

**ANNUAL AUDIT REPORT ON ACCOUNTS OF THE VILLAGE
PANCHAYAT "Sirsaim" IN BARDEZ
BLOCK FOR THE YEAR 2016-17**

PART-I

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

Sr.No	Name of the Sarpanch	Fr.	To
1	Shri:-Anand S. Temkar	01/04/2016	09/01/2017
2	Shri:- Sandesh V. Naik	10/01/2017	08/03/2017
3	Shri:-Gokuldas S. Kandolkar	09/03/2017	31/03/2017

B. Name of the Secretary:-

Sr.No	Name of the Secretary	Fr.	To
1	Shri:- Lourenco Rebeiro	01/04/2016	31/08/2016
2	Shri:- KeshavFadte	01/09/2016	31/03/2017

C. Names & Designation of audit parties

Sr.No	Names of the audit parties	Designation
1	Shri:- KisanGaude	Dy. D.A./Insp.
2	Shri:- Milind M. Sadvelkar	A.A.O.
3	Shri:- DasharathTuenkar	A.C.
4	Shri:- Shekhar L.T. Khorjuvekar	A.C.

D. Date of Audit :-

From :- 11/09/2017 to 13/09/2017

E. Period covered during the Audit :-

From:- 01/04/2016 to 31/03/2017

PART – II - INTRODUCTORY

The audit on Accounts of the Village Panchayat "Sirsaim" in Bardez Block for the year 2016-17 was conducted from 11/09/2017 to 13/09/2017 as per the Circular No. 30/7/75Fin(Bud) dated 21/08/1996 from Finance (Budget) Department, based on the records furnished by the Panchayat.

The Village Panchayat "Sirsaim" was sanctioned the following types of grants/funds during the year 2016-17. The details of the same are given below:

Sr.No.	Type of Grants	Amount
1	Member Salary	Rs. 2,70,000=00
2	Staff Salary	Rs. 12,40,599=00
3	Matching Grants	Rs. 1,89,313=00
4	Garbage Grants	Rs. 1,00,000=00
5	Octrio	Rs. 15,22,992=00
6	XIV Finance	Rs. 4,01,690=00
7	NREGA	Rs. 45,000=00
Total		Rs. 37,69,594=00

PART –III

The Village Panchayat "Sirsaim" maintaining its records in the Form 1 to 11 as per Rule 20, 21 (a) and 25 of the Goa Panchayat, (Accounts, Audit & Custody of Funds) Rules 1997, comprising particulars of Income & Expenditure for all the grants, received i.e Administrative & Development Grants.

i) SUMMARY OF THE ACCOUNTS

Total Receipts for the year 2016-17	Rs.	44,06,926=00
Total Expenditure for the year 2016-17	Rs.	16,09,761=00

Total Funds available with the Panchayat as on 31/03/2017 are as detailed below:

Sr. No.	Total Funds/deductions as on 31/03/2017	Amount
1	Government Grants	Rs. 23,95,863=00
2	DRDA (MGNERGA & EAS)	Rs. 6,923=34
3	E.M.D.	Rs. 2,23,990=00
4	S.D.	Rs. 2,29,682=00
5	Income Tax	Rs. nil
6	Vat (Sales Tax)	Rs. 1,07,507=00
7	Royalty	Rs. 6,972=00
8	Labour Cess	Rs. 13,286=00
9	Panchayat Fund	Rs. 30,75,764=40
Total		Rs. 60,59,987=74

ii) Details of Utilized / Unutilized Grants

The statement showing details of grants as on 31/03/2017 are as follows:

Sr. No.	Name of the Grants	Previous Balance	Grants Sanctioned 2016-17	Amount Utilised during the year	Balance as on 31/03/2017
1	V.P. Member Salary	2,29,795=00	2,70,000=00	2,31,628=00	2,68,167=00
2	Staff Salary		12,40,599=00	6,50,780=00	5,89,819=00
2	Matching Grants	--	1,89,313=00	1,89,313=00	Duly accounted
3	Octroi	--	15,22,992=00	15,22,992=00	Duly accounted
4	Golden Jubilee	1,26,207=0	-	-	1,26,207=00
5	XIIth Fin. Comm.	43,338=00	-	16,450=00	26,888=00
6	XIII th Fin. Comm.	2,31,482=00	-	56,950=00	1,74,532=00
7	XIVth Fin. Com.	2,71,244=00	4,01,690=00	-	6,72,934=00
8	Rural Garbage	1,21,670=00	1,00,000=00	77,900=00	1,43,770=00
9	Fin. Asst. Mining	4,28,571=00	-	35,025=00	3,93,546=00
10	S. comp Special	25,216=00	-	25,216=00	-
11	Grants as tribe	600=00	-	600=00	-
Total I		14,78,123=00	37,24,594=00	28,06,854=00	23,95,863=00
II- DRDA/RDA					
1	DRDA	2,520=34	int. 129=00	-	2,649=34
2	NREGA	6,761=00	45,000=00 int. 832=00	48,319=00	4,274=00
Total II		9,281=34	45,961=00	48,319=00	6,923=34

It can be seen from above table that almost all the grants are remained unutilized for so long in the Panchayat fund (in Saving Bank Account) instead of utilizing the same for the purpose for which these grants were given. The same may be utilize after obtaining extension of time limit, or may be refunded back to the grant sanctioning authority immediately. Despite observations to this effect in the past, no timely action has been taken by the Panchayat to utilize the grants. The Directorate of Panchayat may evolve a mechanism to ensure that utilization certificates in respect of grants released for specific purposes are furnished by the grantee institution in time.

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

iii) VARIATION BETWEEN BUDGET ESTIMATE AND ACTUALA) INCOME

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL INCOME	Short
1,27,81,293=00	45,68,854=00	44,06,926=00	1,61,928=00

B) EXPENDITURE

ORIGINAL BUDGET ESTIMATES	REVISED BUDGET ESTIMATE	ACTUAL EXPENDITURE	SHORT
1,30,07,687=00	37,47,626=00	16,09,761=00	21,37,865=00

Although the budget is revised, but there is still variations between the budget and actual Income and expenditure. This may be noted and in future and budget may be prepared in realistic manner in order to avoid variations. (i) The Budget estimate of a Panchayat shall be prepared by the Secretary in Form No. II appended to these rules not later than 15th February and forwarded to the concerned Block Development Officer not later than the 1st of March. (ii) Suitable minor and detailed heads may be added to the Budget heads as specified in Form No. 11 as may be necessary with the approval of the concerned Block Development Officer in consultation with the Director of Accounts. (iii) A copy of the revised and Supplementary Budget Estimates shall be forwarded to the Director within 15 days of its approval by the Panchayat. (iv) All budget estimates, original, revised and supplementary shall be passed before the Financial year to commence on the first day of April next following and the budget as passed by the Panchayat shall be forwarded to the ZillaPanchayat.

PART – IV – COMMENTS ON TRANSACTION

Section A: Outstanding Audit observation from previous audit report.

Year	Paras B/F	Paras Settled	Paras Outstanding	Subject in brief
1998-99	03	--	03	Para- 5 – Purchase of Electrical Materials Para – 7 – Purchase of Cement bags Para – 10 – Advertisement
2000-01	01	--	01	Para- 11 – Works recovery of Rs.1,030/- as penalty from contractor.
2010-11	02	--	02	Para- 8- Excess Expenditure Para – 10 – Works
2011-12	02	--	02	Para – 13 – Works Para – 10 – Financial power approval awaited.
2013-14	02	--	02	Para – 7 – Works Para – 9 – Excess expenditure over budget.
2014-15	02	--	02	Para – 7 – Purchase of electrical material. Para – 8 – Service books/leave account.
2015-16	12	12	00	All the 12 Para's are dropped as same are commented in current audit wherever is required.
	24	12	12	

There are 12 outstanding paras are remained un-settle. The pendency of audit paras are relating to very old period covering almost 18 years is alarming. It is therefore brought to the

notice of Directorate of Panchayat that the V.P. Sirsaimhas manage to settled any para during the year. The VP may therefore require to submit appropriate replies so as to get all the paras dropped. The issue may be viewed seriously and every possible effort be made to get long pending paras settled once for all.

Part -III-CURRENT –AUDIT

1) CASH BOOK

The Cash book is checked during the course of audit. The closing balance as per the cash book as on 31/03/2017 is Rs. 60,59,987=74.

The detail of the closing balance as per the Cash Book as on 31/03/2017 is as follows.

Sr.No. i)	Closing balance as per the State Bank of India A/c no.10775769887Rs. 51,11,856=90 Less:- Cheque issued but not realized in bank Rs. 34,500=00 Less:-Unreconciled amount of previous year Rs. 564=00 Rs. 50,76,792=90	
Closing balance as per Cash Book		Rs. 50,76,792=90
ii)	Closing balance as per the State Bank of India A/c no.10775770008 Rs. 3,93,686=99 Less:- Cheque issued but not realized in bank Rs. 51,434=00 Rs. 3,42,252=99	
Closing balance as per Cash Book		Rs. 3,42,252=99
iii)	Closing balance as per the State Bank of India A/c no.10775769901 Rs. 2,649=34	
Closing balance as per Cash Book		Rs. 2,649=34
iv)	Closing balance as per the State Bank of India A/c no.30572351873 Rs. 6,32,627=90	
Closing balance as per Cash Book		Rs. 6,32,627=90
v)	Closing balance as per the State Bank of India A/c no.30855654505 Rs. 4,274=00	
Closing balance as per Cash Book		Rs. 4,274=00
vi)	Cash in hand	Rs. 1,390=61
Total Closing balance as per Cash Book as on 31/03/2017		Rs. 60,59,987=74

After reconciliation the above bank closing balances as per cash book are found to be tallied with the closing balances as per the bank figures as on 31/03/2017.

B- MAJOR IRREGULARITIES

Nil

B II OTHER IRREGULARITIES

- i) Pages count certificate is not recorded in the cash book.
- ii) Overwriting's made in the cash book are not attested by the competent authority.
- iii) Each entry is not attested.
- iv) The VP has paid excess amount of Rs. 1,244/- towards Income Tax during the year 2016-17. Same may be claimed for refund under intimation to audit.
- v) The Village Panchayat has not maintain the mandatory registers like Pay Bill Register, Asset & Property Register and Dead Stock Register. This Registers may be maintained and updated in all respect under intimation to audit.
- vi) Limits of keeping cash in hand have not maintained. The cash in hand is exceeded the limit laid down in the regulation. This should be strictly observed and in future care may be taken the balance of cash in hand does

not exceeds the prescribed limit.

vii) Many receipts found cancelled during the year 2016-17. Same are however not cancelled by drawing a line through them and writing "Cancelled". Such cancellation should be attested by the Secretary and the Sarpanch.

2) RDA ACCOUNTS

MNREGS: The following are the details position of MGNREGS State Bank of India A/c no.30855654506

i)	Opening balance for 2016-17	Rs.	6,761=00
ii)	Grants rec. during the year 2016-17	Rs.	45,000=00
iii)	Add:-Interest Accrued during the year 2016-17	Rs.	832=00
	Less:- Expenditure incurred	Rs.	48,319=00
iv)	Closing balance for the year.....2016-17	Rs.	4,274=00

ii) EAS The following are the details position of EAS the State Bank of India A/c no.10775769901

i)	Opening balance for 2016-17	Rs.	2,520=34
ii)	Grants rec. during the year 2016-17	Rs.	nil
iii)	Add:-Interest Accrued during the year 2016-17	Rs.	129=00
iv)	Less:- Expenditure incurred	Rs.	nil
	Closing balance for the year.....2016-17	Rs.	2,649=34

The above closing balance is found to be tallied with the closing balance as per the cash book as on 31/03/2017.

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

3) TAXES

The following statement showing the Arrears Current Demand Collection and Balance for the period from 01/04/2016 to 31/03/2017.

Sr. No.	Nature of taxes	Arrears Demand	Current Demand	Total Demand	Collection of Taxes	Balance of Taxes
1	House Tax	3,68,031/-	2,41,332/- 2,7631	6,09,363/-	2,20,789/-	3,88,574/-
2	Light Tax	11,748/-	5,191/-	16,939/-	4,804/-	12,135/-
3	Prof. Tax	4,39,693/-	2,04,230/-	6,43,923/-	14,400/-	6,29,523/-
4	Sign board Tax	16,855/-	6,266/-	23,121/-	4,538/-	18,583/-
5	Cycle Tax	946/-	50/-	996/-	-	996/-
	Total	8,37,273/-	4,57,069/-	12,94,342/-	2,44,531/-	10,49,811/-

Panchayat has collected an amount of Rs.2,44,531/- towards the various taxes during the year 2016-17. The tax collection is only 19% out of total demand. The position of the Panchayat in respect of collection of taxes is not satisfactory. The lethargic nature of the Village Panchayat in recovering of Taxes has resulted in accumulation of these arrears. The Panchayat failed to give due attention in collecting of revenue as well as accumulated arrears. The overall arrears of taxes are mounting year by year. As specially House Tax, Professional Tax and Light Tax. As per Sub-Section (3) of Section 154 of the Goa Panchayat Raj Act, 1994, Vp s empowered to issue notices to defaulter of taxes and revenue arrears and levy 10% penalty to outstanding arrears recoverable under Sub- Section (4). Thus it was observed that provisions of Panchayat Raj act

have been violated in failure to recover the arrears. Therefore, the VP is required to take remedial action for recovery of all outstanding taxes along with the prescribed penalty from the defaulters and revision of taxes as well.

Progress made in this regard may be stated.

4) RENT:-

The Panchayat has leased out five premises on rental basis and collected an amount of Rs. 13,500/- as rent during the year 2016-17.

The detail of the rent is as follows.

Sr. No.	Name of the Premised	Arrears Demand	Current demand	Total Demand	Collection as on 31/03/2017	Balance upto 31/03/2017
1	Dispensary	1,500/-	18,000/-	19,500/-	13,500	6,000/-
Total		1,500/-	18,000/-	19,500/-	13,500/-	6,000/-

The Rent collected is 69% out of total demand. The position of the Panchayat in respect of collection of Rent is satisfactory.

However, the agreements executed between the V.P. and parties who had taken the shops on rental basis are not made available for verification due to which audit could not ascertained validity of the agreements and whether same are renewed annually with revised rent as prescribed from time to time. It is stated that the Agreements are not renewed for years together. The revaluation of Rent may be done since the last revaluation was done years before. A proposal may be processed to PWD for revaluation of rent without further delay. Also the agreement may be got executed and rent may be revised as per PWD valuation. Further progress may be intimated.

5) CONSTRUCTION ACTIVITIES/CONSTRUCTION LICENCES

V.P. Sarpanch had certified vide certificate No. *VP/SIR/BAR/2017-18/473 dated 06-09-2017* that he had issued 07 nos. of construction licenses including renewal licenses during the year 2016-2017 and an amount of Rs. 65,300/- was recovered as license fees. The fees are charged as per estimate certified by Civil Engineer. Relevant records are seen in audit.

6) ILLEGAL CONSTRUCTION:

V.P Sarpanch certified vide certificate No. *VP/ SIR/BAR/2017-18/474 dated 06-09-2017* That the Panchayat has detected 08 illegal constructions during the year 2016-2017. The details of illegal construction cases are as follows

1) Nos. of Illegal Construction cases on 01/04/2016	55
2) Illegal Construction cases detected during the year 2016-17	08
3) Nos of illegal construction cases settled/ disposed during the year 2016-17	-
Total cases pending for settlement upto 31/03/2017	63

As per the provision of Section 66 of the Goa Panchayat Raj Act, 1994 no person shall erect any building or alter or add any existing building or reconstruct any building without the written permission from Panchayat and payment of fees. However, it is noticed that, the houses are constructed without obtaining VP's permission. There are 63 cases of illegal constructions in the Village Panchayat as on 31/03/2017. Non regularization of above illegal constructions under section 66 (2) resulted in loss of revenue of the Panchayat. The Village Panchayat should take corrective action by exercising the powers available under the Goa Panchayat Raj Act, 1994 in the matter immediately. Action taken and result thereof may be intimated to audit.

7) **PURCHASE OF ELECTRICAL MATERIAL/ REGISTER**

The Panchayat have purchased street light materials valued at Rs.1,26,095/- during the year 2016-17 inviting quotations from few local dealers. However, since overall value of the goods exceeded t Rs. 15,000/- a notice inviting tenders should have been issued to the local newspapers and tenders invited. This has not been done. In fact, the Panchayat required to assess the annual needs of Electrical materials and only then purchase the electrical items from the open market after observing the necessary purchase procedure as prescribed from time to time i.e. placing indent for calling quotations/tenders, preparing comparative statement etc.

Scrutiny of electrical bills revealed that the VP has given the supply order to "Navratan Electric Company, Panaji being lowest dealer. However, it is noticed that the supply order given to the contractor for those items which was not put in the quotations for comparing rates. Purchases of such items are irregular.

Secondly, bills submitted by the concerned supplier for payment has not been certified by the Sarpanch/Secretary by recording necessary certificate that the goods/materials are received correctly and in good condition & necessary note has been taken in stock register No. and page No. etc. This may be noted for future guidance.

8) **REFUND OF E.M.D AND S.D.**

It has seen that the V.P. has a balance of Rs. 2.24lakhs as E.M.D and Rs.2.30 lakhs S.D. as on 31/03/2017. As per the section 19 of C.P.W.D. Manual 2007, the E.M.D given by the contractors except the successful contractor should be refunded immediately after completion of opening of tender process or within a week time from the date of opening the tender. It may please be stated whether any action has been initiated to refund/ forfeit the EMD's /SD's which is lying with the Panchayat for more than three years. If not than the unclaimed EMD's and S.D.'s lying with Panchayat more than three years may be treated as lapse deposits and accordingly forfeited to the Panchayat account.

9) **LABOUR CESS**

As per the rules, all the Government Departments, local bodies PSU's and other Govt. agencies carrying out the building and other construction works under the act shall get themselves register under section 7 of the Act with the registering authority of the labour Department. Such institutions are required to mandatorily deduct 1% of the total cost from the bills at the time of making payment to the contractors. The VP before remitting the amount of cess to the Goa Building & Other Construction Workers Welfare Board can deduct 1% of the total Cess amount collected for their administrative expenses.

10) **RECEIPT BOOK STOCK REGISTER**

A register of Receipt Book shall be maintained in Form No. 5 and shall be kept with the stock of new and returned Receipt Books under lock and key on the responsibility of the Secretary. The receipt books must be kept under lock and key in the personal custody of the officer authorized to sign the receipt on behalf of the Government. Before the receipt book is brought into the use, the number of forms contained therein shall be counted and the result recorded in a noticeable place in the book over the signature of the government office in charge of the book. Counterfoils of the used receipt book shall be kept in his personal custody. The receipt book stock register were checked during the course of audit and found 04 receipt books in balance. (The Last receipt Bk. 101/68 used upto 31/03/2017). The verification certificate is recorded under attestation of competent authority.

11) **REGISTER OF PROPERTIES AND ASSETS**

All property vested in the Panchayat shall be entered in a Register of Properties and Assets in Form No. 6. In addition to all items of furniture and other equipment, this register shall contain a list of buildings, land Manual of Goa Laws (Vol. III) -789- Panchayat Raj Act & Rules and the like which is vested in the Panchayat. Whenever any property is acquired or

disposed of it shall be entered in the Register of properties and Assets. Secretary stated that the necessary register will be maintained and shown to next audit.

12) ASSESSMENT AND DEMAND AND COLLECTION REGISTER

A list of all persons liable to pay any rate, tax, cess or fee and the amount to be paid by them in respect of each such rate, tax, fee shall be maintained separately for assessment in Form No. 7 and demand and collection in Form No. 8. The Secretary of the Panchayat shall be responsible for causing preparation of such Assessment and Demand and Collection Registers and maintaining the same in the office of the Panchayat.

13) MONTHLY AND ANNUAL ACCOUNTS

Every Panchayat shall, at the end of each month as well as at the end of the year, prepare an Account in Form No.10 showing the receipts and payments classified under the several Heads of Account contained in the Budget Estimates. The totals of the details under each head of receipt and payment as given in account shall agree with the figure under the same heads in the General Ledger. The details of the balance in the office and in the Bank shall be separately shown in the account and a certificate that the closing balance as shown in the accounts has been compared with that shown in the cash book and the Bank Pass Book, Certificate, and found to be correct shall be appended to the account. A memo explaining the differences, if any, shall also be attached to the certificate. Certificate showing the 'Monthly Closing Balance' in the Account shall be obtained and kept on record. The Pass Book of the Bank shall be under the lock and key of the Secretary. He shall examine the Pass Book/Certificates from time to time and shall immediately call the attention of the Bank to any discrepancy that may appear.

14) RESERVE FUND FOR STAFF RETIRMENT BENEFITS:

The Goa Panchayat Raj (Application of Panchayat or ZillaPanchayat funds Coordination & Limitation) Rules 2006 which came into force vide Notification No. 34/DA/PAN/2P/2006 dated 03/11/2006 and as per Rule 4 of Goa Panchayat Raj Rules 2006, every Panchayat shall reserve 2.5% of their income as reserve fund for contributory Provident fund, Pensionary Benefits etc to the staff working in the Village Panchayats . However, It is seen that no such funds have been created nor any efforts have been made to implement the above scheme . Failure to create Reserve Fund is against the provision of the Panchayat Raj Act. Action taken in the matter may be intimated to audit.

15) VIOLATION OF STATUTORY PROVISION TOWARDS PROVIDENT FUND BENEFITS:

As per para 5 of order No. 35/OP/PAN/EMP/2000 dated 06/03/2003 published in the official Gazette Govt. of Goa, it is stated that permanent employee shall be entitled for the benefits of employees Provident Fund. The amendment of the said order was published in the official gazette of Govt. of Goa under No. 35/DP/PAN/EMP/2006 dated 25/01/2007 under the title Goa Panchayat (staffing pattern , Scale of Pay & mode of recruitment of staff of Panchayats first Amendment) order , 2006 Clause 5 stated that permanent employee of the Panchayat shall be entitled for EPF, Gratuity, Pensionary benefits etc. Also, the circular No. 19/33/DA/PAN/STAFF/PAN/05/3947 dated 18/11/2005 and No.19/31/DA/STAFF/09/3937 dated 21/10/2009 issued guidelines about implementation of Provident Fund, Gratuity, Pensionary Benefits, etc. to the permanent staff of the Panchayats. However, it was noticed that except Village Panchayat Secretary, no recoveries or provision towards provident fund and benefits have been made applicable to other regular staff of the Panchayats. Non-recovery of provident fund from the monthly salaries of the regular staff amounts to violation of Employees Provident Funds regulations.

Appropriate action may be taken & result may be intimated to audit.

16) NON FILING OF E-TDS RETURNS WITH INCOME TAX DEPARTMENT & ASSESSING OF STAFF

It may be noted that every employer (DDO) should deduct Income Tax at source in monthly instalment on salaries disbursed by him, and accordingly quarterly TDS returns for the recovery of Income Tax has to be filed online on quarterly basis, which has made mandatory by

the Income Tax Department. Further, the final adjustment of Income Tax should make from the last salary payable before the end of the March. Whereas, in your case it is observed that no Income Tax has been deducted nor it is feel compulsory to do so. Any fine /penalty levied by the Income Tax Department on late payment have to be borne by the person responsible for late remittance.

17) SURETY BOND OF V.P. SECRETARY

The V.P. Secretary is handling cash transactions of the Village Panchayat , however, the mandatory security/Surety bond as per Rule 275 of GFR and Rule 4 (3) of the Goa Panchayat (Accounts, Audit and Custody of Funds) Rule 1997 has not been furnished by the Secretary. As per sec. 113-A(x) of the Goa Panchayat Raj Act, 1994 the Secretary is responsible for safe custody of Panchayat Fund, Assets of Panchayat and all the register maintained by the Panchayat The Director of Panchayats may also demand a security from such persons as are actually in charge of cash transaction of a Panchayat.

18) WORKS

It is told by the Secretary, that no development works were undertaken by the Village Panchayat within its jurisdiction during the financial year 2016-17. It is strange to see that, in spite, of having GIA & other Grants which are granted for various development works are lying with the Panchayat beyond actual date of its utilisation. Same may be noted and every possible way the un-utilised grants may be utilised under intimation to audit.

19) FINANCIAL POSITION OF THE PANCHAYAT DURING THE YEAR 2016-17

The Panchayat is having an amount of Rs. 30,75,764=40 in their Panchayat Fund Account as on 31/03/2017. This shows that the financial position of the Panchayat is satisfactory during the year. However, Panchayat should make sincere efforts to recover the amount of arrears of Taxes / Rents along with prescribed penalty form the defaulters, in order to further strengthen the financial position of the Panchayat. Although the VP is having huge amount of Rs.30,75,764=40 as Panchayat Fund as on 31/03/2017 in the different Saving Bank Account, no FD's are made by the Panchayat. The Panchayat may consider the possibility of investing its funds in short term deposits keeping in view its immediate needs so that additional revenue by way of higher rate of interest could be earned which is not earn on saving/current account

20) 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 ZillaPanchayat, 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 is observed that Panchayat had not prepared any plans so far for preparation of Annual Action Plan which is contrary to the provision of the Panchayat Raj Act.

21) 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.

22) **GENERAL**

As per the system in vogue, the Block Development Officer (BDO) should conduct at least three inspections and Extension officer VP (EOVP) five of the Village Panchayat.

a) <u>Inspections</u>	<u>B.D.O.</u>	<u>E.O.(VP)</u>
i) Prescribed	03	05
ii) Actually carried out	Nil	Nil

Non-compliance of above requirement may be justified and in future B.D.O. /EO (V.P.) should ensure that the prescribed numbers of inspections are carried out at regular intervals in order to have control over the Administration of the Panchayat.

- b) The B.D.O. should also ensure to take appropriate action on the following points:

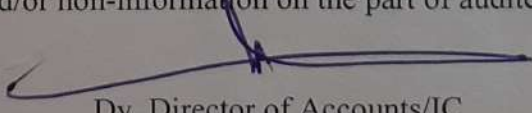
As per Rule 4 (3) of the Goa Panchayat (Accounts, Audit and Custody of Funds) Rule 1997, the Secretary shall furnished the security bond in such a form and for such an amount as may be prescribed by the Director of Panchayat.

- c) As per Section 113 (1) of the act, the salary and allowances of the Secretary shall be drawn from the Panchayat funds.
- d) Panchayat Secretary shall maintain the personal cash register in terms of Circulars No. ACB/Vigilance/404/1066 dated 22/03/2004 from Vigilance Department, Panaji.
- e) As per Section 5(i) and (ii) of the Act, there shall be minimum 4 (four) each ordinary and special Gram Sabha meetings of the Panchayat during every year. Action at b (i), (ii) & (iii) should be initiated and compliance should be reported to Audit.

Despite recording the observation during the last inspection report compliance to the previous audit, observations are still awaited. Rigorous efforts should be made to comply with the audit observations without further delay.

DISCLAIMER

The inspection report has been prepared on the basis of information furnished and made available by the Village Panchayat **Sirsaim**. The office of the Directorate of Accounts disclaims responsibility for any misappropriation and/or non-information on the part of auditee.


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