

ANNUAL AUDIT REPORT ON THE ACCOUNTS OF THE VILLAGE PANCHAYAT OF "ST. LAWRENCE AGASSAIM" IN TISWADI BLOCK FOR THE YEAR 2011-12

PART I

a) Name of the Sarpanch:-

1) Smt Piedade Fernandes From: 01/04/2011 to 31/03/2012

b) Name of the Secretary:-

1) Shri Thomas Fernandes, From 01/04/2011 to 01/06/2011 & 06/06/2011 to 31/03/2012
2) Shri Naresh Gaude From 02/06/2011 to 05/06/2011

c) Name & Designation of Audit party

1) Shri M.D. Morajkar-----D.D.A
2) Shri M.A.Keni,-----A.A.O
3) Shri P.K.Naik-----A/Clerk
4) Shri D.S Shilkar-----A/Clerk

d) Date of Audit: 21/02/2013 to 25/02/2013

e) Period covered during audit: 01/04/2011 to 31/3/2012

PART -II INTRODUCTORY

The audit on accounts of Village Panchayat "ST. LAWRENCE AGASSAIM" was carried out from 21/02/2013 to 25/02/2013 for the period from 01/04/2011 to 31/3/2012 , as per Circular No. 30/7/75/Fin (Bud) dt 21/08/1996 from Finance (Bud) Department, based on the records furnished by the Village Panchayat.

The Village Panchayat was sanctioned and paid the following types of grants during the year 2011-12.

i) V P Member Salary	-----	Rs. 2,07,000/-
ii) V P Staff Salary	-----	Rs. 2,83,644/-
iii) Matching grants	-----	Rs. 2,03,959/-
iv) Golden Jubilee grants	-----	Rs.10,50,000/-

TOTAL ----- **Rs.17,44,603/-**

PART III

The Village Panchayat is maintaining its accounts 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 and Expenditure for all the grants received i.e Administrative and Development grants.

i) SUMMARY OF ACCOUNTS

Total receipt for the year was	-----	Rs.24,00,174=16
Total expenditure for the year was	-----	Rs.17,40,814=70
<u>Total Funds available with the Panchayat as on 31/03/2011 are detailed below:-</u>		
i) Govt. Grants	-----	Rs.16,32,717=00
ii) D.R.D.A Grants	-----	Rs. 1,042=19
iii) E.M.D	-----	Rs. 97,937 =00
iv) Security Deposit	-----	Rs. 62,876=00
v) Income Tax	-----	Rs. 43,027=00
vi) VAT	-----	Rs. 15,614=00
vii) Royalty	-----	Rs. 15,763=00
viii) Panchavat Fund	-----	Rs. 72,241=72

Unutilised Grants
 Statement showing details of grant as on 31/03/2012 are as follows:-

Name of the Grant	Previous Balance	Amount Sanctioned	Amount utilized	Balance
V P Member Salary	50,364/-	2,07,000/-	2,09,862/-	47,502/-
2 V P Staff Salary	5,15,309/-	2,83,644/-	4,52,003/-	3,46,950/-
3 Matching Grants	-----	2,03,959/-	2,03,959/-	NIL
4 Golden Jubilee Grants	-----	10,50,000/-	50,000/-	10,00,000/-
5 G I A Development Grants	2,98,582/-	-----	1,00,123/- 19,619/-	1,78,840/-
6 Weaker Panchayat Grants	52,305/-	-----	-----	52,305/-
7 Excess Grants	7,120/-	-----	-----	7,120/-
	9,23,680/-	17,44,603/-	10,35,566/-	16,32,717/-
II DRDA (i) NREGA	1,002=24	Int 40=10	-----	1,042=19
GRAND TOTAL	1,002=09	40=10	-----	1,042=19

- Rs.1,000.123 & Rs.19,619=00 Refunded vide Ch. No.63 dt.16/06/2011 & No.61 dt.10/06/2011.

UTILIZATION CERTIFICATE

The Village Panchayat should ensure that the utilization certificate in respect of the grants utilized should be forwarded to the grants Sanctioning Authority and unutilized grants should be utilized after obtaining E.T.L from the grants Sanctioning Authority, otherwise the same should be refunded immediately, under intimation to Audit.

Variation between Budget Estimates and Actuals

a) INCOME SIDE

Budget Estimate	Revised	Actual Income	Excess w.r Budget Estimate
Rs.50,61,000=00	-----	Rs. 24,00,174=16	Rs.(-) 26,60,8825=84

b) EXPENDITURE SIDE

Budget Estimate	Revised	Actual Expenditure	Saving w.r Budget Estimate
Rs.57,51,270=00	-----	Rs.17,40,814=70	Rs.(-) 40,10,455=30

On comparison with the budget estimates and that of actual Income Expenditure side, that there was huge Excess/Savings as compared to the original Budget Estimate that means the budget is not prepared in realistic manner. Also Panchayat has failed to prepare the Revised Estimate to reduce Excess/Saving. In future, the same should be avoided and Budget may be prepared in realistic manner

PART IV COMMENTS ON TRANSACTION.

Section A: Outstanding audit paras from previous audit report in brief:-

Year	Para B/F	Paras Settled	Paras Outstanding	Subject as Brief
1988-89	01	-----	01	Para- on Auction recovery of Market fees of Rs.3,662=50
1993-94	01	-----	01	Para - 6 (ii) Differential amount of Rs.1,015=00 to be recovered from

			02	Para - 4 (ii) Auction recovery of Rs 4,105=00 and meta fee of Rs 4500=00 Para - 10- Purchase of RCC bricks of Rs. 25,000/- and water tanks Rs 3,850/- without quotation
1998-99	01		01	Para on retirement of gratuity to peon
1998-99	01		01	Para-10- Land for building of Market complex of Rs. 1,40,000/- with Dy. Collector
2002-03	02		02	Para-3- Purchase of Stationery from 1998 to 2003 Para on Departmental Works
2009-10	03		03	Para -5- Electrical material bills excess payment of Rs. 1,187=50 may be recovered from Universe electrical Para -12- Purchase of electrical material i.e Ex-post facto of excess exp. From 1992 -93 to 2009-10 Para - 13 Departmental works regularization of expenditure from 2006-07 to 2009-10
2010-11	17	14	03	Para - 8 Excess expenditure over budget Para - 9- Excess expenditure over permissible limit regularizations from the competent authority Para-16- Production of Administrative report 2010-11 Remaining 14 paras are dropped as commented in current audit
	28	14	14	

The records regarding purchase of bricks for the above referred items are not available. Regarding water tank it is stated that purchase without quotation is dropped. The procedure para may please be dropped.

As such the para may please be dropped.

Audit para no - 9 exp - 1997-98 - Retiree's gratuity paid to him. para no. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

It is noticed that the Panchayat has neither seen the long pending paras nor efforts made to settle the above paras for years together. Immediate action to comply the long pending paras should be taken and compliance should be reported to Audit.

It is regretted to place on records that the audit observations right from the period since 1988-89, though of very serious nature, have been still left unattended. Sincere efforts should be made to clear the outstanding audit observations for maintaining the credibility of Panchayat.

It is observed that the Panchayat had neglected to settle the above paras from years together. The same should be settled and compliance should be reported to Audit.

PART III
CURRENT AUDIT

1. CASH BOOK:- The Village Panchayat "ST. LAWRENCE AGASSAIM" in Iswadi block has utilized twenty two (22) receipts books from RBK. No. 183/36 dated 2/4/2011 to RBK No. 203/100 as on 31/3/2012. These receipts and the payments are checked with its supporting documents for the period from 1st April 2011 to 31st March 2012, during the course of the audit. The closing balance of cash book is worked out to Rs.19,40,537=91 as on 31/3/2012. However, on verification of this accounts, there found following discrepancies in the cash

	the receipt	cash book		
011	Rs.5,677/-	Rs.5,073/-	Rs.6,04/-	-- Const. fees
4/2011	Rs.241/-	Rs.236/-	Rs.5/-	-- Fine
04/2011	Rs.506/-	Rs.106/-	Rs.400/-	-- House tax
26/05/2011	Rs.364/-	Rs.359/-	Rs.5/-	-- Light tax
23/06/2011	Rs.170/-	Rs.164/-	Rs.6/-	-- Light tax
14/07/2011	Rs.56/-	NIL	Rs.50/-	-- House tax
0/56	Rs.50/-	Rs.40/-	Rs.6/-	-- Light tax
191/31	Rs.357/-	Rs.327/-	Rs.10/-	-- Certificate
9.192/24	Rs.241/-	Rs.236/-	Rs.30/-	-- House tax
10.192/41	Rs.170/-	Rs.130/-	Rs.5/-	-- Fine
11.192/Nil	Rs.10/-	NIL	Rs.40/-	-- House tax
12.195/27	Rs.271/-	Rs.267/-	Rs.10/-	-- RBD
13.195/95	Rs.100/-	NIL	Rs.4/-	-- House tax
14.197/6	Rs.20/-	NIL	Rs.100/-	-- Res. Cert.
15.199/63	Rs.456/-	Rs.506/-	Rs.20/-	-- RBD
16.200/13	Rs.50/-	Rs.10/-	--	Rs.50/- House tax
17.200/39	Rs.380/-	Rs.340/-	Rs.40/-	-- Certificate
18.200/86	Rs.20/-	Rs.10/-	Rs.40/-	-- House tax
19.202/94	Rs.455/-	Rs.510/-	Rs.10/-	-- RBD
	Rs.9,594/-	Rs.8,314/-	Rs.1,385/-	Rs.55/- House tax
				Rs.105/-
				=Rs.1280/- Short

Totalling Error

- Above closing balance on 29/11/2011 works out to Rs.1973389=95 whereas accounted as Rs.1967089=95 that is short by Rs.6300/-
- On 1/12/2011 actual closing balance works out to Rs.1961252=95 but taken as Rs.1967152=95 that is Excess by Rs.5900/- The overall short in 11/2011 works out to Rs.400/- (i.e. short Rs.6300/- Excess Rs.5900/-)

The total short accounted amount for the year 2011-12 works out to Rs.1680/- (Rs.1280/-+Rs.400) are now adjusted in the cash book as cash in hand and the actual closing balance for 2011-12 is enhanced to Rs.194227=91 as on 31/03/2012 The detailed breakup of this closing balance are as follows.

Balance as per Bank pass book/certificates FDR etc		Balance as per cash book
1)	Dena Bank Goa Velha Account No.021610001783 Rs. 278,206=89 Less: Interest accrued not accounted In cash book as on 31/3/2012 2010-11 Rs.611=00 2011-12 Rs.1418=00 Rs. 35,177=89	Rs.35,177=89
2)	State Bank of India Mercers Account No.30646462107 Rs. 4,442=10 Less: Interest accrued not accounted In cash book as on 31/3/2012 Rs. 308=00 Rs. 4,134=10	Rs.4,134=10
3)	Syndicate Bank Agassaim Account No.72082200059522 Rs.1,042=19 <u>RDA/GREGS</u> Less: Interest accrued not accounted In cash book as on 31/3/2012 Rs. 40=10 Rs.1,002=09	Rs.1,002=09
4)	Syndicate Bank Agassaim Account No.72082200006296 Rs.1,83,192=05 Less: Interest accrued not accounted In cash book as on 31/3/2012 Rs. 3,108=50 Less: Interest accrued in 2011-12 not accounted In cash book as	

<p>ed In cash book as 12 <u>Rs. 21,384=12</u> amount of 2010-11 deposited not accounted in cash book in 2010-11 deposited in the cash book on 31/3/2012 but accounted as cash in hand balance as on 31/03/2012 (i.e. Rs. 366, 760, 950 & 300/-) <u>Rs. 2,376=00</u> Less as per audit report of 2010-11 An amount of Rs. 1,800/- paid to Luisa Dias Peon salary for 5/10 Vr. No. 82 dt. 29/05/2010 Again an amount of Rs. 1800/- debited in the cash book Vide Vr. No. 88 dated 4/06/2010 towards the salary of peon 5/10 and now in 2011-12 instead of crediting the excess payment of Rs. 1800/- this entry has been again debited in the cash book receipt on 31/03/2012 at Pg. No. 209 (Rs. 1800/- x 3) <u>Rs. 3600=00</u> Less excess amount debited in the cash book towards the V P Clerk (daily wages) for 1/12 Vide Vr. No. 366 dt. 9/02/2012 and Vide Vr. No. 400 dated 5/03/2012 For Rs. 3750/- for 1/12 and instead of crediting the entry in the cash book the same is again deducted from the cash book receipt on 31/03/2012 at Pg. No. 209 (3750 x 2) <u>Rs. 7500=00</u> Add as per audit receipt of 2010-11 An amount of Rs. 2238=50 paid Towards the purchase of stationery Vide Vr. 283 dt. 2/11/2010 cheque were Also realized in the bank but The amounts were not included in the Expenditure on 2/11/2011 later this Entry were rectify during the audit Of 2010-11 and made adjustment on 31/03/2011 this adjustment entry are not incorporated in the cash book account as on 31/03/2012 <u>Rs. 2,238=50</u> Add unreconciled amount of the year 2011-12 <u>Rs. 14,672=00</u> <u>Rs. 11,62,133=93</u></p>	<p><u>Rs. 11,62,133=93</u></p>
<p>5) Syndicate Bank Agassaim Account No. 72082200048137 <u>Rs. 7,45881=11</u> Less cheque issued not accounted In 2011 not realized in the bank As on 31/03/2012 <u>Rs. 4,750=00</u> Less: Interest accrued not accounted In cash book as on 31/3/2012 10-11 <u>Rs. 10,043=02</u> 11-12 <u>Rs. 12873=97</u> Add Cheque issued not accounted In the cash book as on 31/03/2012 <u>Rs. 1,500=00</u></p>	

	Vide Vr. No. 175 2011 towards the salary to Methew cortez Rs.4,250=00 double payment incurred in cash book vide Vr. No. 166 dt.25/08/2011 & Vr. No.173 dt.27/08/2011 towards the salary of Luison Dias Rs.2,3000=00 Less Amount paid to Jaine Alfonso Vide Vr. No. 286 dt.2/12/2011 for Rs.1750/- towards member salary for Nov. 2011 whereas amount realized For Rs.1500/- Rs.250=00 Rs.712914=12	
		Rs.7,12,914=12
6)	Cash in hand Rs. 25,175=78 Add Short accounted amount Rs. 1,680=00 Of the year 2011-2012 Rs.26855=78	Rs.26855=78
	Closing Balance as per the cash book Rs.19,42,855=78	Rs. 19,42,855=78

→ Paid
So the

The above closing balance of the cash book is cross checked with bank pass book, certificates FDR etc. and it is found that the bank balance figures of Syndicate Bank Agassaim. A/c No.72082200006296 does not agrees with the cash book balance figures as on 31/03/2012, as there remains difference of Rs.14,672/- short which are shown as unreconciled amount for the year 2011-12. The rest of the bank balance figures are tallied with cash book figures, subject to the bank reconciliations as on 31/03/2012.

Limit of keeping cash in hand is not maintained. This should be enforced and excess amount beyond permissible limit should be deposited in the bank without further delay.

SECTION-BI MAJOR IRREGULARITIES

- i) An amount of Rs.1,680/- found short accounted in the cash book during the year 2011-12 Rs.1,280/- by way of receipt and Rs.400/- totaling error.
- ii) Interest accrued in the bank in 2010-11 and 2011-12 are not accounted in the cash book as on 31/03/2012.
- iii) Double payment vouchers are incorporated in the cash book in 2010-11 and again 2011-12 are not rectified in the year 2011-12 towards the staff salary.
- iv) As per audit report of 2010-11 an amount of Rs. 2,376/- were deposited in the bank (Rs.366,760,950,300/-) but not accounted in the cash book on 31/03/2012 and shown as cash in hand instead of that particular bank which is not correct.
- v) bank pass book/Certificate balance figure of Syndicate Bank Account No.72082200006296 does not agrees with the cash book balance figure as their remains the difference of Rs.14,672/- which are shown as unreconciled figure as on 31/03/2012
- vi) In some cases cheques were issued but not accounted in the cash book
- vii) Voucher No.45 dt.30/04/2011 for Rs.34,500/- payment towards member salary payment are not signed by payers.
- viii) Voucher No.255 dt.2/11/2011 for Rs.4,650/- daily wages clerk attendance are not recorded on the bill.
- ix) Voucher No.228 dt. 3/10/2011 for Rs. 3,750/- and Voucher No.300 dt.28/12/2011 for Rs.5,200/- are not produced to audit.
- x) The expenditure incurred towards the travelling allowances by V. P. members and staff are not specified the details of journey time and destination and purpose.
- xi) As per the previous audit report, the three receipts were cancelled Rbk.177/6,7 and 8 @ Rs.1000/- each, its original receipts were not produced to the audit are

of Penal interest on advance of Rs.50,000/- paid vide Vr. No.340
are not yet recovered as on 31/03/2012
Form No. 3 that is cash book accounts are not written with the due

The above observations reflect on serious irregularities on the part of
Panchayat, which needs immediate corrective, measures compliance thereof
should be reported to Audit, within a period of one month.

SECTION-BII OTHER IRREGULARITIES

- i) Form No. 5 that is stock accounting of receipt book register is not maintained properly, column No.7 and 8 are not filled properly
- ii) Paid bills for purchase of stationery, Electrical Material etc are not certified by V.P Sarpanch.
- iii) "Passed for payment" orders are not recorded on the daily wages bills.
- iv) Cancelled receipts are not attested by V.P Sarpanch.
- v) Sub vouchers are not defaced by "paid and cancelled" stamp.
- vi) In some cases, the closing balance of the cash book are not attested by V. P. Secretary and Sarpanch.
- vii) Amount deposited/withdrawn by cash or by cheque from the particular bank and its account number are not recorded in the cash book.
- viii) Voucher No.293 dated.2/12/2011 for Rs.27,600/-towards the payment for advocate bills, the details and acknowledgement receipts are not enclosed to the voucher.
- ix) Bank reconciliation statements is not produced to the audit nor recorded in the cash book at the end of financial year.
- x) Correction, Cancellations and Overwritings are not attested by V.P Sarpanch.
- xi) The above observations reflect on irregularities on the part of Panchayat, appearing to be of repetitive nature, which need immediate corrective measures. Such omission be avoided which would be verified during next audit.

Inspite of specific observations made in the last audit report, no action has been taken for compliance of observations raised till the date of taking up fresh audit. This has resulted in undue delay in compliance of outstanding paras for years together, thereby showing scant regards to Audit.

SUGGESTIONS

1. All the registers should be serially machine numbered and certified for count of pages
2. The Sarpanch should attest each and every/transaction on the Receipt as well as Payments side.
3. The cash balance should be certified at the end of every month
4. Annual physical verification of the stock as well as of consumable items should be carried out at least once in a year and verification certificate should be recorded at the end of every year on the registers.
5. The balances of postage stamps should be physically verified & verification certificate should be recorded in the Stamp Account Register at the end of each month.
6. The items which are not in good condition should be suitably indicated in remarks columns of dead stock register/consumable register.
7. The Sub-vouchers below Rs.500/- were not found to be defaced by "Paid & cancelled stamp".
8. Day to day receipts are not timely deposited in the Banks, which have been abnormally delayed.
9. All the registers should be maintained, updated & produced the same during course of audit without fail.
10. Cancelled receipts have not been accounted in the cash book for confirmatory

receipts should have been defaced by endorsing "Cancelled" stamp signature of Sarpanch, which has not been done. The same should be done & shown to Audit.

Cash Book should be written day to day basis regularly and at the end of every month. Account should be closed with bank balance and physical balance, as appearing in the cash book.

13. Number of accounts should be restricted to the lowest minimum and dormant accounts, if any should be closed by transferring the amount to main account, preferably with the scheduled bank.
14. Register of 'Third Party Cheque' should be maintained to monitor the disbursement of cheques.

2. RDA ACCOUNT

The Panchayat has incorporated RDA/GREGS accounts in general cash book vide Syndicate Bank A/C No.7208220059522. The separate cash book of this accounts are produced to the audit. During the year 2011-12, the Panchayat has not received any grants under this scheme. The detailed position of this RDA accounts are as follows:-

I. Opening Balance as on 1/4/2011	Rs.1,002=09
II. Grant received during the year 2011-12	Rs.---NIL---
III. Interest accrued during the year 2011-12	Rs.40=10
IV. Expenditure incurred during the year 2011-12	Rs.---NIL---
V. Bank Charges during the year 2011-12	Rs.---NIL---
Closing balance as on 31/3/2012	Rs.1,042=19
<u>Less Interest accrued not accounted in the</u>	
<u>General Cash book as on 31/03/2012</u>	<u>Rs.40=10</u>
<u>Closing balance as per General cash book as on 31/03/2012</u>	<u>Rs.1,002=09</u>

The above closing balance of the cash book is cross checked with bank pass book, certificates etc. and after bank reconciliation, it is found to be tallied with bank balance as on 31/3/2012. The scrutiny of this account in audit are limited only to confirm the general cash book as on 31/03/2012. The physical verification of this RDA Accounts are being carried out by District Rural Development Agency, Panaji.

4. TAXES

The statement showing the detailed position of Arrears, Current Demand, Collection and Balance for the period from 1-4-2011 to 31-3-2012. are as follows:-

Nature of Taxes	Arrears	Current Demand	Total	Collection	Balance as
i) House Tax	Rs.5,24,493=50	Rs.3,68,303=00	Rs.8,92,796=50	Rs.2,23,713=00	Rs.69,083=50
ii) Light Tax	Rs.36,999=00	Rs.15,708=00	Rs.52,077=00	Rs.11,697=00	Rs.40,038=00
iii) Proff. Tax	Rs.2,72,735=00	Rs.74,975=00	Rs.3,47,710=00	Rs.48,194=00	Rs.2,99,516=00
iv) Dog Tax	Rs.582=00	-----	Rs.582=00	-----	Rs.582=00
v) Hoarding Tax	Rs.57,713=00	Rs.35,844=00	Rs.93,557=00	Rs.14,000=00	Rs.79,557=00
vi) Cart Tax	Rs.547=00	-----	Rs.547=00	-----	Rs.547=00
vii) Cycle Tax	Rs.40,565=00	-----	Rs.40,565=00	-----	Rs.40,565=00
viii) Entertainment Tax	Rs.925=00	-----	Rs.925=00	-----	Rs.925=00
TOTAL	Rs.3,34,559=50	Rs.4,94,200=00	Rs.14,28,759=50	Rs.2,97,604=00	Rs.11,31,155=50

The Panchayat has collected an amount of Rs.2,97,604/- towards various taxes during the year 2011-2012. The tax collection is only 21% out of total demand. The position of the Panchayat in respect of collection of taxes is not

penalty from the defaulters and compliance should be reported to

Panchayat has leased out one of its premises on rental basis to Electricity Department at monthly rent of Rs.188/-. The details of the rent are as follows:-

Name of the Premised	Arrears	Current demand	Total	Collection	Balance
Electricity Department	14,644.00	2,256.00	16,920.00	NIL	16,920.00
Total	14,644.00	2,256.00	16,920.00	NIL	16,920.00

The Electricity Department has not paid any rent right from 7 ½ years back and its arrears are increasing year after year. The Panchayat has sent demand notice No.V.P/SA/2010-11 dt.17/01/2012 requesting to clear the above dues at an early date, but till today no response has been sought from Electricity Department so far.

5. Construction Activities

Construction Licence: The Sarpanch of V.P St. Lawrence Agassaim has certified vide letter No. VP/SLA/2012-13 dated 22/02/2013 that the Panchayat has issued 21 numbers of construction licences including renewals repairs etc. and collected an amount of Rs.1,06,150/-(Rupees one lakh six thousand one hundred fifty only) as a license fees during the year 2011-2012. The fees charged as per estimates certified by Town Planner, Town and Country Planning Department Panaji Relevant records are checked and found in order.

As per previous audit report short fall from following parties are as under.

year	Name of Person	Rs. Works out to	Rs. Credited	Short fall
2008-2009	Prakash N. Arlekar	Rs.5,764=00	Rs.4,460=00	Rs.1,304=00
2008-2009	Rory C. Gonsalves	Rs.9,447=00	Rs.7,703=00	Rs.1,744=00
2008-2009	Amlonia F. Gonsalves	Rs.9,143=00	Rs.7,049=00	Rs.2,094=00
2009-2010	Govind N. Keny	Rs.10,278=00	Rs.10,230=00	Rs.48=00
2009-2010	Ramchandra Y. Parab	Rs.3,527=00	Rs.3,477=00	Rs.50=00
2009-2010	Amlonio F. Gonsalves	Rs.20,880=00	Rs.20,830=00	Rs.50=00
2009-2010	Eduardo Mjs Fernandes	Rs.2,857=00	Rs.735=00	Rs.2,122=00
		Rs.61,896=00	Rs.54,484=00	Rs.7,412=00

The above short fall amount should be recovered from concern parties and compliance should be reported to Audit.

Illegal Constructions: The Sarpanch V.P Agassaim has certified vide letter No. VP/SLA/2012-13 dated 22/02/2013, that the Panchayat has detected three number of illegal construction cases during the year 2011-2012. The detailed position of illegal construction cases are as follows:-

i) No. of illegal construction cases as on 1/4/201	53 Nos.
ii) No. of Illegal const cases detected during 2011-12	03 Nos.
iii) No. of illegal const cases disposed during the year 2011-12	10 Nos.
iv) No. of illegal const cases outstanding on 31/3/2012	46 Nos.

Efforts are required to be made for expeditious disposal of cases and revenue realized on concluding of cases should be indicated to Audit. Necessary action should be initiated to dispose off the illegal construction cases so as to create deterrent on such issues, whereby the cases of illegal construction would be stalled.

MATERIALS:-

Lawrence Agassaim accepted the Tube side holder at the rate as the 2nd lowest quotation of universe electrical Mapusa and electrical goods vide Vr.No.305 dated.15/12/2011. As per quotation total amount of 250 Tube side holder works out to Rs.3375/- but in the bill shown as Rs.8750/-, excess of Rs.5375/- As per quotation rate, the cost of 3 sodium vapour bulb works out to Rs.3675/- but in the bill, it was shown as Rs.3750/- i.e. excess Rs.75/- Thus, the total excess amount works out to Rs.5450/- should be recovered from universe Electrical, Mapusa and compliance should be reported to audit.

*Universe electrical Mapusa ha
250 big Tube side holders with base Rs 35/-
which works out to 8750/- which is mentioned
in the quotation. So the Para may be dropped.
3) Universal electrical Mapusa had supplied
3 Sodium vapour bulb at the rate of 1225/-
each bulb which works out 3675/- The excess
amount Rs -75/- paid to Universe
electrical has been collected vide R/No-241/
dated-17/8/2013- So the Para may be dropped.*

7. EXCESS EXPENDITURE OVER PRESCRIBED LIMIT

Sr. No	Particular of Expenditure	Prescribe limit	Actual Expenditure	Excess Expenditure
1	Electrical Material	Rs. 2,00,000/-	Rs. 2,35,222/-	Rs. 35,222/-

Necessary Ex-post facto approval may be obtained from the Competent Authority and compliance should be reported to audit. This shows that the Budget practice followed by the V.P was either unrealistic or Panchayat was unable to fulfill its Budgetary obligations.

8. IRREGULAR EXPENDITURE

The Panchayat has made an expenditure of Rs.33,000/- towards supply of kaskas without call of quotation during the year 2011-12. The same may be got regularized by obtaining approval from the Competent Authority and the compliance should be reported to audit.

9. GARBAGE COLLECTION AND DISPOSAL

The Panchayat has invited quotation for collection and disposal of Garbage vide Notice No.VP/SLA/2011-12/1794 dt.24/03/2012. In response, only three quotation received by the Panchayat. The lowest quotation of Rs.90,000/- of Shri. Nicholas Vaz resident of Mercury ward, grande Agassaim was accepted by the Panchayat for the year 2012-13. Payment made from 3/2011 to 2/2012 Rs.79,800/- during the year 2011-12. the necessary agreement was not executed by the Panchayat with the bidder.

10. ANNUAL ACTION PLAN

As per the Section 238 of the Panchayat Act, each Panchayat shall prepare every year a development plan and submit to Zilla Panchayat before such date and in such a form as may be prescribed for inclusion of the same in the District Plan for onward submission to District and Planning Committee, constituted under Section 239 of the Act.

11. FUNCTION OF GRAM SABHA

- i) As per Section 6(2) of the Act, Gram Sabha shall constitute minimum two Supervisory Committees to supervise the Panchayat works schemes and other activities. The Supervisory Committees shall submit this report to the Panchayat and also place a copy of their report in the Gram Sabha for an appropriate decision.
- ii) As per Section 6(8) of the Act, the Gram Sabha shall constitute two or more Ward Development Committee.
- iii) As per Section 6(3) of the Act, the Govt. shall constitute Vigilance Committee to oversee the quality of work, schemes, and other activities of each Gram Panchayat.

12. AUCTION

MARKET FEES/SOPO

The Panchayat has leased out its right to the collection of Market cum festival

to guard the interest of the Panchayat. The required agreement, which should be paid may be seen on 20/03/97 dt. Further balance amount of Rs.30,000/- of the year 2011-12 is still not paid by Francisco Gracias, will be seen during the next audit. The Panchayat has sent notice to defaulter Shri. F. Gracias to pay the balance amount Vide No.VP/SLA/2012-13/1034 dt.18/10/2012. Outcome thereof should be reported to Audit.

The balance amount of Rs-20150/- paid by the bidder Shri - Afonso X. Fernandes vide Receipt No -

13. FINANCIAL POSITION

The Panchayat is having an amount of Rs.73,241=72 of its own fund as on 31st March, 2012. That means the financial position of the Panchayat is not sound. However, sincere efforts should be made to recover the outstanding arrears of Taxes and rent along with 10% penal interest from the defaulters.

14. WORKS

The Panchayat has executed and paid for total 01 (one) work during the year 2011-12 as per the statement enclosed. The relevant files were shown to audit and on verification, the points raised for suitable action are as follows:-

- 1) The agreement in form No.7 or 8 as the case may be has not made available in work file. The same may be duly fill in all respect and placed in the respective work file.
- 2) E.T.L should be obtain wherever the work is completed, beyond the stipulate date of completion.
- 3) Tendered amount not indicated in the work order.
- 4) As per the relevant guidelines of Income tax authorities, Income Tax should be deducted @ 1% from individual and 2% from company/firm.
- 5) VAT @ 2% should be deducted from the contractor bill as per Official Gazette published on 8/03/2011. Difference if any should be recovered from the contractor, and compliance should be reported to audit.
- 6) After repeated instructions the Panchayat has not been deposited Income Tax, Sales tax, VAT and Royalty to the Govt. Account. The same should be deposited to the concerned head of Account immediately, without any further delay.

15. GENERAL

a) Inspections

i) Prescribed	<u>B.D.O</u>	<u>E.O (VP)</u>
ii) Actually carried out	03	05
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Non-compliance should be justified and the B.D.O/EO (VP) should ensure that the prescribed number 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 action on following points.
 - i) As per the Rule 4(3) of the Goa Panchayat (Audit, Account and Custody of funds) Rules 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.
 - ii) As per Section 113(1) of the Act, the salary and allowances of the Secretary shall be drawn from the Panchayat Funds.
 - iii) The Panchayat Secretary shall maintain the personal cash register in terms of the Circular No ACB/vigilance/404/1066 dt. 22/03/2004 from

...ion 5 (i) & (ii) of the Act, there shall be minimum 04 (four) ...ary and special Gram Sabha meetings of the Panchayat, during ...ar.
...ion at b (i) (ii) & (iii) should be initiated and compliance should be ...ted to Audit.

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



(M. D. Morajkar)
Dy. Director of Accounts/
Inspection