

**Audit Report of the accounts of Village Panchayat, Cundaim of Ponda**  
**Block for the year 2017-18.**

**Part - I - Introductory**

**A) Name of Sarpanch:**

- 1) Smt. Vidhya R. Kundaikar- 01/04/2017 to 26/05/2017
- 2) Smt. Vidhya R. Kundaikar- 27/05/2017 to 17/06/2017  
(Administrator)
- 3) Shri. Ramu V. Naik - 18/06/2017 to 31/03/2018

**b) Names of Secretary:** 1) Shri Viraj V. Naik - 01/04/2017 to 31/03/2018

**B) Name of audit party and their designation:**

- (1) Shri Shridhar Sawant, Asstt. Accounts Officer.
- (2) Shri Dilkush Shinde, Asstt. Accounts Officer.
- (3) Shri Shivram Jamuni, Accounts Clerk.

**C) Dates of audit:** 24/12/2018 & 26/12/2018.

**D) Period covered by audit:** 01/04/2017 to 31/03/2018.

**Part - II - Introductory:**

The audit of the accounts of Village Panchayat Cundaim of Ponda Block for the year 2017-18 was carried out by the Jt. Directorate of Accounts, south Branch, Margao under the supervision of Shri. Madhukar Kunkolienkar, Dy. Director of Accounts/Inspection, South Branch, Margao.

The Village Panchayat was sanctioned the following administrative grants during the year 2017-18.

1) Matching Grants salary	Rs. 3,90,457.00
2) MGNREGA	Rs. 50,000.00
3) Popular Contribution	Rs. 20,000.00
4) Octroi	<u>Rs. 27,78,055.00</u>
Total	Rs. 32,38,512.00

**Part - III - Comments on Accounts.**

The Village Panchayat is maintaining the accounts in form I to X as per Rule 20, 21(a) and 25 of Goa Panchayat (Accounts, audit and custody of funds) Rules 1997 comprising of particulars of income and expenditure of all grants received (administrative and development grants)

**Summary of Accounts:**

1) Opening balance for the year 2017-18	Rs. 70,82,890.13
2) Receipts during the year 2017-18	Rs. 57,11,584.00
3) Expenditure during the year 2017-18	Rs. 49,07,964.65
4) Funds available with Panchayat as on 31/3/18	Rs. 78,86,509.48

**Details of funds available:**

1) Government grants	Rs. 13,03,737.00
2) EMD	Rs. 59,099.00
3) Security deposit	Rs. 2,46,921.00
4) Royalty	Rs. 31,704.00
5) Workers cess	Rs. 34,563.00
6) GST	Rs. 5,773.00
7) CGST	Rs. 5,773.00
8) 2% TCS on Royalty	Rs. 72.00
9) Panchayat funds	<u>Rs. 61,98,867.48</u>
	Rs. 78,86,509.48

**The liabilities of the Panchayat**

1) Government grants	Rs. 13,03,737.00
2) EMD	Rs. 59,099.00
3) Security deposit	Rs. 2,46,921.00
4) Royalty	Rs. 31,704.00
5) Workers cess	Rs. 34,563.00
6) GST	Rs. 5,773.00
7) CGST	Rs. 5,773.00
8) 2% TCS on Royalty	Rs. 72.00
Total	Rs. 16,87,642.00

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**II Grants** : The details of grants sanctioned, utilized and unspent grants as on 31/3/2018 are as follows:

Sr. No	Types of grants	Opening balance	Grants received	Grants utilized	Balance as on 31/3/18
1.	Members salary	1,47,750.00	2,70,000.00	2,44,488.00	1,73,262.00
2.	Garbage Grants	---	1,70,000.00	62,314.00	1,07,686.00
3.	XIth Finance	1,32,482.00	---	---	1,32,482.00
4.	XIIth Finance	76,118.00	---	46,250.00 (utilized in 16-17)	29,868.00
5.	XIVth Finance	2,71,762.00	8,44,591.00	5,90,978.00 (62,587.00 Octroi of 16-17 wrongly shown)	4,62,788.00
6.	Golden jubilee	3,97,651.00	---	---	3,97,651.00
		<b>10,25,763.00</b>	<b>12,84,591.00</b>	<b>10,06,617.00</b>	<b>13,03,737.00</b>

Out of the grant sanctioned an amount of Rs.13,03,737/- has remained unutilised as on 31/3/2018. It is brought to the notice of the Panchayat that grants have remained unspent beyond the period of five years. Hence permission to utilize these grants beyond stipulated period may be obtained, failing which the same may be surrendered to the sanctioning authority.

**III - Budget** : The budget estimate and the actual Income & Expenditure for the year 2017-18 are as follows

<b>Budget Estimate</b>	<b>Income</b>		<b>Variations</b>
	<u>Actual</u>	<u>Expenditure</u>	
Rs. 92,40,000.00	Rs.57,11,584.00		Rs.35,28,416.00
<b>Estimate</b>		<b>Actual</b>	<b>Variations</b>
Rs. 1,33,20,000.00	Rs.49,07,964.65		Rs.84,12,035.35

The budget is approved vide resolution No.3 dated 25/2/2017. There are huge variations in the budget estimate and actual Income & Expenditure. The variation in the actual income represent 62% of the budgeted income, whereas the actual expenditure represent 37% of the budgeted expenditure.

Thus the budget estimate prepared by the Panchayat is unrealistic/ fictitious as there are huge variations in the actual. Care be taken in future to prepare realistic budget.

#### **Part - IV - Current audit.**

##### **Section A(a) Introduction -**

**b) Outstanding paras of previous audit:** upto 2016-17.

Sr. no	Year	Op. balance	Paras dropped	Paras outstanding as on 31/3/2017
1	1985-86	1	----	1(para 2(b))
2	1989-90	1	----	1(para 9(1)(2)(3))
3.	1991-92	1	----	1(para 6(1)(2))
4.	1992-93	2	----	1(para 10, 11(a)(b)(c)(d)(e)(g))
5.	1994-95	3	----	3(para 1(a), 4, 6(a)(e))
6.	1995-96	1	----	1(para 2(B)(b) & (9))
7.	1996-97	1	----	1(para 8(iv))
8.	1997-98	2	----	2(para 7(b)(b) & 8(a))
9.	1998-99	2	----	2(para 5(2) & 8)
10.	1999-2000	3	----	3(para 3(1)(2)(4), 7 & 8)
11.	2000-01	2	----	2(para 7(1), 8(b))
12.	2001-02	3	----	3(para 6, 7(1)(2)(3)(6), 8(a)(b) & 8(9))
13.	2002-03	2	----	2(para 7(1)(5)(6)(9)(11), 8(5))
14.	2004-05	6	----	6(para 2(b)(A), 3(4), 5,6, 7(2), 8(3)(6))
15.	2006-07	5	----	5(para 1,2,3,4,5)
16.	2007-08	6	----	6(para 1,2,3,4,8,14)
17.	2008-09	3	----	3(para 1, 2, 5(1)(9))
18.	2009-10	2	----	2para 1, 16(1,4,7)
19.	2010-11	2	----	2Para 5,15,(3,4,5,7)
20.	2011-12	2	----	2Para 5 Sr.1 to 5) Para 15(1 to 5)
21	2012-13	2	----	2 ( Para 5 & 14)
22	2013-14	3	----	3(Para 9, 11(a), 13 sr.no. 3 & 5)
23	2014-15	3	----	3(Para 6(1&2)9,11(a))
24	2015-16	13	----	3(Para 6(Sr.No.1),9,11(a))

The Panchayat/Secretary has not taken any initiative to comply the previous outstanding audit paras upto 31.3.2017.

Section B, B1 - Paras 1 - 5 maintained since not complied.

#### **Audit Report 2016-17:**

**Para 1 - Financial Position:** Dropped & commented

**Para 2 - Cash Book:** -do-

**Para 3 - Demand, collection & arrears & taxes:** -do-

**Para 4 - Rentals:** Dropped & commented

**Para 5 - Works:** Maintained

**Para 6 - Vouchers:** Dropped  
**Para 7 (a) - Construction Licence:** Dropped & commented  
**(b) - Illegal Construction:** -do-  
**Para 8 - Furnishing Surety Bond by V.P. Secretary:** -do-  
**Para 9 - Annual Action Plan:** Maintained  
**Para 10 - Maintenance of Registers:** -Sr. No. 1 to 5 - Dropped and commented.  
**(b) Salary reserve fund:** Maintained  
**Para 11 (a) - Provident Fund:** Dropped  
**(b) Gramsabha:** Dropped  
**(c) Administrative Report:** -do-

**Current Audit 2017-18:**

**Para 1 : Financial position :** The financial position of the Village Panchayat is sound. The closing balance as per cash book as on 31/3/2018 is Rs. 78,86,509.48 out of which Rs. 61,98,867.48 is Panchayat fund. The unutilized funds may be invested in fixed deposit in order to earn revenue by way of interest. Action may be taken to invest some amount in fixed deposit and also to recover the outstanding taxes.

**Para 2: Cash Book:**

The closing balance of the V.P as on 31/3/2018 is Rs. 78,86,509.48. the details of closing balance is as follows.

Sr.No	Name of the bank and a/c. No	Balance as per		Difference
		Cash book	Pass book	
1.	State Bank of India 1900	2,19,638.60	2,23,467.60	3,829.00
2.	State Bank of India 5141	58,58,783.15	58,67,019.15	8,236.00
3.	State Bank of India 5152	62,076.37	62,076.37	---
4.	Bank of Maharashtra 4087	15,31,940.00	15,31,940.00	---
5.	HDFC Bank 5380	10,000.00	10,000.00	---
6.	HDFC Bank 9987	2,00,000.00	2,00,000.00	---
		4071.36	---	---
		<b>78,86,509.36</b>		

**IV - Reconciliation:**

The analysis of difference at "A" is reconciled as below

**1. State Bank of India A/C No.1900**

Balance as per Cash Book

**Add:** Bank interest not accounted in cash book as on 31/3/2018

Balance as per Pass Book

(+) **Rs. 3,828.00**

**Rs.2,23,467.60**

**2. State Bank of India A/C No.5141**

Balance as per Cash Book

**Rs.58,58,783.15**

**Add:** Cheque issued but not realised as on 31/3/18.

1. Chq.no.78364 dtd.31/3/17

**Rs. 1,113.00**

2. Chq.no.179099 dtd.04/12/17

**Rs. 8,061.00**

**Add:** Cheque issued of Rs.6491/- but accounted

In cash book as Rs.6499/- difference of

Rs.8/- to be added in cash book.

**Less:** Bank commission deducted but not accounted on cashbook

**Rs. 8.00**

Balance as per Pass Book

**Rs. 946.00**

**Rs. 58,67,019.15**

**Observations on cash book**

- 1) The Panchayat has used 16 nos. receipt books from 144/41 to 159/92 and balance receipt books from 160 to 166 total unused books 07 Nos.

**Para 3 : Demand, Collection and arrears of taxes:**

The position of taxes collected, arrears outstanding as on 31/3/2018 are as follows.

Sr. No	Types of taxes	Opening balance	Current demand	Collection	Balances as on 31/3/18
1.	House tax	2,71,131.00	1,87,858.00	1,86,241.00	2,72,748.00
2.	Professional tax	2,23,297.50	90,440.00	87,880.00	2,25,857.50
3.	Advt. tax	22,140.00	4,140.00	1,260.00	25,020.00
4.	Vehicle tax	2,634.00	90.00	---	2,724.00
		<b>5,19,202.50</b>	<b>2,82,528.00</b>	<b>2,75,381.00</b>	<b>5,26,349.50</b>

The collection of taxes is only 34.34% of the opening balance and the demand billed during the year 2017-18. Panchayat has to put in more efforts to collect the outstanding dues of taxes by issuing demand notices to the defaulters.

**Para 4 - Rentals:**

The village Panchayat Cundaim has leased out 4 of its premises on rental basis. The position of rent collected and balance outstanding as on 31/3/2018 are as follows.

Sr. No	Name of lessee	Opening balance	Current demand	Collection	Balance as on 31/3/18
1.	Shri. Mahesh L. Kundaikar	85,752.00	11,460.00	---	97,212.00
2.	Shri. Mahesh L. Kundaikar	38,544.00	5,136.00	---	43,680.00
3.	Sub Health centre	6,158.00	14,160.00	16,520.00	3,798.00
4.	Animal Husbandry	82,060.00	32,772.00	92,854.00	21,978.00
		<b>2,12,514.00</b>	<b>63,528.00</b>	<b>1,09,374.00</b>	<b>1,66,668.00</b>

The Panchayat has to initiate action to recover the outstanding rent which is increasing every year. Demand notices may be sent to the defaulters specially Shri. Mahesh L. Kundaikar & Animal Husbandry whose arrears amount is Rs. 1,40,892/- & Rs.21,978/- respectively. The matter be brought to the notice of BDO for information and necessary action for recovery.

**Para 5 : Works:** The Village Panchayat has executed 9 Nos. of works during the year 2017-18. The following observations were noticed during verification of files.

- (1) Copy of work orders not send to Income Tax Dept., Commercial Tax Dept., Dept. of Industries and Mines and Goa Labour Welfare Board.
- (2) Stipulated dates of commencement and completion of work not mentioned on works orders.
- (3) Excess/Saving statements are not found in the concern files.
- (4) Deviation statement not found in files wherever deviation is made.
- (5) Payments towards the work of construction of road from village road to crematorium and improvement to crematorium in ward No.6 at Dharjowada in V. P. Cundaim is made without grant of time extension, which is incorrect. Wherever work is completed beyond the stipulated period same is to be regularised by grant of time extension with/without levy of compensation for delay. Ex-Post-Facto time extension may be granted and shown to audit.
- (6) Payment towards the work of Construction of path way from Gopal Krishna Temple to Ram Purush Temple at Dhanjowada in V. P. Cundaim is made without grant of time extension, which is incorrect. Wherever work is completed beyond the stipulated period same is to be regularised by grant of time extension with/without levy of compensation for delay. Ex-Post-Facto time extension may be granted and shown to audit.
- (7) An amount of Rs.6598/- & Rs.4948/- towards the TDS on account of GST is recovered from the payments made for the work of providing and fixing pavers to the existing pathway from EkuNaik house to LilavatiNaik house at Manaswada in ward No.1 and work of repair to the existing gutters in ward No.1 respectively whereas section 51 of GST is actually implementedw.e.f 1/10/2018.
- (8) MB arenot produced to audit for verification.

**Para 6 – Vouchers:**

- 1) All vouchers were checked and were found to be in order.

**Para 7(a): Construction licences:** The Village panchayat has issued 5 construction licences and collected an amount of Rs.45,706/- as licence fees during the year 2017-18. The amount collected was checked and was found to be correct.

**b) Illegal constructions:** There are altogether 75 illegal constructions cases pending with the Panchayat including 6 detected and 2 cases disposed off during the year 2017-18.

**Para 8 – Furnishing surety bond by V.P. Secretary:** V.P Secretary has furnished the Surety bond and it is valid upto09/01/2019. Same beget renewed.

**Para 9 – Annual Action Plan:** The Panchayat is required to prepare a Development plan every year as required under Section 238 of Goa Panchayat Raj Act 1964 and submit the same to Zilla Panchayat within the time framed for its submission. V.P Cundaim has failed to prepare the Annual Action Pan for the year 2017-18. The lapse is brought to the notice of higher authorities for necessary action.

**Para 10- Maintenance of registers:**

- 1) **Pay bill register:** This register is maintained and is updated.
- 2) **Security deposit/EMD:** As per the register submitted an amount of Rs. 2,46,921/- is outstanding as Security deposit and an amount of Rs. 59,099/- as EMD as on 31/3/2018.
- 3) **Property Register:** This register is maintained by the Panchayat. The dead stock items are registered in this book. The separate registered may be maintained for dead stock items.
- 4) **Court case register:** As per the register there are 26 court cases pending with the Panchayat and an amount of Rs. 48,600/- is paid as legal fees during the year 2017-18. Approval of the competent authority may be obtained since expenditure incurred beyond the limit prescribed for the Panchayat and compliance reported to audit.

5) **Service book & leave account:** Service book and leave account of staff has been verified and found to be in order. Service verification has not been done.

**Para 11(a) Provident fund:** The V.P has still not extended the benefit of Employees Provident Fund to its regular staff. Immediate action may be taken to extend this benefit to the staff of the Panchayat.

**b) Salary reserve fund:** The Village Panchayat has created a salary reserve fund equivalent to three months salary of regular village panchayat staff. An amount of Rs.2.00 lakhs is reserved towards salary reserve fund as stated by Secretary.

**(c) Reserve for pensionary benefits:** V.P. has to reserve 2.5% as reserve fund for pensioners benefit etc. to the staff working in the Panchayat. This provision is not made by panchayat. Same be made and compliance reported to audit.

**Para 12 : Formation of committees :** The Village Panchayat has constituted the below mentioned committees during the year 2017-18.

- 1) Development Committees Section 6(8)
- 2) Supervisory Committees Section 6(2)
- 3) Standing committee Section 6 (3)
- 4) Village Development Committee.

**Para 13 (a) Departmental Inspections:** BDO has carried out 3 inspections of the village Panchayat whereas EO (VP) has not carried out any inspection as against prescribed five during the year 2017-18. The matter is brought to the notice of Director of Panchayat for necessary action.

**(b) Gram Sabhas:** The Village Panchayat has conducted 4 ordinary and 4 special gramsabhas during the year 2017-18.

**c) Administrative report :** Village panchayat has prepared the administrative report and submitted it to BDO and copy endorsed to audit.

**NOTE:** The inspections report has been prepared on the basis of the information furnished and made available by the secretary of village Panchayat Cundaim of Ponda Taluka. The office of the Joint Director of Accounts, South Branch, Margao disclaims any responsibility for any mis-information or non-information on the part of the auditee.



(Madhukar Kunkolienkar)  
Dy. Director of Accounts/Insp.