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19/1/24



Government of Goa  
"Kautilya" Lekha Bhavan  
Directorate of Accounts

Penha De Franca, Alto Porvorim, Bardez-Goa - 403521

No. DA/Control/31-5(II)/2023-24/TR-474/383

Date: 10.01.2024

To,  
The Director,  
Directorate of Panchayats,  
Panaji-Goa.

Block Development Office Pernem
Inward No. 500
Date 18/01/2024
Section BOV
Signature

**Sub:- Audit Report on the account of the Village Panchayat "Morjim" of Pernem Block for the year 2022-2023 conducted during the year 2023-2024.**

Sir,

A copy of the Audit Report on the account of the Village Panchayat "Morjim" of Pernem Block for the year 2022-2023 is enclosed herewith for information and necessary action at your end.

A copy of the said reports is also sent to the respective Block Development Officer, for the needful.

Despite recording the observations during the last inspection report, compliance to the previous audit observations has been neglected. Rigorous efforts should be made to comply with the audit observations and compliance report should be submitted to audit without further delay.

Yours faithfully,

(Dilip K. Humraskar)  
Director of Accounts

Copy to:-

1. The Chief Executive Officer, North Goa Zilla Panchayats, Panaji.....via email
- ✓ 2. The Block Development Officer, Pernem-Goa.....with a request to send a copy of the report to the concerned Village Panchayat, for due compliance.
3. DDA/Inspection (HQs)
4. Office of the Accountant General, Audit Bhavan "Green Valley", Alto Porvorim-Goa.....via email
5. Office copy
6. Guard file

**AUDIT REPORT OF ACCOUNTS OF THE VILLAGE  
PANCHAYAT "MORJIM" IN PERNEM BLOCK  
FOR THE YEAR 2022-23**

**PART-I**

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

<b>Sr.No</b>	<b>Name of the Sarpanch</b>	<b>From</b>	<b>To</b>
1.	Mrs. Vaishali Shetgaonkar	01-04-2022	28/04/2022
2.	Shri. Amit V. Shetgaonkar	29/04/2022	08/05/2022
3.	Mrs. Vaishali Shetgaonkar	09/05/2022	18/06/2022
4.	Shri. Krishna T. Gadkar (Administrator)	19/06/2022	21/08/2022
5.	Mrs. Surekha A. Shetgaonkar	22/08/2022	19/03/2023
6.	Shri. Pavan R. Mone	20/03/2023	31/03/2023

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

<b>Sr.No</b>	<b>Name of the Secretary</b>	<b>From</b>	<b>To</b>
1.	Mr. Mahesh Dhargalkar	01-04-2022	27/04/2022
2.	Mr. Akhil L. Maralkar	28/04/2022	08/05/2022
3.	Mr. Mahesh Dhargalkar	09/05/2022	20/06/2022
4.	Mr. Rupesh R. Kalangutkar	21/06/2022	29/06/2022
5.	Mr. Mahesh Dhargalkar	30/06/2022	03/07/2022
6.	Mr. Pramod M. Naik	04/07/2022	31/03/2023

**C. Names & Designation of audit parties**

<b>Sr.No</b>	<b>Names of the audit parties</b>	<b>Designation</b>
1	Shri. Deepak K. Velip	Dy. D.A./Insp.
2	Shri. Tushar Y. Manjrekar	A.A.O.
3	Shri. Shekhar Tari Khorjuvekar	Accounts Clerk
4	Shri. Sadanand Surlekar	Accounts Clerk

**D. Date of Audit:-** From :- 21/08/2023 to 23/08/2023

**E. Period of Audit:-** From:- 01/04/2022 to 31/03/2023

**PART - II - INTRODUCTORY**

The audit of Accounts of the **Village Panchayat Morjim** in Pernem Block for the year 2022-23 was conducted from 21/08/2023 to 23/08/2023 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 details of the grants sanctioned are given below:

<b>Year 2022-23</b>		
<b>Sr.No.</b>	<b>Type of Grants</b>	<b>Amount in ₹</b>
<b>Administrative Grants</b>		
1.	V.P. Member Salary	495900.00
2.	Matching Grants	450000.00
<b>Development Grants</b>		
3.	XV th Fin Com.	2077340.00
	Bank Interest	186332.00
<b>Total</b>		<b>3209572.00</b>

### 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

##### **Receipts and Expenditure of Village Panchayat**

Year	Receipt Amount in ₹	Expenditure Amount in ₹
2022-23	₹ 22143995.33	₹19393143.93

**II) Total Funds/deductions available with the Panchayat are as detailed below:**

<b>Year 2022-23</b>		
<b>Sr. No.</b>	<b>Total Funds/deductions as on 31/03/2022</b>	<b>Amount in ₹</b>
1.	Government Grants	11940660.00
2.	DRDA Grants	-
3.	Library Grants	1650.25
4.	E.M.D. Works	622253.46
5.	E.M.D. Shacks/huts	709000.00
6.	S.D.	1410306.00
7.	Income Tax	36827.00

Grants by  
are  
(Budget)

8.	Vat (Sales Tax)	14849.00
9.	Royalty	42084.00
10.	TCS on Royalty	2.00
11.	Labour Cess	4213507.00
12.	Edu. Cess	476.00
13.	Sec. & Higher Sec. Cess	163.00
14.	CGST	8963.00
15.	SGST	8963.00
16.	Panchayat Fund	3284480.05
<b>Total</b>		<b>222,94,183.76</b>

### III) DETAILS OF UTILIZED / UNUTILIZED GRANTS

The statement showing details of grants are as follows:-

**Year 2022-23**

**Amount in ₹**

S N	Name of Grants	Opening Balance	Amt Sanctioned	Amt. Utilized	Amt. Refunded	Closing Balance
1	V.P. Mem Salary	-	495900.00	495900.00	--	--
2	Matching Grants	-	450000.00	450000.00	--	--
3	XIV th Fin Com.	-				
4	XV th Fin Com.	34,72,441.00	2077340.00	660200.00	--	5075913.00
	Bank int/com		186332.00	--		
5	GIA Dev. Grants	9,60,443.00	--	--	--	960443.00
6	Other Grants Wom & Child Dev.	6,450.00	--	--	--	6450.00
7	60 yrs Lib Celebration Grants	16,765.00	--	--	--	16765.00
8	Special Grants	8,81,089.00	--	--	--	881089.00
9	Spcl.Grants for 60 yrs Lib.	50,00,000.00	--	--	--	5000000.00
<b>Total</b>		<b>10337188.00</b>	<b>3209572.00</b>	<b>1606100.00</b>	<b>--</b>	<b>11940660.00</b>
<b>RDA</b>						
1.	MGNREGA	6393.00	--	--	6495.30	--
	Bank interest		120.00	17.70	--	--
<b>Total</b>		<b>6393.00</b>	<b>120.00</b>	<b>17.70</b>	<b>6495.30</b>	<b>--</b>
2.	Library Grant	1261.35	--	--	--	1650.25

Interest		442.00	53.10	--	
<b>Total</b>	<b>1261.35</b>	<b>442.00</b>	<b>53.10</b>		<b>1650.2</b>

### III) BUDGET ESTIMATE AND ACTUAL

#### A) INCOME

Amount in ₹

Year	Original budget Estimate	Revised Budget Estimate	Actual Income	Short/Excess
2022-23	19600000.00	--	22143995.33	2543995.33 (E)

#### B) EXPENDITURE

Amount in ₹

Year	Original Budget Estimate	Revised Budget Estimate	Actual Expenditure	Short/Excess
2022-23	21050000.00	--	193931143.93	-1656856.07 (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
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

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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.
2016-17	01	-	01	Para-9- Excess expenditure Over prescribed limit.
2017-18	03	01	02	Para-3- Rent: Maintenance of Form VII/VIII Para-8- Excess expenditure beyond prescribed limit.

2018-22	24	20	04	Para – 01- Cashbook ( Other irregularities ) Para-10- Excess Expenditure over Budget Estimate. Para-11- Excess Expenditure over Prescribed limit. Para-15- Unauthorised Expenditure on court matters. Remaining 20 paras are dropped and commented in current audit wherever required.
<b>Total</b>	<b>51</b>	<b>21</b>	<b>30</b>	

The village panchayat has not submitted appropriate replies to 04 paras of year 2019-22 and remaining 20 paras are dropped and commented in current audit wherever required.

The pendency of 30 outstanding audit paras 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 **31/03/2023**.

1	Closing balance as per BOB A/c. No. 175	₹4477618.97	
	Less: Cheque issued but not realised	₹ 45000.00	
	Less: Cheque issued but not realised	₹ 19470.00	
		₹4413148.97	
	Closing balance as per the Cash book		₹ 4413148.97
2	Closing balance as per BOB A/c. No. 444	₹ 2618814.95	
	Closing balance as per the Cash book		₹ 2618814.95
3	Closing balance as per BOB A/c. No. 784	₹ 2283.75	
	Closing balance as per the Cash book		₹ 2283.75
4	Closing balance as per BOB A/c. No. 458	₹ 6151.25	
	Closing balance as per the Cash book		₹ 6151.25
5	Closing balance as per BOB A/c. No. 040	₹ 271563.05	

Closing balance as per the Cash book		₹ 271563.05
6	Closing balance as per BOB A/c. No. 352	₹ 221635.55
Closing balance as per the Cash book		₹ 221635.55
7	Closing balance as per BOB A/c. No. 084	₹ 0
Closing balance as per the Cash book		₹ 0
8	Closing balance as per BOB A/c. No. 464	₹ 5456.00
Closing balance as per the Cash book		₹ 5456.00
9	Closing balance as per BOB A/c. No. 259	₹ 9635.00
Closing balance as per the Cash book		₹ 9635.00
10	FDR's BOB,	
	1) A/c. No. 646	₹ 746494.00
	2) A/c. No. 647	₹ 746495.00
	3) A/c. No. 648	₹ 746496.00
	4) A/c. No. 649	₹ 298596.00
	5) A/c. No. 650	₹ 298596.00
	6) A/c. No. 651	₹ 149298.00
		₹ 2985979.00
Closing balance as per the Cash book		₹ 2985979.00
11	Closing balance as per ICICI Bank A/c. No. 559	₹ 1602584.04
Closing balance as per the Cash book		₹ 1602584.04
12	Closing balance as per ICICI Bank A/c. No. 112	₹ 5060379.50
Closing balance as per the Cash book		₹ 5060379.50
13	Closing balance as per State Bank of India A/c. No. 0755	₹ 5075913.00
Closing balance as per the Cash book		₹ 5075913.00
14	Cash in hand	₹ 20639.70
<b>Closing balance as per the Cash book as on 31/03/2023</b>		<b>₹ 22294183.76</b>

After verification of the above bank closing balances as per the Cash and the closing balances as per the Bank Pass Book as on **31/03/2023**, the following irregularities were found during the course of audit:-

Sr. No	Receipt/Voucher No.	Actual Amt.	Amt. shown in the cash book	Difference
1	751/44	₹ 1136.00	₹ 1134.00	₹ 2.00(S)
2	751/58	₹ 846.00	₹ 840.00	₹ 6.00(S)
3	764/96	₹ 7600.00	₹ 1600.00	₹ 6000.00
<b>Total short accounted amount</b>				<b>₹ 6008.00(S)</b>

- 1) The short accounted amount of ₹ 80/- during 2018-22 has not been accounted in cash book.

- 2) The short accounted amount of ₹ 6008/- during 2022-23 has not been accounted in cash book.
- 3) An amount of ₹ 590000/- has been paid to Shetye Enterprises vide voucher No 327, without deducting TDS.
- 4) Log book for Aactiva Scooter has not been maintained.
- 5) 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.
- 6) 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 31/03/2023 were as under:

S No.	Name of Grants	Un-Utilized Grants ₹
1.	GIA Grants	960443.00
2.	XV Finance Commission.	5075913.00
3.	Goa @ 60 Lib.cel. Grants	16765.00
4.	Goa @ 60 Lib. Dev. Grants	5000000.00
5.	Special Grants Women & Child	6450.00
6.	Special Grants	881089.00
7.	MGNREGA	--
8.	Library Grants	1650.25
<b>Total</b>		<b>11942310.25</b>

The Grants amounting to ₹ **11942310.25** remained un-utilized with Panchayat as on 31/03/2023. Further, MGNREGA Grants of ₹ 6495.30/-, 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.

Not been  
the voucher

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 in Excess by ₹ 2543995.33 in 2022-23 to the Budget Estimates.

The expenditure incurred was short by ₹ (-)1656856.07 in year 2022-23 to the Budget Estimates.

The above variations revealed that village Panchayat has failed to prepare realistic budget estimates for the year 2022-23.

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 2022-23

i)	Opening balance as on 01/04/2022	₹6393.00
ii)	Grants rec. during the year 2022-23	₹ 0
iii)	Add: Int. Accrued during the year 2022-23	₹ 120.00
iv)	Less: Expenditure incurred during the year 2022-23	₹ 0
v)	Less: Refunded during the year 2022-23	₹6495.30
<b>Closing balance as on 31/03/2023</b>		<b>₹ 0</b>

The above closing balances is found to be tallied with the closing balance as per the cash book as on 31/03/2023.

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. TAXES

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

Name of the Tax	Year 2022-23				
	Arrears	Current Demand	Total	Collection	Balance
a) House Tax	1,97,073.00	421923.00	618996.00	461808.00	157188.00
b) Light Tax	11,223.00	13012.00	24235.00	11631.00	12604.00
c) Professional Tax	17,42,384.00	976658.00	2719042.00	610390.00	2108652.00
d) Cycle Tax	6,733.00	--	6733.00	--	6733.00
e) Hoarding/Advt, Tax	2,690.00	1470.00	4160.00	90.00	4070.00
f) Commercial Buil.Tax	-	2082874.00	2082874.00	2082874.00	--
g) Garbage Tax	730.00	756945.00	757575.00	756845.00	730.00
h) EHN tax	--	208972.00	208972.00	208972.00	--
<b>Total</b>	<b>19,60,833.00</b>	<b>4461854.00</b>	<b>6422687.00</b>	<b>4132710.00</b>	<b>2289977.00</b>

The Panchayat has collected an amount of ₹4132710/- in 2022-23 towards the various taxes, which is 64.35% of the total demand for the year.

Above percentages of collection of taxes indicate that the action of the Panchayat in respect of collection of taxes is casual. Despite of observations raised in previous audits, the Panchayat failed to give due attention in collecting of revenue as well as accumulated arrears. An amount of ₹ 2289977/- was outstanding as on 31/03/2023.

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.

## 6. RENT

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

Amount in ₹

Year	Name of Premises	Arrears	Current Demand	Total	Collection	Balances
2022-23	Telephone Exchange BSNL	61030.00	34920.00	95950.00	70287.00	25663.00
	<b>Total</b>	61030.00	34920.00	95950.00	70287.00	25663.00

The Panchayat has collected an amount of ₹70287/- in 2022-23 towards the rent, which is 73.25%, of total the demand for the year.

Above percentages of collection of rent indicate that the action of the Panchayat in respect of collection of rent is casual. Despite of observations raised in previous audits, the Panchayat failed to give due attention in collecting of revenue as well as accumulated arrears. An amount of ₹ 25663/- was outstanding as on 31/03/2023. Further, agreement executed with the rent payer has not been furnished to the audit for verification due to which audit could not ascertained the terms and condition of agreement executed by the village panchayat.

## 7. CONSTRUCTION ACTIVITIES

### i) CONSTRUCTION LICENCES:

V.P Secretary vide certificate No. V.P./MOR/PER/CERT./2022-23/1952 dated 31/03/2023 certified that Panchayat has issued **45** Nos. of construction licenses/Permission within its jurisdiction during the year 2022-23 and collected ₹ 20,63,113/-

### ii) ILLEGAL CONSTRUCTION

V.P Secretary vide certificate No. V.P./MOR/PER/CERT./2022-23/1952 dated 31/03/2023 certified that the panchayat had detected illegal construction cases within its jurisdiction during the year 2022-23. The details of illegal construction cases pending are as follows:

#### Year 2022-23

1) Nos. of Illegal Construction cases on 01/04/2022	430
2) Illegal Construction cases detected during the year 2022-23	25
3) Nos of illegal construction cases settle/ disposed during the year 2022-23	03
<b>Total cases pending for settlement upto 31/03/2023</b>	<b>430</b>

There were 430 cases of illegal constructions in the Village Panchayat as on 31/03/2023. The village Panchayat has disposed off/settled 03 cases of illegal

construction during the period 2022-23 as per the records available. However, files in this regards were furnished to Audit for verification.

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.

#### **8. REFUND OF E.M.D AND SECURITY DEPOSITS:**

It was observed during audit that the Village Panchayat had a balance of ₹ 622253/- as E.M.D and ₹ 1410306/- as Security Deposits as on 31/03/2023, 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.

#### **9. 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.

#### **10. IRREGULARITIES IN EXECUTION OF WORKS**

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construct  
of  
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The Panchayat has undertaken and paid for works executed under Panchayat Fund and GIA fund etc. during the period from 01.04.2022 to 31.03.2023 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 be recorded on the tender documents after opening. Corrections/Cancellations/Over writings, if any, should be recorded in the schedule. Signatures of the Authorities involved in opening of the tender and the person witnessing the opening of tender may be obtained on the same.
2. The Performance Guarantee @ 5% of the tendered value has not been obtained from the contractors before commencement of work, thus allowing him undue financial benefits.
3. Excess /Saving statement must be enclosed in all cases. The same is required to ascertain whether revised Technical sanction is required or not and whether the items executed are not deviated beyond the permissible limit
4. The work order is 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.
5. CPWD Form-7/Form-8 had been kept in the file without entering the details of Contract and without signatures of Sarpanch and Contractor on each page of Form. The Secretary should ensure that the CPWD Form-7/Form-8 be duly completed in all respects and signed by Sarpanch and Contractor each page of Form.
6. Extension of time limit with/without levy of compensation has to be strictly granted based on the hindrance register kept on the site as per CPWD. However in many cases the Panchayat has failed to place extension of time limit in the concerned work files. Revised Technical Sanctions, Administrative Approvals and Expenditure Sanctions are also not found placed in the files in many cases.

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

#### **11. FINANCIAL POSITION OF THE PANCHAYAT DURING THE YEAR 2022-23**

The Panchayat had an amount of ₹ 3284480.05 as on 31/03/2023, in their Panchayat Fund Account. This shows that the financial position of the Panchayat has weakened during the year 2022-23. 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.

## **12. 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.

## **13. 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.

## **14. 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 un-remitted statutory deductions are as under:

Amount in ₹	
<b>Statutory Deductions</b>	<b>2022-23</b>
Income Tax	36827.00
Vat (Sales Tax)	14849.00
Royalty	42084.00
TCS on Royalty	02.00
Labour Cess	4213507.00

Edu. Cess	476.00
Sec. & Higher Sec. Cess	163.00
CGST	8963.00
SGST	8963.00

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.

#### **15. NON IMPLEMENTATION OF COMPUTERISED ACCOUNTING**

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 to implement computerized accounting in consultation with the Directorate of Panchayat, in order to bring transparency and accountability in the maintenance of accounts.

#### **16. 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.

#### **17. 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 a 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.

#### **18. 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.

Inspections conducted by BDO and E.O.(VP) are as under:

	Inspections	
	B.D.O.	E.O.(VP)
No. of Inspections	02	03
Dates of Inspections	14/12/2022 01/02/2023	12/10/2022 09/12/2022 14/03/2023

The required number of inspections are carried out by the E.O.(VP) and by the Block Development Officer.

#### **19. 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



**FORM**  
**(See Rule)**  
**Monthly / Annual / Account of Income and**

Particulars of Income	Amount	Particulars of Receipt	Amount
INCOME <span style="float: right;">B/F</span>			
1) Closing of the last Month/Year	1954332.36	5) Proceeds of other loans etc	—
Budget Head			
2) Grants from Govt.	2573240.00		
i) Special			
V.P. Salary 495900.00			
XV <sup>th</sup> Fin. Grant 2077340.00			
<u>2573240.00</u>			
ii) General	425000.00	6) Sale Proceeds	11000.00
Matching Grant 425000.00		Tender forms	
3) Other Grants	—		
i) Local Authorities			
ii) Private			
4) Proceeds of taxes fees etc under Sec. 153 of the Act.	8539780.00	7) Extraordinary Receipt	10594975.33
Taxes - 4132710.00			
Fees - 4407070.00			
<u>8539780.00</u>			
Total Receipts		Total Receipts	22143995.33
Grand Total		Grand Total	41687327.69

**SECRETARY**  
Village Panchayat Morjim  
Tal: Pernem-Goa.

## Expenditure of

## Panchayat for the year



Amount Particulars of Expenditure	Amount	Amount Particulars of Expenditure	Amount
EXPENDITURE		B/F	
1) Closing of the last Month/Year	—	6) Education and Culture	12328.00
Budget Head		7) Rural Housing	—
1) Administration	3502235.00	8) Drinking Water	—
		9) Poverty alleviation Programme	—
2) Sanitation Public Health and Family Welfare	2480907.00	10) Libraries	25499.00
		11) Rural Sanitation	—
3) Public Works	11065598.00	12) Construction and Maintenance of slaughter house and cattle pounds	—
		13) Miscellaneous	2210576.93
4) Planning and Development	—		
5) Social Welfare	96000.00		
		Expenditure Total	19393143.93
		Closing Balance	22294183.76
		Grand Total	41687327.69

SECRETARY  
Village Panchayat Morji  
Tal: Pernem-Goa.

**DETAIL OF THE BALANCE**

1	Bank of Baroda, Morjim	- V.P.F	00175	—	₹	4413148.97
2		- Staff Salary	06446	—	₹	2618814.95
3		- V.D.M. Salary	02784	—	₹	2243.75
4		- Library	02458	—	₹	6151.25
5		- Sci & Tech.	04040	—	₹	271563.05
6		- SP/BS	05352	—	₹	221635.55
7		- PYKA	05464	—	₹	5456.00
8		- GOLDEN	06259	—	₹	9635.00
9		- F.D.R.	—	—	₹	2385379.00
10	ICICI Bank, Mandrem			—	₹	5060379.00
11		- current a/c		—	₹	1602584.84
12	SBI, Bank - Morjim	- X.R. An		—	₹	5075413.00
13	Cash on hand			—	₹	20639.70
Total						₹ 22294183.76

**DETAILS OF FUNDS**

1.	Govt. Grants	₹	11940660.00
2.	Library Grant	₹	1650.25
3.	R.D.A. Grants Education cess	₹	476.00
4.	Sec. & Htg. Sec. Cess	₹	163.00
5.	E.M.D.	₹	622253.46
6.	E.M.D. for Shack/Huts	₹	703000.00
7.	Security	₹	1410306.00
8.	Labour Cess	₹	4213507.00
9.	Income Tax	₹	36827.00
10.	VAT (Sales Tax)	₹	14343.00
11.	Royalty	₹	42084.00
12.	TCS on Royalty	₹	2.00
13.	Any other SGST	₹	8963.00
14.	CST	₹	8263.00
15.	Panchayat Fund	₹	3284480.05
Total			₹ 22294183.76

Certified that the closing balance as shown in the account has been compared with that shown in the Cash Book, Bank Book and found to be correct.



Difference if any

*[Signature]*

SECRETARY

Village Panchayat Morjim  
Tal: Pernem-Goa.

The difference of Rs. \_\_\_\_\_  
Book is due to be the reason that \_\_\_\_\_

Between the Pass book and Cash

**CERTIFICATE**

I have examined the foregoing accounts and I have obtained all the information and explanation that I required and subject to the observation in the separate Audit Report/Note. I certify as a result of my audit, that in my opinion, these accounts were properly drawn up so as to exhibit a true and fair view of the State of Affairs of the Panchayat according to the best my information and explanations given to me and as shown by the books of the Panchayats.

*[Signature]*  
Deputy Director of Accounts/Insp.  
Government of Goa.