

**AUDIT REPORT OF ACCOUNTS OF THE VILLAGE
PANCHAYAT "MORJIM" IN PERNEM
FOR THE BLOCK YEAR 2018-19, 2019-20, 2020-21 & 2021-22**

PART-I

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

Sr.No	Name of the Sarpanch	From	To
1	Mrs. Shanti Poke	01-04-2018	01-07-2019
2	Mrs. Vaishali Shetgaonkar	10-07-2019	31-03-2022

B. Name of the Secretary :-

Sr.No	Name of the Secretary	From	To
1.	Mr. Vijay Tilve	01-04-2018	11-11-2018
2.	Mr. Nitin Dabolkar	12-11-2018	18-11-2018
3.	Mr. Vijay Tilve	19-11-2018	17-02-2019
4.	Mr. Nitin Dabolkar	18-02-2019	24-02-2019
5.	Mr. Vijay Tilve	25-02-2019	10-11-2019
6.	Mr. Mahesh Dhargalkar	11-11-2019	31-03-2022

C. Names & Designation of audit parties

Sr.No	Names of the audit parties	Designation
1	Shri. Deepak Velip	Dy. D.A./Insp.
2	Shri. Sanjiv U. Apule	A.A.O.
3	Shri. Rajan Jalmi	Head Clerk
4	Shri. Dasharath Tuyekar	Ex-Accounts Clerk

D. Date of Audit:- From :- 28/09/2022 to 10/10/2022

E. Period of Audit:- From:- 01/04/2018 to 31/03/2022

PART - II - INTRODUCTORY

The audit of Accounts of the **Village Panchayat Morjim** in Pernem Block for the year 2018-19, 2019-20, 2020-21 and 2021-22 was conducted from 16/06/2022 to 24/06/2022 as per the Circular No. 30/7/75 Fin(Bud) dated 21/08/1996 issued by Finance (Budget) Department, based on the records furnished by the Panchayat.

The **Village Panchayat Morjim** was sanctioned following types of grants by various agencies for specific purposes. The year-wise details of the grants sanctioned are given below:

Year 2018-19

Sr.No	Type of Grants	Amount In ₹
Administrative Grants		
1.	V.P. Member Salary	3,42,000.00
2.	Staff Salary	16,61,119.00
3.	Matching Grants	4,25,000.00
Development Grants		
4.	XIV th Fin Com.	7,42,618.00
5.	Garbage Grants	2,10,000.00
6.	GIA Dev. Grants	9,95,861.00
7.	Rashtriya Gram Swaraj Abhiyan	10,000.00
Total		43,86,598.00

Year 2019-20

Sr.No	Type of Grants	Amount In ₹
Administrative Grants		
1.	V.P. Member Salary	2,74,550.00
2.	Matching Grants	2,12,500.00
Development Grants		
3.	XIV th Fin Com.	17,92,594.00
4.	MGNREGA	1,77,000.00
	Interest	1,628.00
5.	Library Grants	31,168.00
Total		24,89,440.00

Year 2020-21

Sr. No	Type of Grants	Amount in ₹
Administrative Grants		
1	V.P. Member Salary	5,55,750.00
Development Grants		
2	XIV th Fin Com.	30,66,364.00
3	XV th Fin Com.	19,76,218.00
4	MGNREGA	-
5	Library Grants	41,903.00
Total		56,40,235.00

Year 2021-22

Sr.No.	Type of Grants	Amount In ₹
Administrative Grants		

1.	V.P. Member Salary	3,42,000.00
2.	Matching Grants	8,50,000.00
Development Grants		
3.	XV th Fin Com.	19,94,344.00
4.	Celebration Grants	3,00,000.00
5.	Spcl. Grants 60 years of Goa Lib.	50,00,000.00
6.	MGNREGA	95,000.00
Total		82,39,344.00

PART -III

The **Village Panchayat Morjim** is 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

Year-wise Receipts and Expenditure of Village Panchayat

Year	Receipt Amount in ₹	Expenditure Amount in ₹
2018-19	₹ 98,71,850.00	₹ 47,97,223.40
2019-20	₹ 89,21,382.00	₹ 58,90,489.90
2020-21	₹ 1,38,95,612.98	₹ 1,32,26,281.85
2021-22	₹ 1,87,67,220.00	₹ 1,93,28,019.77

II) Year-wise Total Funds/deductions available with the Panchayat are as detailed below:

Sr. No.	Total Funds/deductions as on 31/03/2019	Year 2018-19
		Amount in ₹
1.	Government Grants	61,34,643.00
2.	DRDA Grants	45,256.35
3.	Library Grants	913.85
4.	E.M.D. Works	2,26,866.00
5.	S.D.	2,23,521.00
6.	Income Tax	16,307.00
7.	Vat (Sales Tax)	14,849.00
8.	Royalty	7,969.00
9.	TCS on Royalty	2.00
10.	Edu. Cess	325.00
11.	Sec. & Higher Sec. Cess	163.00
12.	CGST	8,963.00

13.	SGST	8,963.00
14.	E.M.D. for Temp. Shack	3,01,000.00
15.	Panchayat Fund	94,14,167.70
Total		1,64,03,908.90

Year 2019-20

Sr. No.	Total Funds/deductions as on 31/03/2020	Amount in ₹
1.	Government Grants	72,78,013.00
2.	DRDA Grants	1,06,143.45
3.	Library Grants	5,510.05
4.	E.M.D. Works	2,88,435.00
5.	S.D.	2,50,108.00
6.	Income Tax	16,307.00
7.	Vat (Sales Tax)	14,849.00
8.	Royalty	7,969.00
9.	TCS on Royalty	2.00
10.	Labour Cess	99,137.00
11.	Edu. Cess	325.00
12.	Sec. & Higher Sec. Cess	163.00
13.	CGST	8,963.00
14.	SGST	8,963.00
15.	E.M.D. for Temp. Shack	3,75,500.00
16.	Panchayat Fund	1,09,74,413.50
Total		1,94,34,801.00

Year 2020-21

Sr. No.	Total Funds/deductions as on 31/03/2021	Amount in ₹
1.	Government Grants	63,86,111.00
2.	DRDA Grants	57,685.30
3.	Library Grants	20,842.15
4.	E.M.D. Works	4,65,814.98
5.	S.D.	5,30,515.00
6.	Income Tax	16,307.00
7.	Vat (Sales Tax)	14,849.00
8.	Royalty	18,956.00
9.	TCS on Royalty	2.00
10.	Labour Cess	34,220.00
11.	Edu. Cess	325.00
12.	Sec. & Higher Sec. Cess	163.00
13.	CGST	16,606.00
14.	SGST	16,606.00

15.	E.M.D. for Temp. Shack	4,82,750.00
16.	Panchayat Fund	1,20,42,379.70
Total		2,01,04,132.13

		Year 2021-22
Sr. No.	Total Funds/deductions as on 31/03/2022	Amount in ₹
1.	Government Grants	1,03,37,188.00
2.	DRDA Grants	6,393.00
3.	Library Grants	1,261.35
4.	E.M.D. Works	5,78,265.41
5.	S.D.	10,51,557.00
6.	Income Tax	16,307.00
7.	Vat (Sales Tax)	14,849.00
8.	Royalty	15,420.00
9.	TCS on Royalty	2.00
10.	Labour Cess	90,381.00
11.	Edu. Cess	325.00
12.	Sec. & Higher Sec. Cess	163.00
13.	CGST	26,402.00
14.	SGST	26,402.00
15.	E.M.D. for Temp. Shack	6,14,250.00
16.	Panchayat Fund	67,64,166.60
Total		1,95,43,332.36

III) DETAILS OF UTILIZED / UNUTILIZED GRANTS

The year-wise statement showing details of grants are as follows:-

		Year 2018-19					Amount in ₹
S N	Name of Grants	Opening Balance	Amt Sanctioned	Amt. Utilized	Amt. Refunded	Closing Balance	
1	V.P. Member Salary	85,792.00	3,42,000.00	2,02,433.00	54,359.00	1,71,000.00	
2	Staff Salary	2,113.00	16,61,119.00	16,63,232.00	-	-	
3	Matching Grants	-	4,25,000.00	4,25,000.00	-	-	
4	XIV th Fin Com.	18,77,588.00	7,42,618.00	5,03,483.00	-	21,16,723.00	
5	Garbage Grants	-	2,10,000.00	1,60,999.00	-	49,001.00	
6	GIA Dev. Grants	19,14,519.00	9,95,861.00	-	-	29,10,380.00	
7	Other Grants	6,450.00	-	-	-	6,450.00	

	Wom & Child Dev.					
8	Special Grant	8,81,089.00	-	-	-	8,81,089.00
9	Rashtriya Gram Swaraj Abhiyan	-	10,000.00	10,000.00	-	-
Total		47,67,551.00	43,86,598.00	29,65,147.00	54,359.00	61,34,643.00
RDA						
1.	MGNREGA	43,644.15	-	70.80		45,256.35
	Bank interest		1,683.00			
Total		43,644.15	1,683.00	70.80	-	45,256.35
2.	Library Grant	23,405.15	-	23,322.30	-	913.85
	Interest		831.00			
Total		23,405.15	831.00	23,322.30	-	913.85

Year 2019-20

Amount in ₹

S N	Name of Grants	Opening Balance	Amt Sanctioned	Amt. Utilized	Amt. Refunded	Closing Balance
1	V.P. Member Salary	1,71,000.00	2,74,550.00	4,45,388.00	162.00	-
2	Matching Grants	-	2,12,500.00	2,12,500.00	-	-
3	XIV th Fin Com.	21,16,723.00	*17,92,594.00	4,29,223.00		34,80,094.00
4	Garbage Grants	49,001.00	-	49,001.00	-	-
5	GIA Dev. Grants	29,10,380.00	-	-	-	29,10,380.00
6	Other Grants Wom & Child Dev.	6,450.00	-	-	-	6,450.00
7	Special Grant	8,81,089.00	-	-	-	8,81,089.00
Total		61,34,643.00	22,79,644.00	11,36,112.00	162.00	72,78,013.00
RDA						
1.	MGNREGA		1,77,000.00			
	Bank interest	45,256.35	1,628.00	1,17,740.90	-	1,06,143.45
Total		45,256.35	1,78,628.00	1,17,740.90	-	1,06,143.45
2.	Library Grant	913.85	31,168.00	26,638.80	-	5,510.05
	Interest		67.00			
Total		913.85	31,235.00	26,638.80	-	5,510.05

* Grants unaccounted during FY 2018-19 amounting to ₹ 2,305/-

Year 2020-21

Amount in ₹

S N	Name of Grants	Opening Balance	Amt Sanctioned	Amt. Utilized	Amt. Refunded	Closing Balance
1	V.P. Mem Salary	-	5,55,750.00	3,77,298.00	7,452.00	1,71,000.00
2	XIV th Fin Com.	34,80,094.00	30,66,364.00	41,55,547.00	-	23,90,911.00
3	XV th Fin Com.	-	19,76,218.00	-	-	19,76,218.00
4	GIA Dev. Grants	29,10,380.00	-	19,49,937.00	-	9,60,443.00
5	Other Grants Wom & Child Dev.	6,450.00	-	-	-	6,450.00
6	Special Grant	8,81,089.00	-	-	-	8,81,089.00
Total		72,78,013.00	55,98,332.00	64,82,782.00	7,452.00	63,86,111.00
RDA						
1.	MGNREGA		-			
	Bank interest	1,06,143.45	3,144.00	1,583.80	50,018.35	57,685.30
Total		1,06,143.45	3,144.00	1,583.80	50,018.35	57,685.30
2.	Library Grant	5,510.05	41,903.00	27,402.90	-	20,842.15
	Interest		832.00			
Total		5,510.05	42,735.00	27,402.90	-	20,842.15

Year 2021-22

Amount in ₹

S N	Name of Grants	Opening Balance	Amt Sanctioned	Amt. Utilized	Amt. Refunded	Closing Balance
1	V.P. Mem Salary	1,71,000.00	3,42,000.00	5,13,000.00	-	-
2	Matching Grants	-	8,50,000.00	8,50,000.00	-	-
3	XIV th Fin Com.	23,90,911.00	-	23,90,911.00	-	-
4	XV th Fin Com.	19,76,218.00	19,94,344.00	4,98,121.00	-	34,72,441.00
5	GIA Dev. Grants	9,60,443.00	-	-	-	9,60,443.00
6	Other Grants Wom & Child Dev.	6,450.00	-	-	-	6,450.00
7	60 yrs Lib Celebration	-	3,00,000.00	2,83,235.00	-	16,765.00

	Grants					
8	Special Grants	8,81,089.00				8,81,089.00
9	Spcl.Grants for 60 yrs Lib.	-	50,00,000.00	-		50,00,000.00
Total		63,86,111.00	84,86,344.00	45,35,267.00	-	1,03,37,188.00
RDA						
1.	MGNREGA	57,685.30	95,000.00	1,47,655.30	-	6,393.00
	Bank interest		1,363.00			
Total		57,685.30	96,363.00	1,47,655.30	-	6,393.00
2.	Library Grant	20,842.15	-	20,159.80		1,261.35
	Interest		579.00			
Total		20,842.15	579.00	20,159.80	-	1,261.35

III) BUDGET ESTIMATE AND ACTUAL

A) INCOME

Year	Original budget Estimate	Revised Budget Estimate	Actual Income	Amount in ₹
				Short/Excess
2018-19	88,03,230.00	99,75,000.00	98,71,850.00	1,03,150.00(S)
2019-20	62,74,013.00	90,62,180.00	89,21,382.00	1,40,798.00(S)
2020-21	53,60,328.00	1,12,80,000.00	1,38,95,612.98	26,15,612.98(S)
2021-22	37,42,069.00	2,80,80,600.00	1,87,67,220.00	93,13,380.00(S)

B) EXPENDITURE

Year	Original Budget Estimate	Revised Budget Estimate	Actual Expenditure	Amount in ₹
				Short/Excess
2018-19	42,40,807.00	64,55,000.00	47,97,223.40	16,57,776.60(S)
2019-20	42,56,577.90	84,03,000.00	58,90,489.90	25,12,510.10(S)
2020-21	58,49,529.90	2,64,80,000.00	1,32,26,281.85	1,32,53,718.15(S)
2021-22	72,06,413.04	3,13,09,000.00	1,93,28,019.77	1,19,80,980.23(S)

PART - IV - COMMENTS ON TRANSACTIONS

Outstanding audit paras from previous Audit Report in brief:

Year	Paras outstanding	Paras Settled	Balance	Brief Description of para's
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2016-17	01	-	01	Para-9- Excess expenditure Over prescribed limit.
2017-18	21	18	03	Para-3- Rent: Maintenance of Form VII/VIII Para-8- Excess expenditure beyond prescribed limit. Para-19-Inspections by B.D.O/E.O.V.P Remaining 17 paras are dropped and commented in current audit wherever required.
Total	45	18	27	

The village panchayat has not submitted appropriate replies to 3 paras of year 2017-18 and remaining 18 paras are dropped and commented in current audit wherever required.

The pendency of 27 outstanding audit paras are relating to a very old period ranged from 4 to 51 years, which requires due attention and necessary action. It is therefore brought to the notice of Directorate of Panchayat that despite of comments in the previous audit, the efforts of the panchayat in clearing outstanding audit paras are not up to scratch. This issue required to be viewed seriously and every possible effort should be made to get long pending paras settled on priority. Action taken in this regard will be verified in next audit.

PART-V CURRENT -AUDIT

SECTION - A

1. CASH BOOK

The details of the closing balance as per the Cash Book as on **31/03/2019**.

1	Closing balance as per BOB A/c. No. 175	₹1,30,74,116.10	
	Less: Cheque issued but not accounted	₹ 1,550.00	
		₹ 1,30,72,566.10	
	Closing balance as per the Cash book		₹ 1,30,72,566.10
2	Closing balance as per BOB A/c. No. 444	₹ 24,646.35	
	Closing balance as per the Cash book		₹ 24,646.35
3*	Closing balance as per BOB A/c. No. 784	₹ 1,920.35	
	Closing balance as per the Cash book		₹ 1,920.35
4	Closing balance as per BOB A/c. No. 458	₹ 913.85	
	Closing balance as per the Cash book		₹ 913.85
5	Closing balance as per BOB A/c. No. 040	₹ 1,62,127.05	
	Closing balance as per the Cash book		₹ 1,62,127.05

1971-72	01	-	01	Para-5-excess grants of ₹ 6,700/- for road works to be refunded
1975-76	01	-	01	Para - 3 - work construction of fort bridge at Katewada
1981-82	01	-	01	Para-4- works 9 (a) relevant record yet to be produced
1982-83	01	-	01	Para-3-cash book missing vouchers
1983-84 To 1985-86	06	-	06	Para - cash book (a) used receipt book no. 103 not produced to audit (b) receipt of Rs. 3/- and Rs. 14=25 received as on 26/06/1984 (c) amount of Rs. 2/- paid vr not produced to audit for the year 1983-84 to 1985-86 Para - 5 - assessment register, assessment certificate not produced to audit Para - 6 - demand / collection register incomplete Para - 7 - register in form 9 is incomplete
1995-96	01	-	01	Para - 8 - register in form 8 arrears as on 31/03/1996 does not tally
1997-98	01	-	01	Para - 2 - works R.T.S is awaited
1998-99	01	-	01	Para - 10 - works, technical sanction
2009-10	01	-	01	Para - 15 - works
2010-11	04	-	04	Para - 10 - purchase of stationery Para - 10 - purchase of electrical goods Para - 12 - advertisement Para - 10 - purchase of electrical goods
2011-2012	01	-	01	Para - 9 - works
2012-2013	01	-	01	Para - 9 - works (V) maintained for vat deducting @1.5% instead of 5%
2013-2014	01	-	01	Para - 15 - (V) works Regarding Vat deducting @ 1.5% instead of 5%
2014-15	01	-	01	Para-8- Excess expenditure beyond prescribed limit.
2015-16	01	-	01	Para-11- Excess expenditure Over prescribed limit.

6	Closing balance as per BOB A/c. No. 352	₹ 12,995.35	
Closing balance as per the Cash book			₹ 12,995.35
7	Closing balance as per BOB A/c. No. 084	₹ 45,256.35	
Closing balance as per the Cash book			₹ 45,256.35
8	Closing balance as per BOB A/c. No. 464	₹ 4,849.00	
Closing balance as per the Cash book			₹ 4,849.00
9	Closing balance as per BOB A/c. No. 259	₹ 8,563.00	
Closing balance as per the Cash book			₹ 8,563.00
10	FDR's BOB,		
	1) A/c. No. 646	₹ 6,00,340.00	
	Add: TDS amt. double accounted	₹ 11,231.00	
	Less: Int. accrued but not accounted	₹ 36,042.00	
		₹ 5,75,529.00	
	2) A/c. No. 647	₹ 6,00,340.00	
	Add: TDS amt. double accounted	₹ 11,231.00	
	Less: Int. accrued but not accounted	₹ 36,042.00	
		₹ 5,75,529.00	
	3) A/c. No. 648	₹ 6,00,341.00	
	Add: TDS amt. double accounted	₹ 11,230.00	
	Less: Int. accrued but not accounted	₹ 36,042.00	
		₹ 5,75,529.00	
	4) A/c. No. 649	₹ 2,40,134.00	
Add: TDS amt. double accounted	₹ 4,494.00		
Less: Int. accrued but not accounted	₹ 14,416.00		
	₹ 2,30,212.00		
5) A/c. No. 650	₹ 2,40,137.00		
Add: TDS amt. double accounted	₹ 4,491.00		
Less: Int. accrued but not accounted	₹ 14,416.00		
	₹ 2,30,212.00		
6) A/c. No. 651	₹ 1,20,067.00		
Add: TDS amt. double accounted	₹ 2,247.00		
Less: Int. accrued but not accounted	₹ 7,209.00		
	₹ 1,15,105.00		
Closing balance as per the Cash book			₹ 23,02,116.00
11	Closing balance as per SBI A/c. No. 087	₹ 3,23,141.00	
Closing balance as per the Cash book			₹ 3,23,141.00
12	Closing balance as per ICICI Bank A/c. No. 112	₹ 4,44,109.50	
Closing balance as per the Cash book			₹ 4,44,109.50
13	Cash in hand	₹ 705.00	₹ 705.00
Closing balance as per the Cash book as on 31/03/2019			₹ 1,64,03,908.90

The details of the closing balance as per the Cash Book as on 31/03/2020.

1	Closing balance as per BOB A/c. No. 175	₹ 83,96,031.60	
	Less: Cheque issued but not accounted	₹ 2,500.00	
	Less: Cheque issued but not accounted	₹ 2,500.00	
	Less: Cheque issued but not accounted	₹ 3,000.00	
		₹ 83,88,031.60	
	Closing balance as per the Cash book		₹ 83,88,031.60
2	Closing balance as per BOB A/c. No. 444	₹ 40,25,467.65	
	Closing balance as per the Cash book		₹ 40,25,467.65
3	Closing balance as per BOB A/c. No. 784	₹ 1,937.15	
	Closing balance as per the Cash book		₹ 1,937.15
4	Closing balance as per BOB A/c. No. 458	₹ 32,137.05	
	Closing balance as per the Cash book		₹ 32,137.05
5	Closing balance as per BOB A/c. No. 040	₹ 1,62,127.05	
	Closing balance as per the Cash book		₹ 1,62,127.05
6	Closing balance as per BOB A/c. No. 352	₹ 2,03,787.55	
	Closing balance as per the Cash book		₹ 2,03,787.55
7	Closing balance as per BOB A/c. No. 084	₹ 1,06,143.45	
	Closing balance as per the Cash book		₹ 1,06,143.45
8	Closing balance as per BOB A/c. No. 464	₹ 5,014.00	
	Closing balance as per the Cash book		₹ 5,014.00
9	Closing balance as per BOB A/c. No. 259	₹ 8,854.00	
	Closing balance as per the Cash book		₹ 8,854.00
10	FDR's BOB,		
	1) A/c. No. 646	₹ 6,37,197.00	
	Less: Int. accrued but not accounted	₹ 1,661.00	
		₹ 6,35,536.00	
	2) A/c. No. 647	₹ 6,37,198.00	
	Less: Int. accrued but not accounted	₹ 1,660.00	
		₹ 6,35,538.00	
	3) A/c. No. 648	₹ 6,37,199.00	
	Less: Int. accrued but not accounted	₹ 1,661.00	
		₹ 6,35,538.00	
	4) A/c. No. 649	₹ 2,54,877.00	
	Less: Int. accrued but not accounted	₹ 664.00	
		₹ 2,54,213.00	
	5) A/c. No. 650	₹ 2,54,881.00	
	Less: Int. accrued but not accounted	₹ 664.00	

		₹ 2,54,217.00	
	6) A/c. No. 651	₹ 1,27,438.00	
	Less: Int. accrued but not accounted	₹ 332.00	
		₹ 1,27,106.00	
Closing balance as per the Cash book			₹ 25,42,148.00
11	Closing balance as per SBI A/c. No. 087	₹ 34,99,190.00	
Closing balance as per the Cash book			₹ 34,99,190.00
12	Closing balance as per ICICI Bank A/c. No. 112	₹ 4,59,859.50	
Closing balance as per the Cash book			₹ 4,59,859.50
13	Cash in hand	₹ 104.00	₹ 104.00
Closing balance as per the Cash book as on 31/03/2020			₹ 1,94,34,801.00

The details of the closing balance as per the Cash Book as on 31/03/2021.

1	Closing balance as per BOB A/c. No. 175	₹ 65,49,575.60	
Closing balance as per the Cash book			₹ 65,49,575.60
2	Closing balance as per BOB A/c. No. 444	₹ 26,13,923.85	
Closing balance as per the Cash book			₹ 26,13,923.85
3	Closing balance as per BOB A/c. No. 784	₹ 1,908.65	
Closing balance as per the Cash book			₹ 1,908.65
4	Closing balance as per BOB A/c. No. 458	₹ 20,842.15	
Closing balance as per the Cash book			₹ 20,842.15
5	Closing balance as per BOB A/c. No. 040	₹ 1,62,127.05	
Closing balance as per the Cash book			₹ 1,62,127.05
6	Closing balance as per BOB A/c. No. 352	₹ 2,09,814.55	
Closing balance as per the Cash book			₹ 2,09,814.55
7	Closing balance as per BOB A/c. No. 084	₹ 57,685.30	
Closing balance as per the Cash book			₹ 57,685.30
8	Closing balance as per BOB A/c. No. 464	₹ 5,164.00	
Closing balance as per the Cash book			₹ 5,164.00
9	Closing balance as per BOB A/c. No. 259	₹ 9,121.00	
Closing balance as per the Cash book			₹ 9,121.00
10	FDR's BOB, 1) A/c. No. 646	₹ 6,75,939.00	
	Less: Int. accrued but not accounted	₹ 1,599.00	
		₹ 6,74,340.00	
	2) A/c. No. 647	₹ 6,75,940.00	
	Less: Int. accrued but not accounted	₹ 1,599.00	
		₹ 6,74,341.00	

	3) A/c. No. 648	₹ 6,75,941.00	
	Less: Int. accrued but not accounted	₹ 1,599.00	
		₹ 6,74,342.00	
	4) A/c. No. 649	₹ 2,70,374.00	
	Less: Int. accrued but not accounted	₹ 640.00	
		₹ 2,69,734.00	
	5) A/c. No. 650	₹ 2,70,378.00	
	Less: Int. accrued but not accounted	₹ 640.00	
		₹ 2,69,738.00	
	6) A/c. No. 651	₹ 1,35,187.00	
	Less: Int. accrued but not accounted	₹ 320.00	
		₹ 1,34,867.00	
	Closing balance as per the Cash book		₹ 26,97,362.00
11	Closing balance as per SBI A/c. No. 087	₹ 24,22,581.00	
	Closing balance as per the Cash book		₹ 24,22,581.00
12	Closing balance as per SBI A/c. No. 755	₹ 19,89,016.00	
	Closing balance as per the Cash book		₹ 19,89,016.00
13	Closing balance as per ICICI Bank A/c. No. 559	₹ 5,94,013.50	
	Closing balance as per the Cash book		₹ 5,94,013.50
14	Closing balance as per ICICI Bank A/c. No. 112	₹ 27,45,671.50	
	Closing balance as per the Cash book		₹ 27,45,671.50
15	Cash in hand	₹ 25,325.98	₹ 25,325.98
	Closing balance as per the Cash book as on 31/03/2021		₹ 2,01,04,132.13

The details of the closing balance as per the Cash Book as on 31/03/2022.

1	Closing balance as per BOB A/c. No. 175	₹ 63,03,284.99	
	Less: Cheque issued but not accounted	₹ 5,000.00	
	Less: Cheque issued but not accounted	₹ 33,040.00	
		₹ 62,65,244.99	
	Closing balance as per the Cash book		₹ 62,65,244.99
2	Closing balance as per BOB A/c. No. 444	₹ 25,48,072.05	
	Closing balance as per the Cash book		₹ 25,48,072.05
3	Closing balance as per BOB A/c. No. 784	₹ 2,261.85	
	Closing balance as per the Cash book		₹ 2,261.85
4	Closing balance as per BOB A/c. No. 458	₹ 1,261.35	
	Closing balance as per the Cash book		₹ 1,261.35
5	Closing balance as per BOB A/c. No. 040	₹ 1,62,127.05	
	Closing balance as per the Cash book		₹ 1,62,127.05
6	Closing balance as per BOB A/c. No. 352	₹ 2,15,643.55	
	Closing balance as per the Cash book		₹ 2,15,643.55

7	Closing balance as per BOB A/c. No. 084	₹ 6,393.00	
Closing balance as per the Cash book			₹ 6,393.00
8	Closing balance as per BOB A/c. No. 464	₹ 5,308.00	
Closing balance as per the Cash book			₹ 5,308.00
9	Closing balance as per BOB A/c. No. 259	₹ 9,375.00	
Closing balance as per the Cash book			₹ 9,375.00
10	FDR's BOB,		
	1) A/c. No. 646	₹ 7,09,708.00	
	2) A/c. No. 647	₹ 7,09,709.00	
	3) A/c. No. 648	₹ 7,09,710.00	
	4) A/c. No. 649	₹ 2,83,881.00	
	5) A/c. No. 650	₹ 2,83,885.00	
	6) A/c. No. 651	₹ 1,41,941.00	
		₹ 28,38,834.00	
Closing balance as per the Cash book			₹ 28,38,834.00
11	Closing balance as per SBI A/c. No. 087	₹ 6,108.00	
Closing balance as per the Cash book			₹ 6,108.00
12	Closing balance as per SBI A/c. No. 755	₹ 35,52,690.00	
Closing balance as per the Cash book			₹ 35,52,690.00
13	Closing balance as per ICICI Bank A/c. No. 559	₹ 3,77,638.04	
	Less: Cheque issued but not accounted	₹ 1,701.00	
	Less: Amt. received but not accounted	₹ 12,000.00	
			₹ 3,63,937.04
Closing balance as per the Cash book			₹ 3,63,937.04
14	Closing balance as per ICICI Bank A/c. No. 112	₹ 35,65,284.50	
Closing balance as per the Cash book			₹ 35,65,284.50
15	Cash in hand	₹ 791.98	₹ 791.98
Closing balance as per the Cash book as on 31/03/2022			₹ 1,95,43,332.36

After verification the above bank closing balances as per the Cash Book are found to be tallied with the closing balances as per the Bank Pass Book as on **31/03/2019, 31/03/2020, 31/03/2021** and **31/03/2022** respectively. However, following irregularities were found during the course of audit:-

Year	Receipt/Voucher No.	Actual Amt.	Amt. shown in the cash book	Difference
2019-20	602/49	₹ 20.00	Nil	₹ 20.00(S)
2020-21	676/85	₹ 85.00	₹ 25.00	₹ 60.00(S)
Total short accounted amount				₹ 80.00(S)

1) The short accounted amount of ₹ 80/-, may be recovered and accounted in cash book.

- 2) Bills amounting to ₹ 1,000/- and above are paid in cash.
- 3) The monthly salary has been paid to Shri. Sakharam Parab Head Clerk, however, no signature has been found obtained on the all monthly acquaintance roll maintained by village panchayat.
- 4) The village panchayat has paid ₹ 500/- per month financial assistance to Shri. Vishnu K. Tiloji, however, no supporting documents and resolution passed by the village panchayat meeting for payment of the same has been produced to the audit for verification.
- 5) Log book for Aactiva Scooter has not been maintained.
- 6) Bank reconciliation statement is not prepared and recorded in the cash book at the end of the each month despite of observation raised in audit of previous year.
- 7) Corrections made in any account books with white ink or over writings are not permitted. Corrections shall be made, if required, in red ink by drawing a line through the wrong entry and writing the correct figure in a nearby space. All such corrections shall be properly attested by the Secretary and the Sarpanch.

2. UN-UTILIZATION /REFUND OF GRANTS

The grants like XVth Finance commission and GIA grants had remained un-utilized for long period. The details of Grants remained un-utilized with the Panchayat as on 31/03/2022 were as under:

S No.	Name of Grants	Un-Utilized Grants ₹
1.	GIA Grants	9,60,443.00
2.	XV Finance Commission.	34,72,441.00
3.	Goa @ 60 Lib.cel. Grants	16,765.00
4.	Goa @ 60 Lib. Dev. Grants	50,00,000.00
5.	Special Grants Women &Child	6,450.00
6.	Special Grants /	8,81,089.00
7.	MGNREGA	6,393.00
8.	Library Grants	1,261.35
Total		1,03,44,842.35

The Grants amounting to ₹ **1,03,44,842.35** were remained un-utilized with Panchayat as on 31/03/2022. Further, V.P. member salary Grants of ₹ 54,359/- in year 2018-19, Village Panchayat member salary of ₹ 7,452/- and MGNREGA Grants of ₹ 50,018/-, in year 2020-21 were refunded by the Village Panchayat.

It may be noted that, after utilizing the grants sanctioned amount, a Utilization Certificates (UCs) should have to be furnished to the Grants

Sanctioning Authority as required under GFR 19 in stipulated time. In case the grants are not utilized within the specific time, then necessary approval of extension of time limits has to be obtained from the grants sanctioning authority. Village Panchayat has failed to do so. Blocking of Government funds for long period and refund of sizeable grants has adversely affected the development and public works of Panchayat.

As the Panchayat Funds are jointly administered by the Secretary and the Sarpanch, it is, therefore, their sole responsibility to ensure that there is maximum utilization of Panchayat grants.

3. UN-REALISTIC BUDGET ESTIMATES

It was observed that the actual income received was short by ₹ 1,03,150/- in year 2018-19, ₹ 1,40,798/- in year 2019-20, ₹ 26,15,612/- in year 2020-21 and ₹ 93,13,380/- in year 2021-22 to the Budget Estimates of respective years.

The expenditure incurred was short by ₹ 16,57,776/-, in year 2018-19, ₹ 25,12,510/- in year 2019-20, ₹ 1,32,53,718/- in year 2020-21 and ₹ 1,19,80,980/- in year 2021-22 to the Budget Estimates of respective years.

The above variations revealed that village Panchayat has failed to prepare realistic budget estimates for the year 2018-19, 2019-20 and 2020-21.

As per section 183 of the Goa Panchayat Raj Act, 1994, If, in the course of the financial year, the Panchayat finds it necessary to modify the provision made in the budget with regard to the receipts or to the distribution of the amounts to be expended on the different services it undertakes, it may make such modifications.

The Panchayat Secretary should ensure that the realistic budget estimates be prepared and the provision of Section 183 of the GPRA 1994 in preparation of Budget/Revised Budget of the Panchayat in future be followed.

4. RDA ACCOUNTS

i) RDA/MGNREGA: The following are the details position of MGNREGA (Bank of Baroda A/C No04920100000084)

Year 2018-19

i)	Opening balance as on 01/04/2018	₹ 43,644.15
ii)	Grants rec. during the year 2018-19	-
iii)	Add:-Int. Accrued during the year 2018-19	₹ 1,683.00
iv)	Less:- Expenditure incurred during the year 2018-19	₹ 70.80
Closing balance as on 31/03/2019		₹ 45,256.35

Year 2019-20

i)	Opening balance as on 01/04/2019	₹ 45,256.35
ii)	Grants rec. during the year 2019-20	₹ 1,77,000.00

iii)	Add: Int. Accrued during the year 2019-20	₹ 1,628.00
iv)	Less: Expenditure incurred during the year 2019-20	₹ 1,17,740.90
v)	Refund of Grants during the year 2019-20	₹ 50,018.35
Closing balance as on 31/03/2020		₹ 56,125.10

Year 2020-21

i)	Opening balance as on 01/04/2020	₹ 56,125.10
ii)	Grants rec. during the year 2020-21	-
iii)	Add:-Int. Accrued during the year 2020-21	₹ 3,144.00
iv)	Less:- Expenditure incurred during the year 2020-21	₹ 1,583.80
Closing balance as on 31/03/2021		₹ 57,685.30

Year 2021-22

i)	Opening balance as on 01/04/2021	₹ 57,685.30
ii)	Grants rec. during the year 2021-22	₹ 95,000.00
iii)	Add: Int. Accrued during the year 2021-22	₹ 1,363.00
iv)	Less: Expenditure incurred during the year 2021-22	₹ 1,47,655.30
Closing balance as on 31/03/2022		₹ 6,393.00

The above closing balances is found to be tallied with the closing balance as per the cash book as on 31/03/2019, 31/03/2020, 31/03/2021 and 31/03/2022 respectively.

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.

5. LIBRARY GRANTS

The following are the details position of Library Grants (Bank of Baroda A/C No 04920100003458)

Year 2018-19

i)	Opening balance as on 01/04/2018	₹ 23,405.15
ii)	Grants rec. during the year 2018-19	-
iii)	Add:-Int. Accrued during the year 2018-19	₹ 831.00
iv)	Less:- Expenditure incurred during the year 2018-19	23,222.00
v)	Less: Bank charges during the year 2018-19	100.30
Closing balance as on 31/03/2019		₹ 913.85

Year 2019-20

i)	Opening balance as on 01/04/2019	₹ 1,968.00
ii)	Grants rec. during the year 2019-20	31,168.00

iii)	Add: Int. Accrued during the year 2019-20	₹ 67.00
iv)	Less:- Expenditure incurred during the year 2019-20	₹ 26,627.00
v)	Less: Bank charges during the year 2019-20	11.80
Closing balance as on 31/03/2020		₹ 5,510.05

Year 2020-21

i)	Opening balance as on 01/04/2020	₹ 5,510.05
ii)	Grants rec. during the year 2020-21	41,903.00
iii)	Add:-Int. Accrued during the year 2020-21	₹ 832.00
iv)	Less:- Expenditure incurred during the year 2020-21	27,279.00
v)	Less: Bank charges during the year 2020-21	123.90
Closing balance as on 31/03/2021		₹ 20,842.15

Year 2021-22

i)	Opening balance as on 01/04/2021	₹ 20,842.15
ii)	Grants rec. during the year 2021-22	-
iii)	Add: Int. Accrued during the year 2021-22	₹ 579.00
iv)	Less: Expenditure incurred during the year 2021-22	20,089.00
v)	Less: Bank charges during the year 2020-21	70.80
Closing balance as on 31/03/2022		1,261.35

The above closing balances is found to be tallied with the closing balance as per the cash book as on 31/03/2019, 31/03/2020, 31/03/2021 and 31/03/2022 respectively.

The Scrutiny of Grants account during audit is only to confirm the closing balance figures only. The audit of the Library Grants account is carried out by the Directorate of Art and Culture, Panaji-Goa.

6. TAXES

The year-wise statement showing the arrears Current Demand, Collection and Balance is as under:

Name of the Tax	Amount in ₹				
	Arrears	Current Demand	Total	Collection	Balance
a. House Tax	2,80,629.00	2,59,507.00	5,40,136.00	2,54,807.00	2,85,329.00
b. Light Tax	15,692.00	11,567.00	27,259.00	11,169.00	16,090.00
c. Professional Tax	5,69,607.00	7,43,983.00	13,13,590.00	3,26,190.00	9,87,400.00
d. Cycle Tax	5,553.00	295.00	5,848.00	-	5,848.00
e. Hoarding/Advt, Tax	1,190.00	1,470.00	2,660.00	1,470.00	1,190.00
Total	8,72,671.00	10,16,822.00	18,89,493.00	5,93,636.00	12,95,857.00

Year 2019-20

Amount in ₹

Name of the Tax	Arrears	Current Demand	Total	Collection	Balance
a. House Tax	2,85,329.00	3,55,992.00	6,41,321.00	3,09,702.00	3,31,619.00
b. Light Tax	16,090.00	12,036.00	28,126.00	12,328.00	15,798.00
c. Professional Tax	9,87,400.00	7,73,513.00	17,60,913.00	5,84,899.00	11,76,014.00
d. Cycle Tax	5,848.00	295.00	6,143.00	-	6,143.00
e. Hoarding/Advt. Tax	1,190.00	1,470.00	2,660.00	30.00	2,630.00
f. Commercial Buil.Tax	-	13,720.00	13,720.00	13,720.00	-
Total	12,95,857.00	11,43,306.00	24,39,163.00	9,06,959.00	15,32,204.00

Year 2020-21

Amount in ₹

Name of the Tax	Arrears	Current Demand	Total	Collection	Balance
a) House Tax	3,31,619.00	3,69,623.00	7,01,242.00	5,03,709.00	1,97,533.00
b) Light Tax	15,798.00	12,587.00	28,385.00	20,406.00	7,979.00
c) Professional Tax	11,76,014.00	9,04,763.00	20,80,777.00	5,95,070.00	14,85,707.00
d) Cycle Tax	6,143.00	295.00	6,438.00	-	6,438.00
e) Hoarding/Advt. Tax	2,630.00	1,470.00	4,100.00	2,880.00	1,220.00
f) Commercial Buil.Tax	-	6,720.00	6,720.00	6,720.00	-
g) Garbage Tax	-	730.00	730.00	730.00	-
Total	15,32,204.00	12,88,738.00	28,20,942.00	11,22,065.00	16,98,877.00

Year 2021-22

Amount in ₹

Name of the Tax	Arrears	Current Demand	Total	Collection	Balance
a) House Tax	1,97,533.00	3,86,724.00	5,84,257.00	3,87,184.00	1,97,073.00
b) Light Tax	7,979.00	12,945.00	20,924.00	9,701.00	11,223.00
c) Professional Tax	14,85,707.00	9,75,188.00	24,60,895.00	7,18,511.00	17,42,384.00
d) Cycle Tax	6,438.00	295.00	6,733.00	-	6,733.00
e) Hoarding/Advt. Tax	1,220.00	1,470.00	2,690.00	-	2,690.00
f) Commercial Buil.Tax	-	6,720.00	-	6,720.00	-
g) Garbage Tax	-	5,60,925.00	5,60,925.00	5,60,195.00	730.00
Total	16,98,877.00	19,44,267.00	36,36,424.00	16,82,311.00	19,60,833.00

The Panchayat has collected an amount of ₹ 5,93,636 /- in 2018-19, ₹ 9,06,959/- in 2019-20, ₹ 11,22,065/- in 2020-21 and ₹ 16,82,311/- in 2021-22 towards the various taxes, which is 31.42%, 37.18%, 39.78% and 46.26%, respectively, of total demand for the respective year.

Above percentages of collection of taxes indicate that the action of the Panchayat in respect of collection of taxes is very casual. Despite of observations raised in previous audits, the Panchayat failed to give due attention in collecting of revenue as well as accumulated arrears. The efforts of Village Panchayat has failed to recover the taxes as the taxes amounting to ₹ 19,60,833/- were outstanding as on 31/03/2022.

Further, as per Sub-Section (3) of Section 154 of the Goa Panchayat Raj Act, 1994, Village Panchayat is 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 revised for years together. It was also noticed that the assessment of House Tax was not done for year together.

Therefore, the Village Panchayat is required to take immediate action for re-assessment & recovery of all outstanding taxes along with the prescribed penalty from the defaulters.

7. RENT

The Panchayat has leased out 01 of its premises on rental basis to Telephone Exchange BSNL. The year-wise details of the rent collection are as follows:

Amount in ₹

Year	Name of Premises	Arrears	Current Demand	Total	Collection	Balances
2018-19	Telephone Exchange BSNL	15,940.00	34,920.00	50,860.00	17,460.00	33,400.00
	Total	15,940.00	34,920.00	50,860.00	17,460.00	33,400.00
2019-20	Telephone Exchange BSNL	33,400.00	34,920.00	68,320.00	33,619.00	34,701.00
	Total	33,400.00	34,920.00	68,320.00	33,619.00	34,701.00
2020-21	Telephone Exchange BSNL	34,701.00	34,920.00	69,621.00	43,511.00	26,110.00
	Total	34,701.00	34,920.00	69,621.00	43,511.00	26,110.00
2021-22	Telephone Exchange BSNL	26,110.00	34,920.00	61,030.00	-	61,030.00
	Total	26,110.00	34,920.00	61,030.00	-	61,030.00

The Panchayat has collected an amount of ₹ 17,460/- in 2018-19, ₹ 33,619/- in 2019-20, ₹ 43,511/- in 2020-21 and ₹ 0/- in 2021-22 towards the rent, which is 33.14%, 49.20%, 62.49% and 0%, respectively, of total demand for the respective year.

Above percentages of collection of rent indicate that the action of the Panchayat in respect of collection of rent is very casual. Despite of observations raised in previous audits, the Panchayat failed to give due attention in collecting of revenue as well as accumulated arrears. The Village Panchayat has failed to recover the rent as the rent amounting to ₹ 61,030/- were outstanding as on 31/03/2022. Further, agreement executed with the rent payer has not been

furnished to the audit for verification due to which audit could not ascertain the terms and condition of agreement executed by the village panchayat.

8. CONSTRUCTION ACTIVITIES

I) CONSTRUCTION LICENCES:

V.P Sarpanch certified:

That Panchayat has issued four construction licenses within its jurisdiction vide certificate No. V.P./MOR/PER/CERT./2021-22/2101 dated 31-03-2022 during the year 2018-19 and collected ₹ 25,863 /-

That Panchayat has issued eighteen construction licenses within its jurisdiction vide certificate No. V.P./MOR/PER/CERT./2021-22/2107 dated 31-03-2022 during the year 2019-20 and collected ₹ 72,082/-

That Panchayat has issued six construction licenses within its jurisdiction vide certificate No. V.P./MOR/PER/CERT./2021-22/2109 dated 31-03-2022 during the year 2020-21 and collected ₹ 8,707/-

That Panchayat has issued eleven construction licenses within its jurisdiction vide certificate No. V.P./MOR/PER/CERT./2021-22/2111 dated 31/03/2022 during the year 2020-21 and collected ₹ 1,92,281/-

ii) ILLEGAL CONSTRUCTION

V.P Sarpanch certified vide Certificate No. V.P./MOR/PER/CERT./2021-22/2100 dated 31/03/2022 vide Certificate No. V.P./MOR/PER/CERT./2021-22/2108 dated 31/03/2022 vide Certificate No. V.P./MOR/PER/CERT./2021-22/2110 dated 31/03/2022 certified vide Certificate No. V.P./MOR/PER/CERT./2021-22/2112 dated 31/03/2022 that panchayat had detected illegal construction cases within its jurisdiction during the year 2018-19, 2019-20, 2020-21 and 2021-22 respectively. The details of illegal construction cases pending are as follows:

Year 2018-22

1) Nos. of Illegal Construction cases on 01/04/2018	290
2) Illegal Construction cases detected during the period 2018-22	118
3) Nos of illegal construction cases settle/ disposed during the period 2018-22	-
Total cases pending for settlement upto 31/03/2022	408

There were 408 cases of illegal constructions in the Village Panchayat as on 31/03/2022. The village Panchayat failed to dispose off/settle any of the illegal construction case during the period 2018-22.

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 Village Panchayat's permission. Non-regularization of above illegal constructions resulted in loss of revenue of the Panchayat. The Village Panchayat should take immediate action in the matter.

Action taken and result thereof may be intimated to audit.

9. REFUND OF E.M.D AND SECURITY DEPOSITS:

It was observed during audit that the Village Panchayat had a balance of ₹ 11,92,515/- as E.M.D and ₹ 10,51,557/- as Security Deposits as on 31/03/2022, which includes EMD's and Security Deposits unclaimed for more than 3 years.

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 /Security Deposits which is lying with the Panchayat for more than three years. If not, then the unclaimed EMD's and Security Deposits lying with Panchayat more than three years may be treated as lapsed deposits and accordingly forfeited to the Panchayat account as revenue of Village Panchayat.

10. EXCESS EXPENDITURE OVER BUDGET ESTIMATE

Village Panchayat has incurred excess expenditure over budget estimate. However, it was observed that no approval for the same has been found obtained from the Competent Authority. The details of excess expenditure incurred over budget provisions are as under:

Year	Expenditure Head	Budget Estimate in ₹	Actual Exp in ₹	Excess in ₹
2018-19	Administration	28,00,000.00	30,03,761.00	2,03,761.00
2019-20	Libraries	23,000.00	26,627.00	3,627.00
	Rural Sanitation	5,000.00	7,71,581.00	7,66,581.00
	Miscellaneous	7,00,000.00	11,52,662.90	4,52,662.90
2020-21	Miscellaneous	15,00,000.00	15,55,227.85	55,227.85
2021-22	Miscellaneous	31,40,000.00	35,36,938.77	3,96,938.77

Necessary ex- post facto approval for incurring the expenditure excess over the budget estimate may be obtained from the Competent Authority. The action taken in this regard will be verified in the next audit.

11. EXCESS EXPENDITURE OVER PRESCRIBED LIMIT

The Goa Panchayat Raj (Application of Panchayat and Zilla Panchayat Funds) (Condition and Limitation) (Second amendment) Rules 2020 laid down the limits of expenditure to be incurred from the Panchayat Fund or Zilla Panchayat Fund. It was observed that the Village Panchayat has incurred expenditure more than the prescribed limit in year 2021-22. The details of the same are as under:

SNo.	Expenditure Details	Prescribed Limit in ₹	Expenditure incurred in ₹
1	Greeting /Advertisement	10,000.00	1,11,342.00
2	Advocate fees	1,00,000.00	5,31,500.00

The necessary approval from competent authority for incurring excess expenditure over prescribed limit has not found obtained by the Village Panchayat.

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.

As informed by the Secretary, the panchayat has provided for the Reserve fund for staff retirement benefits from 2019 onwards and the amount is in Bank of Baroda, Morjim branch A/c no. 04920100006444. However, audit could not ascertain the said fund is for staff retirement benefits only.

The Secretary should ensure that the amount available in the above account is utilized for the purpose of payment of contributory provident fund, pensionary benefits etc. to the staff working in village panchayat only and same is to be maintained as "Reserve fund for staff retirement benefits Account".

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

13. 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 although observation on the same has been raised in previous audits. It may be noted that as per under rules 4(3) of the Goa Panchayat (Accounts, Audit and Custody of Funds) Rules, 1997, the Secretary shall furnished a security in such form and for such amount as may be specified by Director. Further, 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.

The Panchayat Secretary should take immediate action for furnishing security. Action taken by Panchayat Secretary in this regard will be verified during next audit.

14. IRREGULARITIES IN EXECUTION OF WORKS

The Panchayat has undertaken and paid for works executed under Panchayat Fund and GIA fund etc. during the period from 01.04.2018 to 31.03.2022 as per the statement of works submitted to audit. The relevant work files were checked during the course of audit the following are observed in general for guidance.

1. Envelopes containing the tender papers are not numbered serially. It may be ensured in future that all envelopes should be numbered serially in red ink pen and same number should record on the tender documents after opening. Corrections/Cancellations/Over writings, if any, should be recorded in the schedule and initialed by the person witnessing the opening of tender.
2. Excess /Saving statements for the excess expenditure or saving were not enclosed to final bill wherever required.
3. The work order issued in a simple letter form. The same should be issued in from 10 or 11 as the case may be, as per CPWD Manual. The work order should be contained the percentage quoted, estimated Cost, the tendered amount and period allowed to complete the must be part of the works orders. Also stipulated date of commencement and completion must be worked out and entered at bottom left hand side of the work order. This will facilitate to find out the delays in starting and competing the work and working of fines on delay period etc.
4. The village panchayat has executed 5 works of erection of streetlight poles and 1 work of Shifting of overhead lines in year 2021-22. However, it was observed that the contractors has been paid full without recovery of statutory deductions such as Security deposit, income tax, GST, Labour cess etc from the bill. Non- recovery of statutory deductions from the contractor's bill resulted in violation of provisions rules and undue financial benefits to the contractors. The same is to be recovered and remitted into the Government treasury under concerned head of account. The action taken in this regard will be verified in next audit.
5. Revised rates of taxes, ie towards Income Tax, Royalty, Labour Cess, and GST may be watch time to time and accordingly recovered from the contractors'

bill and remit to Government treasury with in stipulated time. However, it was observed that such deductions are not remitted on Government accounts in stipulated time.

6. The some of the work orders were issued to contractors without execution of agreement between the Panchayat and the contractor. The Village Panchayat has failed to execute agreement in CPWD Form No. 7 in case of Percentage rate tender and Form No. 8 in case of item rate. Further, in some works agreements found to incomplete with filing the details of the tender and without signature of the Sarpanch and the contractor. The payment of released without execution of agreement is against CPWD provisions which is unacceptable.
7. The completion certificate has not been found recorded on bills. The same may be recorded as per the prescribed format of CPWD Manual.
8. The performance guarantee @ 5% of the tendered value was not obtained from the contractors before commencement of work. The letter for commencement of work shall be issued to the contractor only after he submits the performance guarantee in an acceptable form. If contractor fails to furnish the prescribed performance guarantee within the prescribed period the earnest money is absolutely forfeited to the Panchayat.

15. UNAUTHORIZED EXPENDITURE ON COURT MATTERS

It was observed that in year 2019-20 village panchayat has paid ₹ 79,971/- (vide voucher No. 517, dated 12/03/2020, ₹ 20,000/- towards the legal fees for attending NGT court at new Delhi and vide voucher No. 518, dated 12/03/2020 ₹ 59,971/- towards the travelling, accommodation and other miscellaneous charges) to Adv. Prasad K. Shahapurkar. However, no approval/sanction of the competent authority to incur the above expenditure has been obtained, resulted in unauthorized expenditure of ₹ 79,971/-

Further, claim of Shri. Shahapurkar for ₹ 59,971/- has not been supported by any documentary evidence. In absence of any documentary evidence, the audit could not ascertain the authenticity of claim made by Shri. Shahapurkar. The Secretary should ensure that the necessary supporting documents are obtained from Adv. Shahapurkar, failing which entire amount of ₹ 59,971/- is required to be recovered.

In year 2021-22, village panchayat vide voucher No. 777 has paid ₹ 27,000/- to Adv. Ganesh Naik, in High Court matter, however, no approval/sanction of competent authority for the payment of the same has been obtained by the village.

Action taken in this regard will be verified in next audit.

16. FINANCIAL POSITION OF THE PANCHAYAT DURING THE YEAR 2018-22

The Panchayat had an amount of ₹ 94,14,167.70 as on 31/03/2019, ₹ 1,09,74,413.50 as on 31/03/2020, ₹ 1,20,42,319.70 as on 31/03/2021 and ₹ 67,64,166.60 as on 31/03/2022, in their Panchayat Fund Account. This shows that the financial position of the Panchayat was strong during the period 2018-22. It has shown downward trend during the period 2021-2022 as Panchayat fund of ₹ 1,20,42,319.70 as on 31/03/2021 reduced to ₹ 67,64,166.60 as on 31/03/2022. The Panchayat should make sincere efforts to recover the amount of arrears of Taxes / Rents along with prescribed penalty from the defaulters to avail the benefits of matching Grants sanctioned by the Directorate of Panchayat and to further strengthen the financial position of the Panchayat.

17. MAINTENANCE OF BOOKS OF ACCOUNTS

On the last working day of the month the Panchayat Secretary should record a certificate in the cash book to the effect that cash on hand has been physically verified and closing balance agrees both with cash in hand and cash in bank as verified from the Pass Book Certificate. However, during the course of audit, it is observed that such certificate is pasted to the cash book. The same is not permitted. The Panchayat Secretary should ensure that there is no such practice in future.

No white ink shall be used for correction in any account books. Corrections shall be made, if required, in red ink by drawing a line through the wrong entry and writing the correct figure in a nearby space. All such corrections shall be properly attested by the Secretary and the Sarpanch.

18. MONTHLY AND ANNUAL ACCOUNTS

As per rule 21 of the Goa Panchayat (Accounts, Audit and Custody of Funds) Rules, 1997, 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. However, it is observed that statements are pasted to the Register which is not acceptable. The Panchayat Secretary should ensure that there is no such practice in future and the B.D.O. should issue necessary instructions in this regard to all the Panchayat Secretaries under his jurisdiction.

19. NON-REMITTANCE OF STATUTORY DEDUCTIONS IN GOVERNMENT TREASURY

The statutory deduction like income tax, VAT(Sales Tax) Royalty, GST and Labour cess deducted from the contractor's bill for execution various Village Panchayat works have not been remitted in the Government Treasury under appropriate Head of Accounts within the prescribed time limit. The year-wise un-remitted statutory deductions are as under:

Statutory Deductions	Amount in ₹			
	2018-19	2019-20	2020-21	2021-22

Income Tax	16,307.00	14,849.00	16,307.00	16,307.00
Vat (Sales Tax)	14,849.00	7,969.00	14,849.00	14,849.00
Royalty	7,969.00	2.00	18,956.00	15,420.00
TCS on Royalty	2.00	99,137.00	2.00	2.00
Labour Cess	325.00	325.00	34,220.00	90,381.00
Edu. Cess	163.00	163.00	325.00	325.00
Sec. & Higher Sec. Cess	8,963.00	8,963.00	163.00	163.00
CGST	8,963.00	8,963.00	16,606.00	26,402.00
SGST	16,307.00	14,849.00	16,606.00	26,402.00

Above statement reflects the irresponsible trend in timely remittance of the statutory deductions. The Panchayat Secretary should take immediate action in this regard to avoid fines/penalties from the concerned Departments.

20. APPLICABILITY OF PANCHAYATI RAJ ACCOUNTING SOFTWARE (PRIASOFT)

The Accounts maintained by the Village Panchayat and statements furnished by the Village Panchayat for audit were erroneous due to error of omission, error of commission, error of compensation etc. In the view of above, it is suggested for implementation of computerized accounting and therefore, applicability of **Panchayati Raj Accounting Software (Priasoft)** may be ascertained in order to bring transparency and accountability in the maintenance of accounts.

21. ANNUAL ACTION PLAN

As per section 238 of Goa Panchayat Raj Act, 1994 the VP is required to submit their annual action plans to the Zilla Panchayat, who is in turn would consolidate and forward the same to District Planning Committees for the development work to be undertaken during the next financial year. Further, Government of Goa has framed Rules under Goa Panchayat (Constitution, Power and Functions of Ward Development Committees and preparation of Annual Development Plan) Rules, 2008 so as to guide the Village Panchayats in preparation of Annual Action Plans.

In this connection, it was 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.

22. 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.

However, it has been observed that the monthly and quarterly Gram Sabha meetings were taken regularly but as informed by the secretary neither Supervisory Committee nor Vigilance Committee found functioning during the period.

23. FAILURE TO CONDUCT ANY INSPECTION BY B.D.O./E.O.V.P

As per the order No. 19/DP/4(5)/Staff/17-18/2840 dated 30/04/2018, the Block Development Officer (BDO) should conduct at least 2 inspections and Extension officer VP (EOVP) should conduct at least 3 inspections of the Village Panchayat.

The year wise inspections conducted by BDO and E.O.(VP) are as under:

Year	No. of Inspections			
	B.D.O.		E.O.(VP)	
	Required	Carried	Required	Carried
2018-19	2	---	3	---
2019-20	2	---	3	---
2020-21	2	---	3	---
2021-22	2	---	3	---

Above statement reveals that the B.D.O. and as well as E.O.V.P. have not conducted any inspection during the period 2018-22. Further, B.D.O. Pernem has failed to give proper justification for non compliance of above requirements. The matter is viewed seriously as Shri. Manesh Kedar, B.D.O. Pernem, signed on the blank Forms Regarding Inspection of Village Panchayat issued by Directorate of Accounts to produce the same to Audit team at the time of Audit of the Panchayat.

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.

24. GENERAL

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.

- a) As per Section 113 (1) of the act, the salary and allowances of the Secretary shall be drawn from the Panchayat funds.
- b) 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.
- c) 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. Meticulous 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 Morjim**. The office of the Directorate of Accounts disclaims responsibility for any misrepresentation and non information on the part of auditee.



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