from the date of opening the tender. It may please be stated whether any action has been initiated to refund/ 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.

8) 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.

9) EXCESS EXPENDITURE OVER PRESCRIBED LIMITS.

Under the below mentioned detail heads Panchayat had made excess expenditure during the year 2017-18.

Sr no.	Major head of account	Prescribed limit	Expenditure incurred	Excess / Short
1	Advocate fees	30,000=00	1,73,000=00	1,43,000=00
Total		30,000=00	1,73,000=00	1,43,000=00

Necessary ex-post facto approval may be obtained from the competent authority to regularize the excess amount and shown to the next audit. Further, as far as advocate fees are concern, it has to be ensured that costs, as order and whenever feasible, should be recovered from the complainants who have dragged the Panchayat to the Courts. It is observed from the vouchers that no mention is made about the approval granted by the body to the payment of such payments. The details of Resolution No. and date approving such payments need to be recorded on the reverse of the vouchers by endorsing a suitable certificate. The separate register may be maintained by recording necessary entries such as Case particulars, name of the Advocate, amount paid, date Voucher no. on each occasions and total expenditure etc. as well.

10) EXCESS EXPENDITURE OVER BUDGET PROVISION

The Village Panchayat has made an excess expenditure over the budget provision under the head of accounts mentioned below during the year 2017-18.

Sr. No.	Head of Account	Budget Provision	Actual Exp.	Excess Exp.
1	Public Works	71,55,000=00	1,00,02,160=75	28,47,160=75
2	Miscellaneous	4,70,000=00	9,61,074=33	4,91,074=33

Necessary Ex-Post Facto approval may be obtained for above excess expenditure from competent authority and shown to audit.

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 31/03/2018.

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 29 works during the financial year 2017-18 as per the statement of work submitted to audit. The actual cost of works and statutory deductions thereof and net payment has been checked from the First/Final R.A. bills is found correct. Work files were randomly checked and noticed:

- i) The agreement in CPWD form VII/VIII placed in the files without signature of Contractors and Sarpanch. Hence forth the Panchayat should execute the agreement with the contractor to safe guard the interest of the VP.
- ii) 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.

iii) 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.

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

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

The Panchayat is having an amount of Rs. 56,21,500=05 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.

18) ANNUAL ACTION PLAN

As per section 238 of Goa PanchayatRaj 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 und3ertaken 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	01	01

However, it is reported that the one inspection have been carried out by B.D.O./ E.O.V.P. the B.D.O./E.O.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.

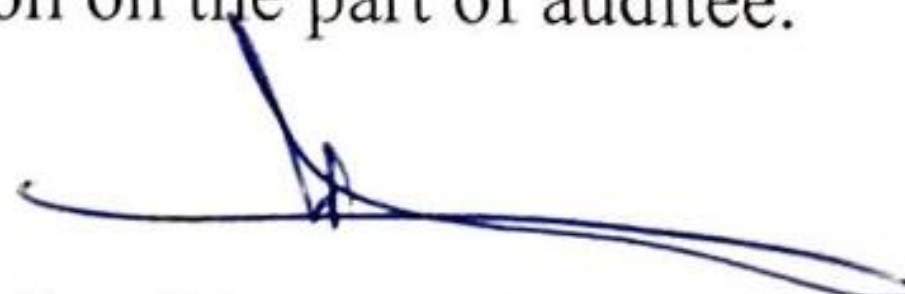
d) Panchayat Secretary shall maintain the personal cash register in terms of Circulars No. ACB/Vigilance/404/1066 dated 22/03/2004 from Vigilance Department, Panaji.

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 Curca-Bambolim-Talaulim. The office of the Directorate of Accounts disclaims responsibility for any misrepresentation and/or non-information on the part of auditee.


Dy. Director of Accounts/IC
Directorate of Accounts
Panaji-Goa