

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

**PART-I**

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

Sr.No	Name of the Sarpanch	From	To
1	Smt. Namrata N. Gawas	01/04/2022	20/06/2022
2	Shri. Dattatray Parab (Administrator)	21/06/2022	04/08/2022
3	Shri. Kalidas A. Gauns	05/08/2022	31/03/2023

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

Sr.No	Name of the Secretary	From	To
1	Shri. Hanumant S. Borkar	01/04/2022	12/03/2023
2	Shri. Mukund V. <i>(Signature)</i>	13/03/2023	31/03/2023

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

Sr.No	Names of the audit parties	Designation
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 :- 12/06/2023 to 14/06/2023

**E. Period of Audit:-**

From:- 01/04/2022 to 31/03/2023

**PART - II - INTRODUCTORY**

The audit of Accounts of the **Village Panchayat Navelim** in Bicholim Block for the year 2022-23 was conducted from 12/06/2023 to 14/06/2023 as per the Circular No. 30/7/75Fin(Bud) dated 21/08/1996 issued by Finance (Budget) Department, based on the records furnished by the Panchayat.

The **Village Panchayat, Navelim** was sanctioned following types of grants by various agencies for specific purposes. The details of the grants sanctioned are given below:

Year 2022-23

Sr.No.	Type of Grants	Amount in ₹
<b>Administrative Grants</b>		
1	Matching Grants	425000.00
2	Member salary	571500.00
3	Staff Salary	1400000.00
<b>Development Grants</b>		
4	XVth Finance Grants	924124.00
<b>Total</b>		<b>3320624.00</b>

### PART -III

The **Village Panchayat, Navelim** 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	5401478.08	6586331.70

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

Year 2022-23

Sr. No.	Total Funds/deductions as on 31/03/2022	Amount in ₹
1	Government Grants	10587482.00
2	DRDA Grants	157182.73
3	E.M.D.	214691.00
4	S.D.	419208.00
5	Income Tax	43758.00
6	Vat (Sales Tax)	60.00
7	Royalty	70510.00
8	TCS on Royalty	153.00
9	Labour Cess	539296.00
10	Edu. Cess	1404.00
11	Sec. & Higher Sec. Cess	649.00
12	CGST	23736.00
13.	SGST	23736.00
14	Panchayat Fund	2576014.71
<b>Total</b>		<b>14657880.44</b>

### III) DETAILS OF UTILIZED / UNUTILIZED GRANTS

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. Member Salary	10,000.00	571500.00	321512.00	--	259988.00
2	Staff Salary	7,57,738.00	1400000.00	1027439.00	--	1130299.00
3	Matching Grants	-	425000.00	425000.00	--	--
4	XIV th Fin Com.	8,65,990.00	--	212282.00	--	653708.00
5	XIth Fin Com.	17,748.00	--	--	--	17748.00
6	Garbage Grants	14,830.00	--	14830.00	--	--
7	GIA Dev. Grants	31,75,533.00	--	2187911.00	--	987622.00
8	GIPARD	10,000.00	--	--	--	10000.00
09	XV th Fin Com.	17,82,005.00	924124.00	181600.00	--	2524529.00
10	Covid-19 funds	7,360.00	--	3772.00	--	3588.00
11	60th Lib.day Dev.(AN)	50,00,000.00	--	--	--	5000000.00
<b>Total</b>		<b>11641204.00</b>	<b>3320624.00</b>	<b>4374346.00</b>	<b>--</b>	<b>10587482.00</b>
<b>RDA</b>						
1	MGNREGA	2397.70	--	--	2626.70	--
	Bank interest/ Charges		229.00			
2	SGRY	153112.73	--	414.00	--	157182.73
	Interest/com		4484.00			
<b>Total</b>		<b>155510.43</b>	<b>4713.00</b>	<b>414.00</b>	<b>2626.70</b>	<b>157182.73</b>

### III) VARIATION BETWEEN BUDGET ESTIMATE AND ACTUAL

#### A) INCOME

Amount in ₹

Year	Original budget Estimate	Revised Budget Estimate	Actual Income	Short/Excess
2022-23	139,59,500.00	----	5400478.08	8559021.92(E)

### B) EXPENDITURE

Amount in ₹

Year	Original Budget Estimate	Revised Budget Estimate	Actual Expenditure	Short/Excess
2022-23	210,38,000.00	----	65,86,331.70	1,44,51,668.30(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 on work
1973-74	01	---	01	Ex-post sanction
1980-81	01	---	01	Para on work
1981-82	01	---	01	Para on grants/work
1982-83	01	---	01	Para on work
1983-84	01	---	01	Para on grants/work
1986-87	01	---	01	Para on work
1987-88	01	---	01	Para on work
1990-91	01	---	01	Para on work
1993-94	01	---	01	Para on work
1994-95	01	---	01	Para on work
1996-97	01	---	01	Para on land acquisition
1997-98	01	---	01	Para on work
2004-05	01	---	01	Para on Financial
2010-11	04	---	04	Para-10- Excess Expenditure Para-13-Irregular expenditure from 2007 to 2010 Para-14-Purchase of electrical material from 2007-10 Para-15- Departmental work for year 2010-11
2011-12	03	---	03	Para-6- Excess expenditure over budget Para-8-Irregular expenditure Para-9- Departmental work
2015-16	01	---	01	Para-7- Excess expenditure over budget
2016-17	01	---	01	Para-15- Works- point no.(i)

2017-18	02	--	02	<b>B II other Irregularities</b> ii) Cancelled receipts not attested by Sarpanch and Secretary. v) Non-collection of Jatra fee by deputing panchayat staff. vi) Expenditure on advertisement for birthday wishes to MLA on his birthday. <b>Para-17-</b> General- a) Inspections carried by B.D.O/E.V.O.P.
2018-22	21	19	02	<b>Para-4-</b> Excess Expenditure over Budget Estimate <b>Para-20-</b> General- a) Inspections carried by B.D.O/E.V.O.P.  Remaining 19 paras are dropped and commented in the current audit wherever required.
<b>Total</b>	<b>46</b>	<b>19</b>	<b>27</b>	

The Village Panchayat has not submitted appropriate replies to 2 paras of year 2022-23 and remaining 19 paras are dropped and commented in current audit wherever required.

The pendency of 27 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 audits, not a single outstanding para has been got dropped by the village panchayat, in fact, even no efforts were made to comply the outstanding paras. 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 Bicholim Urban Co-op. Bank A/c no. 4505	₹74206.00	
Closing balance as per the Cash book			₹74206.20
2	Closing Balance as per Goa State Co-op. Bank A/c no. 60	₹13421.00	

Closing balance as per the Cash book		₹13421.90
3	Closing Balance as per Syndicate Bank A/c no. 26290 ₹18940.45	
Closing balance as per the Cash book		₹18940.45
4	Closing Balance as per Syndicate Bank A/c no. 28609 ₹157182.73 Add: Interest received but not Accounted in Cashbook ₹ 0.02 ₹ 157182.75	
Closing balance as per the Cash book		₹ 157182.75
5	Closing Balance as per Syndicate Bank A/c no. 85966 ₹ 11564892.56 Less: Cheque issued but not Realized in bank ₹ 29334.00 Less: Cheque issued but not Realized in bank ₹ 3300.00 Add: Cheque deposited but not Realized in bank ₹ 62320.00 Add: Cheque issued but not accounted in cash book ₹ 1,500.00 ₹ 11596078.56	
Closing balance as per the Cash book		₹ 11596078.56
6	Closing balance as per State Bank of India A/c no. 80504 ₹ 939075.00	
Closing balance as per the Cash book		₹ 939075.00
7	Closing balance as per State Bank of India A/c no. 79441 ₹ 141460.50 Add: Un-reconciled amount(2011-12) ₹ 3,737.50 ₹ 145198.00	
Closing balance as per the Cash book		₹ 145198.00
8	Closing Balance as per Canara Bank A/c no.13808 ₹ 26544.00	
Closing balance as per the Cash book		₹ 26544.00
9	Closing balance as per Bank of India A/c no. 1399 ₹ 0	
Closing balance as per the Cash book		₹ 0
10	Closing balance as per HDFC Bank A/c no. 080 ₹ 29861.58	
Closing balance as per Cash Book		₹ 29861.58
11	Closing balance as per Axis Bank A/c no.172 ₹ 1655357.00	
Closing balance as per Cash Book		₹ 1655357.00
12	Cash in Hand	₹2015.00
<b>Closing balance as per the Cashbook as on 31/03/2023</b>		<b>₹ 14657880.44</b>

After verification of the above closing balances as per the Cash Book are found to be tallied with the closing balances as per the Bank Pass Book as on **31/03/2023**.

## **2. UN-UTILIZATION/ REFUND OF GRANTS**

The grants like XIVth Finance commission, XVth Finance commission and GIA grants had remained un-utilized for long period. The details of Grants un-utilized by the Panchayat as on 31/03/2023 were as under:

<b>S No.</b>	<b>Name of Grants</b>	<b>Un-utilized grants</b>
1.	V.P. Member Salary	259988.00
2.	Staff Salary	1130299.00
3.	XIV th Fin Com.	653708.00
4.	XIIIth Fin Com.	17748.00
5.	GIA Dev. Grants	987622.00
6.	GIPARD	10000.00
7.	XV th Fin Com.	2524529.00
8.	Covid-19 funds	3588.00
9.	60th liberation Dev. Grants	5000000.00
10.	SGRY	157182.73
<b>Total</b>		<b>10744664.73</b>

The Grants amounting ₹ **10744664.73** remained un-utilized with Panchayat as on 31/03/2023. Further, MGNRGA Grants of ₹ 2626.70, were refunded by the Village Panchayat during the year 2022-23

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 has adversely affected the development and public works of Panchayat.

As 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. UNREALISTIC BUDGET ESTIMATES**

The Budget estimates for the year 2022-23 indicates that the actual income received was short by ₹ 85,59,022.00 for the current year.

The expenditure incurred for the year 2022-23 was also short by ₹ 1,44,51,668.00 to the Budget Estimates of current year.

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

#### 4. RDA ACCOUNTS

i) RDA/MGNREGA: The following are the details position of MGNREGA (Bank of India A/C No. 102310110001399 )

<u>Year 2022-23</u>		
i)	Opening balance as on 01/04/2022	2397.70
ii)	Grants rec. during the year 2022-23	--
iii)	Add: Int. Accrued during the year 2022-23	229.00
iv)	Less: Expenditure incurred during the year 2022-23	--
v)	Less: Refunded during the year 2022-23	2626.70
v)	Less: Bank Charges	--
<b>Closing balance as on 31/03/2023</b>		<b>0</b>

ii) SGRY

<u>Year 2022-23</u>		
i)	Opening balance as on 01/04/2021	153112.75
ii)	Grants rec. during the year 2022-23	----
iii)	Add: Int. Accrued during the year 2022-23	4484.00
iv)	Less: Expenditure incurred during the year 2022-23	----
v)	Less: Refunded during the year 2022-23	414.00
<b>Closing balance as on 31/03/2022</b>		<b>157182.73</b>

The above closing balances 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

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

<u>Year 2022-23</u>	<u>Name of the Tax</u>	<u>Arrears</u>	<u>Current Demand</u>	<u>Total</u>	<u>Amount in ₹</u>	
					<u>Collection</u>	<u>Balance</u>
a)	House Tax	10,61,905.37	848015.00	1909920.37	780483.00	1129437.37
b)	Token house Tax	49,724.00	26837.00	76561.00	18439.00	58122.00
c)	Professional Tax	55,423.50	32440.00	87863.00	31650.00	56213.50

d) Vehicle Tax	1,756.00	110.00	1866.00	1866.00	--
e) EHN House Tax	--	2595.00	2595.00	2595.00	--
<b>Total</b>	<b>11,68,808.87</b>	<b>909997.00</b>	<b>2078805.87</b>	<b>835033.00</b>	<b>1243772.87</b>

The Panchayat has collected an amount of ₹ **835033/-** in 2022-23 towards the various taxes, which is 40.17% of total demand for the year.

Above percentage 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.

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 revise for so long. Therefore, the Village Panchayat is required to take remedial action for recovery of all outstanding taxes along with the prescribed penalty from the defaulters. It is also noticed that the assessment of House Tax was done in the years together. Thereafter no action has been taken to assess the house tax as prescribed in Goa Panchayat Raj Act 1994.

## 6. RENT

The Panchayat has leased out Four of its premises on rental base to A.H. & V.S. , Gym ,Bus stop and Community health Centre. The year-wise details of the rent collection are as follows:

Amount in ₹						
Sr No	Name of Premises	Arrears	Current Demand	Total	Collection	Balances
1	A.H. & V.S.	1,67,256.00	62,148.00	229404.00	-	229404.00
2	Gym Rent	49,500.00	--	49500.00	12500.00	37000.00
3	Com. Health Centre	14,864.00	89,184.00	104048.00	96616.00	7432.00
4	Bus Stop Rent	8,000.00	-	8000.00	-	8000.00
	<b>Total</b>	<b>2,39,620.00</b>	<b>151332.00</b>	<b>390952.00</b>	<b>109116.00</b>	<b>281836.00</b>

The village panchayat had ₹ **281836/-** as accumulated arrears of rent as on 31/03/2023. The village panchayat has to take remedial action to collect the accumulated arrears of rent along with prescribed penalties from the defaulters as per the provisions specified in the Goa Panchayat Raj Act 1994.

Further, the agreement executed between the village panchayat and the parties who had taken the premises of the Village panchayat has not been produced to the audit party for verification due to which audit could not ascertain validity of the agreements and terms and conditions of the agreements.

## 7. CONSTRUCTION ACTIVITIES

### 1) CONSTRUCTION LICENCES:

V.P Sarpanch vide Certificate No. VP/NVM/BCHM/PB-undertaking/2023-24 dated 23/05/2023 certified that the Panchayat has issued two construction license within its jurisdiction during the year 2022-23 and collected ₹ 31560/-.

### ILLEGAL CONSTRUCTION

V.P Sarpanch vide Certificate No. VP/NVM/BCHM/PB-undertaking/2023-24 dated 23/05/2023 certified that the panchayat had detected Nine (09) illegal construction cases within its jurisdiction during the year 2022-23. The details of illegal construction cases pending are as follows:

1) Nos. of Illegal Construction cases on 01/04/2022	12
2) Illegal Construction cases detected during the year 2022-23	09
3) Nos of illegal construction cases settled/ disposed off during the year 2022-23	---
<b>Total cases pending for settlement up to 31/03/2023</b>	<b>21</b>

There are 21 cases of illegal constructions in the Village Panchayat as on 31/03/2023. The village Panchayat failed to dispose off/settle any of the illegal construction case during the year 2022-23.

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 curative action in the matter immediately.

Action taken and result thereof may be intimated to audit.

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

It was observed during audit that the Village Panchayat had a balance of ₹ 214691/- as E.M.D and ₹ 419208/- 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. VIOLATION OF STATUTORY PROVISION TOWARDS PROVIDENT FUND BENEFITS**

The circular No. 19/33/DA/PAN/STAFF/PAN/05/3947 dated 18/11/2005 and circular 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 observed that except village Panchayat Secretary, no recoveries or provision towards provident fund and benefits have been made applicable to other regular staff of the Panchayat. Non recovery of provident fund from the monthly salaries of the regular staff amounts to violation of Employee's Provident funds regulations.

Despite of observations raised in earlier audit reports of the village panchayat no action has been taken by the village panchayat in the matter. Appropriate action may be taken against the above referred order and subsequent amendments/Notifications/Circulars/Orders issued in this regards by the Government from time to time.

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

#### **10. RESERVE FUND FOR STAFF RETIRMENT BENEFITS**

The Goa Panchayat Raj (Application of Panchayat or Zilla Panchayat funds Coordination & Limitation) Rules 2006 which came into force vide Notification No. 34/DA/PAN/2P/2006 dated 03/11/2006 and as per Rule 4 of Goa Panchayat Raj Rules 2006, every Panchayat shall reserve 2.5% of their income as reserve fund for contributory Provident fund, Pensionary Benefits etc to the staff working in the Village Panchayats.

However, it is seen that no such funds have been created nor any efforts have been made to implement the above scheme. Failure to create Reserve Fund is against the provision of the Panchayat Raj Act. Despite been recording similar observation in the past no action has been taken by the Village Panchayat in the matter.

The Panchayat should take immediate action to create reserve fund for contributory provident fund, pensionary benefits etc. to the staff working in village panchayat.

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

## 11. 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 furnish 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.

## 12. IRREGULARITIES IN EXECUTION OF WORKS

The Panchayat has undertaken and paid for works executed under Panchayat Fund, GIA Grants and Grants sanctioned by the various agencies 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.

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.

### **13. FINANCIAL POSITION OF THE PANCHAYAT DURING THE PERIOD 2022-23**

The financial position of the Panchayat was satisfactory during the period 2022-23, as the Panchayat had an amount of ₹ 2576014.71 as on 31/03/2023 in their Panchayat Fund Account. However the Panchayat should make sincere efforts to recover the amount of arrears of Taxes / Rents along with prescribed penalty form the defaulters to avail the benefits of matching Grants sanctioned by the Directorate of Panchayat and should take stringent action on unwarranted expenditure.

### **14. NON-REMITTANCE OF STATUTORY DEDUCTIONS IN GOVERNMENT TREASURY**

The statutory deduction like income 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:

Amount in ₹	
<b>Statutory Deductions</b>	<b>2022-23</b>
Income Tax	43758.00
Edu. Cess	1404.00
Sec. & Higher Sec. Cess	649.00
Vat (Sales Tax)	60.00
Royalty	70510.00
TCS on Royalty	153.00
Labour Cess	539296.00
CGST	23736.00
SGST	23736.00

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. 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.

## **16. 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.

## **17. 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.

## **18. 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.

#### **19. 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 inspections conducted by BDO and E.O.(VP) are as under:

	Inspections	
	B.D.O.	E.O.(VP)
No. of Inspections	---	---
Dates of Inspections	---	---

Above statement reveals that the B.D.O. /E.O.V.P. failed to conduct any inspection during the period 2022-23. Further, B.D.O. Bicholim has failed to give proper justification for non compliance of above requirements.

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.

#### **20. 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 Navelim**. The office of the Directorate of Accounts disclaims responsibility for any misrepresentation and non information on the part of auditee.



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