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KERALA STATE AUDIT DEPARTMENT

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AUDIT REPORT ON THE ACCOUNTS
MADHUR GRAMA PANCHAYAT

For the year 2016-2017

District Audit Office, Kasaragod.

Phone :04994-256690

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(Registered with acknowledgement)

No. KSA.KSD-6/1020/2017

KERALA STATE AUDIT DEPARTMENT,
DISTRICT AUDIT OFFICE, KASARAGOD- 671 123.

E-Mail: doksd.ksad@kerala.gov.in

Phone :04994256690

DATED: 25.09.2017

The Deputy Director
District Audit Office, Kasaragod.
The President,
Madhur Grama Panchayat.
(Through the Secretary)

Sir,

Sub: Madhur Grama Panchayat- Audit Report for the year 2016-2017 issued -regarding.

As required in under Section 13 of Kerala Local Fund Audit Act,1994, Rule 18 of Kerala Local Fund Audit Rules 1996 and section 215 (4) of Kerala Panchayat Raj Act 1994, I forward herewith the Audit Report on the accounts of Madhur Grama Panchayat for the financial year 2016-17 for favour of further necessary actions as required under Rule 23 (1) of Kerala Local Fund Audit Rules, 1996.

Special attention is invited to Paras in Part-2 and Part-3 of this Audit Report.

On receipt of the audit report, the extracts of the relevant paragraphs of the audit report have to be forwarded to the concerned implementing officers to rectify the defects pointed out .

A special meeting of the Panchayat Committee has to be held with in one month from the date of receipt of this Audit Report for a detailed discussion on the Report and a copy of the Audit Report and the decision taken by the Panchayath Committee has to be published for the attention of public.(Rule 14,15 of Kerala Panchayat Raj (Manner of inspection and Audit system) Rules, 1997).

Necessary action may be taken to settle the audit objections early. A reply to the audit report has to be forwarded to this office within two months of the receipt of audit report. (See section 15 (1) of Kerala Local Fund Audit Act-1994, Rule 23 of Kerala Local Fund Audit Rules-1996, Rule 21(1)(2 of Kerala Panchayat Raj (Manner of inspection and Audit system) Rules-1997).

Yours faithfully,

The Deputy Director,
District Audit Office, Kasaragod.

Copy to :

1. The Director of Kerala State Audit Department, Tvpm. (with C/L)
2. The Deputy Director of Panchayats, Kasaragod.
3. Office copy.

No. KSA.KSD-6/1020/2017

Dated: 25.09.2017.

**AUDIT REPORT ON THE ACCOUNTS OF MADHUR GRAMA PANCHAYAT IN
KASARAGOD DISTRICT FOR THE YEAR 2016-17**

(Issued under Section 215[4] of Kerala Panchayat Raj Act-1994, Section 13 of Kerala Local Fund Audit Act-1994 and under Rule 18 of the Kerala Local Fund Audit Rules-1996.)

The accounts of receipts and payments of the Madhur Grama Panchayat, in Kasaragod district, for the financial year 2016-2017 was subjected to Audit. Development fund received, Fund for maintenance, Centrally Sponsored Funds and various departmental allocations were also audited. The cash receipts, and remittances for the period from 01.04.2016 to 31.08.2017 were verified in audit and withdrawals for the period from 01.04.2016 to 31.03.2017 were also verified in audit

The defects noticed in audit have been brought to the notice of the Panchayat through Audit Enquiries. Out of 12 Audit Enquiries served replies to 01 Enquiries was received. On the basis of the reply to the Audit Enquiries and the discussion in the Exit Conference only important observations are incorporated in this Report. The follow up actions on the Audit Enquiries not included in the Audit Report has to be taken by the Panchayat.

This Audit Report is prepared based on the Registers and Records maintained by the Panchayat and the replies and explanations received to the audit enquiries. This Department is not responsible for any faulty information or any information not provided to audit.

(A). Details of Audit Conducted.

Name and Designation of the Officer who conducted the audit	Rajarama.C, Deputy Director of Kerala State Audit Department.
Time taken for audit	29.08.2017 to 02.09.2017. & 07.09.17, 08.09.17
Name and designation of auditors who conducted the audit	Sathyanandan.C.V, Audit Officer.
	Kirandas .P.Audit Officer.
	Shaju Thomas, Assistant Audit Officer.
	Vinod Kumar. V. Assistant Audit Officer.
	Thomas.k, Assistant Audit Officer.
	Kunhikrishnan.K.C, Senior Grade Auditor.
	Sivashankara. K . Auditor.

(B). Executive Authorities.

President	Smt. Malathi Suresh	01.04.2016 to 31.03.2017.
Secretary	Sri.A.R.Prasanth Kumar(I/C)	01.04.2016 to 06.09.2016
	Sri. K.Mahalingeswara Sharma	07.09.2016 to 02.12.2016.

Smt.P.Geethakumari (I/C)	03.12.2016 to 02.01.2017
Sri. K.Mahalingeswara Sharma	03.01.2017 to 31.03.2017

Implementing Officers.

Designation	Name of the Officers	Period
Assistant Secretary	Sri. A.R.Prasanthkumar	01.04.2016 to 02.10.2016
	Smt.Geethakumari	03.10.2016 to 16.02.2017
	Sri.K.Bhaskaran	17.02.2017 to 31.03.2017
Assistant Engineer	Sri. Thulasidharan.N.T	01.04.2016 to 31.03.2017
Agriculture Officer	Smt..Bindu George	01.04.2016 to 31.03.2017
Village Extension Officer-	Sri.Mahesh.V.M	01.04.2016 to 31.03.2017
I.C.D.S Supervisor.	Smt.Moniamma.K.M	01.04.2016 to 31.03.2017
Head Master.	Sri.Seetharama.M.	01.04.2016 to 31.03.2017
Medical Officer (Allopathy)	Dr. Sandhya.M.N	01.04.2016 to 31.03.2017
Medical Officer (Homeo)	Dr. Reshma	01.04.2016 to 31.03.2017
Medical Officer (Ayurveda)	Dr. Geetha.K	01.04.2016 to 31.03.2017
Veterinary Surgeon.	Dr.Seena.V.B	01.04.2016 to 31.03.2017

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3. Income and Expenditure Statement 2016-17.
4. Balance Sheet as on 31.03.2017.

ഭാഗം 1**പൊതു അവലോകനം****1-1 Budget.**

The budget for the year 2016-2017 was approved by the Panchayat Committee as per resolution No.27/2016(i) dated 04.03.2016. The anticipatory receipts and payments as per the budget were as follows.

Opening Balance	28,47,000
Anticipated Receipts	18,14,18,000
Total	18,42,65,000
Anticipated Payments	17,87,81,000
Closing Balance	54,84,000

1-2 Annual Financial Statement.

The Annual Financial Statement for the year 2016-2017 was submitted to audit on 08.06.2017. The statutory time limit for the submission of A.F.S. to Audit has been complied with by the Panchayat.

1-3 Details of certification of Annual Financial Statement.

Year	Date of certification	Date and Number of the certificate
2016-2017	29.08.2017& 30.08.2017	Audit Certificate is appended to this report as Annexure- I.

Defects noticed in the A.F.S. are included in paragraph 2.1 of this audit report.

1-4 Financial Position.

The financial position of the panchayat as per the accounts audited is furnished below.(as per Receipts and Payments statement)

Opening balance	83,25,511
Receipts	5,53,79,426*
Total	6,37,04,937
Payments	5,01,93,935*
Closing Balance	1,35,11,002

* The receipts and payments not includes ₹ 1,80,86,810/- received as E.F.M.S. under Mahatma Gandhi N.R.E.G. and ₹ 4,14,69,480/- received as D.B.T. fund for the disbursement of various social security pensions.

1-5 Utilization of Fund (As per Appropriation Control Register)

Fund	Opening balance	Receipts	Total	Payments	Closing Balance**	Percentage of utilization
1	2	3	4	5	6	7
Development Fund – General	0	1,56,65,000	1,56,65,000	1,11,73,115	44,91,885	71.32%
Development Fund- S.C.P.	0	33,54,423	33,54,423	9,74,950	23,79,473	29.06%
Development Fund – T.S.P.	0	11,58,660	11,58,660	1,37,300	10,21,360	11.84%
C.F.C. Grant	0	87,85,652	87,85,652	40,00,974	47,84,678	45.53%
Performance Grant Under	0	48,41,104	48,41,104	17,72,579	30,68,525	36.61%

K.L.G.S.D.P.						
Maintenance Fund- Road	0	38,07,903	38,07,903	12,77,147	25,30,756	33.53%
Maintenance Fund Non-Road	0	42,77,010	42,77,010	30,55,163	12,21,847	71.43%
B. Fund	0	4,42,57,800	4,42,57,800	4,42,57,800	0	100%
M.G.N.R.E.G.S.	1,941	1,80,88,060	1,80,90,001	1,80,86,810	3,191	99.98%

** Closing balance shown in column number 6 (except M.G.N.R.E.G.) lapsed on 31.03.2017.

1-6 Review of implementation of projects.

The details of projects approved and implemented are furnished below.

No. of projects approved	No. of Projects implemented	No. of projects partially implemented	No. of projects not implemented	Percentage of projects completed
238	105	20	113	44.11%

Details projects implemented by Implementing Officers.

Sl. No.	Name of Implementing Officer	Details of projects to be implemented		Details of projects implemented		Percentage of expenditure
		Number	Amount	Number	Amount	
1	Secretary.	32	47,21,345	22	33,51,893	70.99%
2	Assistant Secretary.	14	18,31,660	7	5,87,800	32.09%
3	Assistant Engineer.	161	3,88,92,747	67	1,19,88,003	30.82%
4	Agricultural Officer.	4	33,88,446	4	31,52,856	93.04%
5	Village Extension Officer.	3	24,08,000	3	17,06,600	70.87%
6	I.C.D.S. Supervisor.	11	63,44,387	9	55,27,036	87.11%

7	Medical Officer-P.H.C.	3	6,90,000	3	6,89,953	99.99%
8	Medical Officer-Homeo.	0	0	0	0	0%
9	Medical Officer-Ayurveda.	1	6,00,000	1	6,00,000	100%
10	Head Master.	6	28,53,000	6	28,49,762	99.88%
11	Veterinary Surgeon	3	1,15,000	3	1,13,920	99.06%
	Total	238	6,18,44,585	125	3,05,67,823	49.42%

For the year 2016-17 a total of 238 projects were approved by D.P.C. Out of this 125 projects were implemented during 2016-17, which account for only 52.52% of the total numbers. In the case of public works the number of projects have to be implemented was 161, out of which only 67 projects were implemented. The poor percentage in implementation of projects is brought to notice. Similarly the poor percentage of implementation of projects by Assistant Secretary, is brought to notice.

1-7 Own fund.

There was a hike of 21.20 %, in the own revenue of the panchayat when compared to the revenue of the the previous year, as detailed below.

Item	Previous year	This year	Difference	Percentage (+)/(-)
Tax revenue	65,46,887	84,93,408	(+)19,46,521	(+) 29.73%
Non tax revenue	12,61,866	9,71,040	(-) 2,90,826	(-) 23.04%
Other Revenue	0	0	0	0
Total	78,08,753	94,64,448	(+)16,55,695	(+) 21.20%

1-8 Welfare Pensions.

The details of the amount utilized for welfare activities in the panchayat during the year 2016-17 are furnished below:

Name of the pension	Amount expended	No. of Beneficiaries
Unemployment Allowance	1,18,320	90
Agriculture Labour Pension	15,48,440	187
Widow pension	1,71,35,030	1,582
National Old Age Pension	1,79,62,295	1,777
Special Disabled Pension	46,10,875	504

Pension for unmarried women above 50 years	2,12,840	22
Financial help for widow's daughter's marriage	26,10,000	87

1-9 Cash verification.

The verification of cash balance as required under Section 6(4) of the Kerala Local Fund Audit Act, 1994 was conducted on 02.09.2017, at 3.00,P.M, in the presence of the accountant and the Secretary. The cash balance of 02.09.2017 was ₹ 11,098/- as per the records. The physical presence of ₹ 11,098/- was ensured in the verification.

1-10 Details of other audits conducted.

Audit	Date of last audit	Period of Audit	No & date of the report
Performance Audit	10.07.2017	01.01.2017 to 31.07.2017	10.08.2017
Audit of the Accountant General	Details not Produced	Details not Produced	Details not Produced

ഭാഗം-2

വരവു കണക്കുകളിൻമേലുള്ള ഓഡിറ്റ് നിരീക്ഷണങ്ങൾ

2-1 Annual financial statement certification- Defects noticed

On verification of the annual financial statement of Madhur Grama panchayat for the year 2016-17, the following defects were noticed

- 1) The defects pointed out on the annual financial statement for the year 2015-16 have not been rectified.
- 2) The digital Asset Register generated using sanchaya software is not up to date. Hence the accuracy of fixed asset shown in schedule B. 11 of the Balance Sheet as on 31-03-2017 could not be verified
- 3)The demand register & arrear demand register of Property Tax have not been maintained manually. The integration of sanchaya software with saankhya remains incomplete. Hence the accuracy of the current and arrear D.C.B. of Property Tax could not be verified.
- 4) The arrear demand registers of revenue items have not been maintained. Hence the accuracy of the sundry debtors (Receivabls) could not be verified.
- 5) The figures shown in Receipt and Payment Statemet relating to the following Govt. Grants were not agreed with the figuers shown in Apropriation Control Register

Fund	As per A.C.R.	As per Receipt and Payment Statemet
Development fund (Gen)	1,11,73,115	1,12,07,663
Developmentfund(S.C.P.)	9,74,950	10,05,416

C.F.C. Grant	40,00,974	40,62,602
K.L.G.S.D.P.	17,72,579	18,95,201
Maintenance Fund (Road)	12,77,147	13,76,626

6) The valuation and accounting of stock remains incomplete.

7) The reconciliation of balance as per the book of accounts with the balance in the bank accounts & T.S.B. Accounts as on 31.03.2017 were not prepared and produced for verification. Monthly reconciliation as per rule 57 of Kerala Panchayat Raj accounts rules have not been done properly.

8) The details of liability shown under the head 320300199&320700405 have not been made available for verification.

9) The Budget for the year 2016-17 has not been prepared based on function-functionary classification.

2-2 Profession Tax-Institution Register not maintained

During the period 2016-2017, Institution register of the profession tax is not maintained. In the absence of institution register, the total number of institution in the panchayat area is not able to be ascertained in audit. Necessary steps may be taken to maintain the institution register which incorporate all the institution in panchayat area and may be produced to the audit verification.

2-3 Traders Registers Not Prepared.

As Per Kerala Panchayat Raj Act, 1998 (Keeping records and issue of copies) Grama panchayat should prepare a list of traders including all the trading institutions functioning within the panchayat area. But panchayat has not maintained such a register. Because of the non maintenance of traders register, details of shops functioning in the panchayath area, whether license fee has been collected or not is not able to verify in audit.

Panchayat administration committee has to initiate immediate action in this regard.

2-4 A Review on the Assesement, Demand and collection of Property Tax.

In Grama Panchayats, the assessment, demand and collection of the Property tax are made on the provisions / instructions laid under the Sections 203,207,208 and 254 of the Kerala Panchayat Raj Act,1994. The rule relating to the above sections of the Act is - "The Kerala Panchayat Raj Rules - Property tax 1996, issued as per G.O.(P):73/96/L.S.G.D; Dtd: 28.03.1996. As per this Rules, Property Tax of a building/ construction is assessed on it's Annual Rental Value (ARV). This method has many drawbacks and has been revised. The revised system of assessing PropertyTax is based on the Floor Area of the construction. The revised rule came into force as per the Govt. Order 20/2011/L.S.G.D./ dtd : 14.01.2011 is termed as the "The Kerala Panchayat Raj Rules-Property tax,service tax and surcharge" 2011, w.e.f. 01.04.2011. The revision of Property tax applicable for new constructions are w.e.f 01.04.2011 while for Existing /old constructions, it is from 01.04.2013 onwards.

The property tax arrear for 2016-17, shown in the A.F.S.(Schedule.B15) and the abstract from "Sanchaya" are not in agreement. Details given below,

Item	A.F.S.	Sanchaya	Difference
------	--------	----------	------------

Arrear for 2016-17 (Residential)	40,47,868	69,36,947	-28,89,079
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(Demand/Collection/Balance – 2016-17)

Item	A.F.S.	Sanchaya
Demand	51,90,476(Income&Expenditure)	1,13,16,599
Collection	30,57,575(current)+17,92,443(arrear) =48,50,018(R&P Schedule-43)	45,33,199
Balance	22,36,111(current)+18,11,757(arrear) =40,47,868(Balance Sheet Schedule-15)	67,83,400

Balance Sheet (B.S. Schedule-15) vs Sanchaya (Arrear 2016-17)

Item	Balance Sheet (lakhs)	Sanchaya (lakhs)
Arrear	40,47,868	69,36,947

The reasons for the difference were not explained / rectified yet. It can be rectified through the recording of actual demand, collection and correct posting of the tax. Immediate measures and actions should be carried out by the Panchayat Authorities for the rectification of the above.

It is directed to revise / modify and verify each entries in the Sanchaya database, to incorporate with the revisions / modifications made in the property tax as per G.O.(M.S.) 144/2015/L.S.G.D./ dtd:27.04.15 ; G.O.(M.S.) 358/2015/L.S.G.D./ dtd:16.12.15. But these modifications / updations were not timely done by the Panchayat, resulted huge arrears in property tax collection. Now the updation process is going on and hence the correctness of Demand, Collection and Balance are not verified during Audit.

Saankhya – Sanchaya integration process has been completed (in 2016-17). The details of property tax can be obtained from Sanchaya from 2013-14 onwards. But the details before 2013-14 were not entered in Sanchaya. For Commercial Buildings, the permissible deduction in property tax (during revision) is 5% only. But Panchayat granted 6% deduction without any reason. Hence the actual demand and collection is reduced. The alterations and additions made by the owners were not confirmed by site verification, during the revision of tax. Tax assesment has been done, on the submission of Form No:6 from the owner and the details therein. Base data entry, regarding property tax has been completed. Tax has been exempted from the owners of residential buildings having floor area upto 60 m², on submission of Affidavit. The ex-servicemen, who owns residential buildings in the panchayat, seems to submit their proposal for tax exemption, within April 10 of each year. The ownership change, tax revision, occupancy change etc are entered in Sanchaya, within the period of data entry to the time of integration with Sankhya.

Other important Defects noticed

- (1) The property tax Assesment Register, Demand Register, Vacancy Remission Register, Demolished Building Register, Write-Off Register were not submitted for Audit.
- (2) The site verification report submitted by the officer on the assesment of a building, do not include every / important details for the assesment of tax (such as flooring material, special fascilities (air conditioner etc) in the construction, road / infrastructure fascilities available etc).
- (3) The Panchayat do not verified, whether the area / portions meant for general / common use in a building (like varandah, stair etc), are properly assesed as per the existing building rules. The remedial measures (Descrpancy solving steps), to rectify these defects in Sanchaya, are not taken by the Panchayat.

(4)If the construction/building owned by a person, consists portions of different occupancies,it may be treated as different constructions as per the respective occupancies for assessing tax.Otherwise the whole construction is taken under the same occupancy. The property tax assessed as per the provisions /instructions laid under the rule 3(5) of the Kerala panchayat Raj Rules, 2011 and as per Section 203(9) and sub-section 2 of the Kerala Panchayat Raj Act,1994 also specifies the same. As per G.O.(P):19/2011 /L.S.G.D./14.01.2011, for the commercial buildings the property tax assessed by the Panchayat, in the following rates.

Floor area	Upto 100 m2	above 100 m2 , below 200 m2	Above 200 m2
Rate / m2	₹ 30/-	₹ 50/-	₹ 80/-

But, during audit, it is found that the tax assessed for commercial building having floor area more than 100m2, is taken as a group of individual shop rooms, instead as a whole. The property tax assessed separate for these rooms, in the lower rate (₹ 30/-),by considering them as individual constructions. Hence there is short, in the demand and collection of the tax. This error should be rectified and proper assesement,demand and collection of property tax must be ensured.

2-5 Property Tax -Huge arrears

The arrear demand and collection of property tax for the period 2016-17 could not be verified in audit.since the arrear demand and collection register of property tax for above period are not seen maintained. In the absence of these register. The correctness of property tax could not be verified in audit (Audit enquiry no.03 dt.31-08-2017) As per Financial statement for the year 2016-17 receivable property tax on residential building (current)is Rs. 22,36,111/-And receivable for property tax on residential building (arrear)is Rs.18,11,757/-. Hence early action to be initiated to collect the arrears in time.

2-6 Telecommunication towers-Property tax not collected

The property tax levied on various Telecommunication Towers functioning in the Grama Panchayat area as per property tax demand register is not found collected by the Grama panchayat. As per G.O.(M.S.)No.210/2013/L.S.G.D. dt. 04-06-2013 an amount of RS.500/ m² should be levied as maximum property tax for an year on Telecommunication Towers. Details are given below.

SL. No.	Door No.	Service provider	Floor Area(sq.mts)	Property tax arrear 2015-16	Property tax current 2016-17	Total
1	XI-439A	Sreejith S. pillai, (India priviteLtd)	12m ²	22,680	7,560/-	30,240
2	XIX-402	M/S. Dishnet Wireless Ltd,Aircel.	12m ²	18,900	6300/-	25,200
3	XIX-401	M/S. Airtel	12m ²	5,670	5,670	11,340

	Mobile BharatLtd.			
Total		47,250	19,530	66,789

A total amount of Rs 66,789/- (Arrear 47,250/- and current 19,530/-) is pending collection under the head property tax during the year 2016-17. An audit enquiry vide No.03/2017 dated 31-08-2017 was served to the Secretary and replied that action will be taken to collect the amount. So action may be initiated to collect the pending collection of property tax from the Telecommunication Tower companies and intimated to audit.

ഭാഗം-3

ചെലവു കണക്കുകളിൻമേലുള്ള ഓഡിറ്റ് നിരീക്ഷണങ്ങൾ

3-1 Projects were not implemented timely ₹1.94 Cr. Lapsed during 2016-17

During the year 2016-2017, as detailed below, a total sum of ₹ 4,18,89,752/- was allotted to the Grama Panchayat by the State Government under Development fund, Maintenance grant, World bank aid and Finance Commission grant for carrying out the developmental activities effectively. Out of the earmarked fund sanctioned to the panchayat, ₹ 2,23,91,228/- was spent by the institution during the year and the unspent balance of ₹ 1,94,98,524/- lapsed during the close of the financial year.

Fund	Allotted	Spent	Lapsed
Development Fund – General	1,56,65,000	1,11,73,115	44,91,885
Development Fund- S.C.P.	33,54,423	9,74,950	23,79,473
Development Fund – T.S.P.	11,58,660	1,37,300	10,21,360
C.F.C. Grant	87,85,652	40,00,974	47,84,678
Performance Grant Under K.L.G.S.D.P.	48,41,104	17,72,579	30,68,525
Maintenance Fund- Road	38,07,903	12,77,147	25,30,756
Maintenance Fund – Non-Road	42,77,010	30,55,163	12,21,847
Total	4,18,89,752/-	2,23,91,228/-	1,94,98,524/-

Total number of projects approved for the year 2016-17 was 238, out of this 125 projects were implemented during the year, which account for only 52.2% of the total numbers. In the case of public works the number of projects have to be implemented was 161, out of which only 67 projects were implemented. As per the approved project a sum of ₹ 3,88,92,747/- was earmarked for the implementation of public works, but the actual expenditure in this field was only ₹ 1,19,88,003. The poor percentage in (30.82%) in expenditure by the Assistant Engineer is brought to notice. The 67 projects implemented by the Assistant Engineer includes 17 projects to which expenditures were made only for

the purchase of bitumen. The poor percentage in expenditure by the Assistant Secretary (32.09%) was another factor which bring down the percentage in expenditure and ultimately lead into the lapse of fund.

The lapse in implementation of projects timely has resulted in to the lapse huge amount sanctioned for the development of basic infrastructure of the panchayat. All the projects to be implemented by the panchayat are coming from the Gramasabha. These projects are submitted to the panchayat for fulfilling the basic needs of the public. The lapse in executing the basic needs of public may lead them to turn around the developmental programmes of the panchayat and Gramasabha. Hence, action may be initiated to utilize the entire amount sanctioned to this year with the co-operation of Grama sabha, working groups, implementing officers and employees of the panchayat.

3-2 Exterior works in community hall of the panchayat- Excess rate for roofing with MP tiles-loss

Project No.350/16- Exterior works to Panchayat community hall

Amount- Rs.4,95,000 – Own fund.

Convenor- Sunil Kumar.M.P

Agreement No.70/15-16/AE/L.S.G.D. dated 15.03.2016

Estimate- Rs.4,95,000 (T.S. No.697/AEE/LSGD/KSD dated 17.02.2016)

Payment- Rs.4,92,023 (Treasury cheque No. 1970428 dated 06.10.2016)

The estimate of this work contained 35 items prepared based on C.P.W.D. specifications and D.S.R. 2014. Item no 9 of the approved estimate was “roofing with first class MP tiles 340mm or nearest available size- 15.87 Sqm @ Rs.1,809.45/sqm = 28,716”

In page no.4 of the M.book no.420, it has been recorded by the Asst.Eng. that 15.88 sqm of work has been completed by the convenor under this item, which was carried over to page no. 54 of the M.book and billed as follows-

15.88 sqm ltd.to 15.87 sqm @ Rs.1809.45 = 28,715.97.

An observed data was seen prepared and attached to the estimate for this item. The data is stated below-

MR	First class mp tiles	145 nos	9500/1000	1,377.50
2207	Carriage of tile	145 nos	170.38/1000	24.71
123	Mason first class	0.35	435/day	152.25
101	bhisti	0.35	363/day	127.05
	Total			1,681.51
	Market rate			1,377.50
	Add 1% water charges on MR			13.78

	Net total(A)			1,391.28
	Total excluding market rate			304.01
	Add 1 % water charges n this			3.04
	Net total (B)			307.05
	Total A +1.3619B			1,809.45
	Say 1809.45/10sqm			

Hence, it is clear that the rate was prepared for a quantity of 10 sqm of work, but was erroneously carried forward to the estimate as 1809.45/sqm. Hence this error has led to a loss of Rs.25844 as detailed below-

Admissible valuation- 15.87 sqm @ Rs.1,809.45/10sqm = 2,871.60

Admitted valuation- 15.87 sqm @ Rs.1,809.45/sqm = 28,715.97

Hence, excess = 25,844

The loss sustained to the Panchayat fund has to be made good from the Assistant Engineer who prepared the estimate and Assistant Executive Engineer who accorded T.S. for the work in equal share.

3-3 Road tarring/re-tarring works implemented by Beneficiary Committee-Excess rate paid to bitumen not allowed-

The estimate prepared for the following road tarring work was prepared based on the C.P.W.D. specifications and D.S.R. 2014. As per the estimates, the items like Tack Coat (Code No.16.30.1), 2cm Chipping Carpet (Code No.16.32.1) and Seal Coating (Code.No.16.41), for which bitumen has to be used were to be executed using using VG-10 Grade bitumen. But, on actual execution, bitumen of grade VG-30 was purchased and used by the convenor. As per D.S.R, rate for VG-10 Grade bitumen is Rs.50,600/M.T. and rate for VG-30 Grade bitumen is Rs.41,000/M.T. Hence, as detailed below, the panchayat has sustained a loss of Rs./16,568-,which is to be recovered from the Engineer who supervised the work.

For the above four items of work,the details of rate admitted and admissible are worked out and given below.

16.30.1	Providing and applying Tack coat using bitumen of VG 10 Grade on WBM @ 0.75Kg/sqm. Details for 100 sqm								
		Admitted rate				Admissible rate			
Code	Description	Unit	Quantity	Rate	Amount	Unit	Quantity	Rate	Amount
2916	Paving Asphalt-VG-10	tonne	0.075	50,600	3,795	-	-	-	-
2211	Carriage of tar	Tonne	0.075	106.49	7.99	Tonne	0.075	106.49	7.99
7309	Paving Asphalt-VG-30	-	-	-	-	Tonne	0.075	41,000	3,075

16.30.1	Amount as per other items in Code 16.30.1.				823.33				823.33
	Total				4,626.32				3,906.32
	1 % watering charges				46.26				39.06
	Total				4,672.58				3,945.38
	Including Cost Index 1.3619				6,363.58				5,373.21
	Hence for 1 sqm				63.65				53.73

16.32.1	2cm premix carpet surfacing with VG-10 grade bitumen Details for 100 sqm								
		Admitted rate.				Admissible rate.			
Code	Description	Unit	Quantity	Rate	Amount	Unit	Quantity	Rate	Amount
2916	Paving Asphalt-VG-10	tonne	0.144	50,600	7,286.40	-	-	-	-
2211	Carriage of tar	Tonne	0.144	106.49	15.33	Tonne	0.144	106.49	15.33
7309	Paving Asphalt-VG-30	-	-	-	-	Tonne	0.144	41,000	5,904
16.41	Total amount as per Code 16.32.1				7,614.09				7,614.09
	Total				14,915.82				13,533.42
	1%watering charges				149.16				135.33
	Total				15,065				13,668.8
	Cost Index including 1.3619				20,517.02				18,615.54

	Hence for 1 sqm- Rate with cost index 1.3048				205.17				186.16
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16.41	Providing and laying seal coat Details for 100 sqm								
		Admitted rate				Admissible rate			
Code	Description	Unit	Quantity	Rate	Amount	Unit	Quantity	Rate	Amount
2916	Paving Asphalt- VG-10	tonne	0.098	50,600	4,958.50	-	-	-	-
2211	Carriage of tar	Tonne	0.098	106.49	10.44	Tonne	0.098	106.49	10.44
7309	Paving Asphalt- VG-30	-	-	-	-	Tonne	41,000	0.098	4018
16.41	Total amount for other items as per code16.41				3,672.53				3,672.53
	Total				8,641.47				7,700.97
	1 % watering charges				86.41				77
	Total				8,727.88				7,777.97
	Cost Index including 1.3619				11,886.50				10,592.82
	Hence for 1 sqm				118.84				105.93

SL.No.	Code No. and Items	Admitted Rate	Admissible Rate
1	16.30.1- Providing and applying Tack coat using bitumen of VG 10 Grade on bituminous surface @ 0.75Kg/sqm-	63.65/sqm	53.73/sqm

2	16.32.1- 2cm premix carpet surfacing with VG-10 grade bitumen	205.17/sqm	186.16/sqm
3	16.41- Providing and laying seal coat	118.84/sqm	105.93/sqm

Details of Loss to the Panchayat.

Details of Items of work	Admitted valuation					Admissible valuation					Remarks
	Item	Code	Qty	Rate	valuation	item	Code	Qty	Rate	Valuation	
Project No.353/16 Name of project- Kollya-Ellamkala road Convenor:Sandeep Cheque No. date and amount- 1970432 dated 06.10.2016, ₹ 3,98,699/- Estimate- DSR 2014, with cost index-1.3619 and without CPOH- amount -4,00,000 M.Book No.413 <u>Details of Bitumen purchased -</u> bill No. and date- 14554/27.05.2016, SIDCO,Kasaragod	7	16.30.1	396 sqm	63.65/sqm	25,205.40	7	16.30.1	396 sqm	53.73/sqm	21,277.08	
Bitumen - VG-30 Quantity-1.248 MT Amount- 43,168	8	16.32.1	396 sqm	205.17/sqm	81,247.32	8	16.32.1	396 sqm	186.16/sqm	73,719.36	
	9	16.41	396 sqm	118.84/sqm	47,060.64	9	16.41	396 sqm	105.93/sqm	41,948.28	

Project No.	040/2016-17
Name of project	Purchase of chair for anganvadi
Bill No.	28/16-17 dated 31.03.17
Estimate	Rs 1,26,935 (Development Fund-General)
Bill amount	Rs 1,26,876 (Development Fund-General)
Implementing Officer	I.C.D.S. Supervisor

An amount of ₹1,26,876/- was withdrawn from treasury by I.C.D.S. Supervisor and paid to RAIDCO, Kerala Limited, Kannur being the cost of 85 baby chairs and 184 chairs purchased for Anganvadi centres of the Panchayat. Purchase was made directly from RAIDCO Kerala Limited, without inviting tender, which is irregular and against the procedure of purchase. So, the expenditure of ₹1,26,876/- is objected in audit.

3-7 Projects implemented in Agricultural Sector- Monitoring not conducted.

During the year 2016-17, four projects were implemented in agriculture sector by the implementing officer. Monitoring of these projects were not done. The implementation of a project do not ends with the distribution of subsidy, monitoring of the projects is also a vital part of the project. The working group in agricultural sector has an important role in monitoring the projects implemented. In future, monitoring of the projects, as directed in paragraph number 19 of G.O.(M.S) No.362/2013/L.S.G.D. dated 16.11.2013, has to be done for ensuring the effective implementation of projects.

3-8 Treasury Bill Book not Produced

The Implementing Officer, Head Master, G.J.B.S, Madhur, has not been produced Treasury Bill book for the year 2016-17. He implemented six projects with a total expenditure of Rs.28,49,762/-. Since the implementing officer failed to produce the Treasury Bill Book, it made impossible to verify the correctness of withdrawals from the Treasury. In this circumstance, audit suggests to take necessary action to produce the Bill Book or the Statement of Treasury transaction issued by the Treasury Officer during the Period 2016-17 to the implementing officer.

ഭാഗം-4

പൊതു വിവരങ്ങളും ഓഡിറ്റ് പ്രത്യുവലോകനവും

4-1 Details of fund received for joint venture projects.

Fund Received from	Year	Amount	Project Details	Expenditure	Balance
Block Panchayat, Kasaragod	2016-17	3,22,800	O.D.F. share	0	3,22,800
Block Panchayat, Kasaragod	2016-17	2,87,500	Scholarship for mentally and physically challenged students	2,87,500	0

Block Panchayat, Kasaragod	2016-17	8,00,000	Kudumbashree Vipanana kendram	0	8,00,000
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4-2 .Deposits made with other agencies/L.S.G.I.s.

Expenditure made for deposit works are shown below.

Implementing Agency.	Name of work.	Voucher No./ Cheque No.	Amount deposited.	Amount expended.	Unspent balance.
K.S.E.B.	Street light line extension (Project No. 10/17)	Bill.No. 12 dt:16.02.2017	91,150	-	91,150
K.S.E.B.	Street light line extension (Project No. 13/17)	Ch No 1970436 dt:23.11.2016	8,574	-	8,574
K.S.E.B.	Street light line extension (Project No. 76/17)	Vr.No.21601131 dt:30.03.2017	51,095	-	51,095
K.S.E.B.	Street light Line Extension (Project No. 86/17)	Ch No 1970436 dt:09.02.2017	51,710	-	51,710
K.S.E.B.	Street light Line Extension (Project No 31/17)	Bill.No.46 dt:31.03.2017	60,000	-	60,000
K.S.E.B.	Total Electrification share (Project No. 305/17)	Bill.No.29 dt:31.03.2017 Bill.No.30 dt:31.03.2017	3,72,000 19,974	-	3,72,000 19,974

4-3 Details of mobilization advances made.

NIL.

4-4 Loan/loan repayment.

NIL.

4-5 Investments/Fixed deposits.

NIL.

4-6 Audit Recovery.

An amount of ₹ 1,99,415 /- is collected during the year as audit recovery, details are given below.

Audit Report year	Part/Paragraph No.	Amount recovered	Name and designation of the remitter.	Receipt No. and date.
2015-16	2.2(3)	63,000	M/s. Indus Towers Ltd,	11601500028 dt.13.02.2017

2015-16	2.2(4)	17,599	M/s. Hutchson Essar Cellular Ltd.	45824/24- dt. 03/03/2017
2015-16	2.2(6)	18,900	M/s. Bharathi Airtel	11601500637 dt. 20-02-2017
2015-16	2.2(7)	22,680	M/s. Indus Towers Ltd	11601500029 dt. 13-02-1017
2015-16	2.2(9)	3,780	M/s. Bharathi Airtel	45825/15- dt. 03.03.2017
2015-16	2.2(10)	17,010	M/s. Airtel Mobile Bharat Ltd.	11601500036 dt. 20-02-1017
2015-16	2.2(11)	56,446	NWS Idea Mobile	45827/28- dt. 04-03-2017
	Total	1,99,415		

4-7 Details of paragraphs included in the Consolidated Audit Report.

NIL.

4-8 Review of Audit

A- Concise Details:

Total Receipts for the year 2016-17	5,53,79,426
Total Payments for the year 2016-17	5,01,93,935
Loss in receipts	Nil
Loss in expenditure/ amount disallowed in audit	42,412
Amount objected in audit	Nil

B. Details of clear cases of loss sustained to the panchayat Fund.

Para No	Amount of Loss		Name of the officer responsible for the loss
	Chargeable	Surchargeable	
3(2)	--	25,844	Thulasidharan.N.T, Assistant Engineer
3(3)	--	16,568	
	Total	42,412	

Details of amount objected in Audit: Nil

C. Details of loss sustained to the Central/state Govt, or other Agencies/institutions.

NIL

D. Cases requiring further inquiry to fix the loss.

NIL

E. Permanent addresses of the officers responsible for the loss mentioned in the Audit report.

Para No.	Name and Designation	Official Address	Permanent Address
3(2) 3(3)	Thulasidharan.N.T Assistant Engineer	Assistant Engineer, Madhur Grama Panchayat	Nerapanady (House), Kalanad (P.O), Kasaragod (Dist)

4-9 Details of Audit Reports Pending Settlement

Year of Audit	Reference from this office on the Audit Report	No. of objections pending settlement
1996 – 1997	LF.KSD3/361/11 dated: 10.01.11	5
1997 – 1998	LF.KSD3/361/11 dated: 10.01.11	14
1998 – 1999	LF.KSD3/361/11 dated: 02.03.12	32
2000 – 2001(Plan)	LF.KSD3/466/07 dated: 31.12.07	8
2001 – 2002(Plan)	LF.KSD3/870/07 dated: 31.12.07	3
2000 – 2001	LF.KSD3/361/11 dated: 28.01.12	1
2001 – 2002(Final)	LF.KSD5/361/11-dated: 13.12.11/04.09.08	1
1999 – 2000(Final)	No.LF.KSD5/537/03dt:07.07.05/15.12.08	10
2002 – 2003	No.LF.KSD3/402/11 dated:13.12.11	4
2003 – 2004	No.LF.KSD3/403/11 dated:13.12.11	11
2004-2005	No.LF.KSD3/544/11 dated:25.03.12	4
2005-2006	No.LF.KSD3/545/12 dated:26.03.12	7
2006- 2007	No.LF.KSD6/73/13 dated:03.04.13	5
2007-2008	No.LF.KSD6/201/13 dated:03.04.13	11
2008-09,2009-10, 2010-11	No.LF.KSD4/597/12 dated:24.04.13	17
2011-12	No.LF.KSD6/724/13 dated:05.06.14	23
2012-13, 2013-14	No.LF.KSD8/626/15 dated:08.07.15	15

2014-15	No.LF.KSD6/18/16 dt:16.01.2016	10
2015-16	No.KSA.KSD6/72/17 dt:23.01.2017	13

Deputy Director,
Kerala State Audit Department,
District Audit Office, Kasaragod.

Ceeyar/-

Annexure-1

AUDIT CERTIFICATE

No. KSA-KSD/6/1020/2017

Kerala State Audit Department
District Audit Office, Kasaragod – 671 123
E-mail:- doksd.ksad@kerala.gov.in
Phone: 04994-256690
Dated:25.09-2017.

AUDIT CERTIFICATE

Certified that, I have audited the Annual Financial Statement of Madhur Grama Panchayat in Kasaragod District for the year ended on 31.03.2017 in accordance with Section 4 of the Kerala Local Fund Audit Act 1994, Section 215 of the Kerala Panchayat Raj Act 1994, the rules made there under and the guidelines issued by the Comptroller and Auditor General of India for the purpose of audit of accounts of Panchayat Raj Institutions.

In my opinion, the Financial Statements of Madhur Grama Panchayat for the year 2016-17, except the observations pointed out in my Audit Report, properly presents the picture of income and expenditure.

Deputy Director,
Kerala State Audit Department,
District Audit Office, Kasaragod

കെ.എസ്.എ-കെ.എസ്.ഡി /6/ 1020/2017

കേരള സംസ്ഥാന ഓഡിറ്റ് വകുപ്പ്
ജില്ലാ ഓഡിറ്റ് കാര്യാലയം കാസറഗോഡ്

E-mail:- doksd.ksad@kerala.gov.in
Phone: 04994-256690

തീയതി.25.09.2017

ഓഡിറ്റ് സർട്ടിഫിക്കറ്റ്

1994ലെ കേരള ലോക്കൽ ഫണ്ട് ഓഡിറ്റ് നിയമത്തിന്റെ 4-ാം വകുപ്പ് 1994 ലെ കേരള പഞ്ചായത്ത് രാജ് നിയമത്തിന്റെ 215-ാം വകുപ്പ്, ഇവ അനുസരിച്ചും പഞ്ചായത്ത് രാജ് സ്ഥാപനങ്ങളുടെ ഓഡിറ്റിന് വേണ്ടി കമ്പ്ലോളർ ആന്റ് ഓഡിറ്റർ ജനറൽ നിർദ്ദേശിച്ച ഓഡിറ്റിംഗ് സ്റ്റാന്റേർഡുകൾ അവലംബിച്ചും, കാസറഗോഡ് ജില്ലയിലെ മധൂർ ഗ്രാമ പഞ്ചായത്തിന്റെ 2016-17 വർഷത്തെ വാർഷിക ധനകാര്യ സ്റ്റേറ്റ്മെന്റ് പരിശോധിച്ചതായി ഞാൻ സാക്ഷ്യപ്പെടുത്തുന്നു.

എന്റെ റിപ്പോർട്ടിൽ ചൂണ്ടിക്കാണിച്ചിരിക്കുന്ന പരാമർശങ്ങൾ ഒഴികെ, എന്റെ അഭിപ്രായത്തിൽ, മധൂർ ഗ്രാമ പഞ്ചായത്തിന്റെ 2016-17-ലെ വാർഷിക ധനകാര്യ പത്രിക, വരവ്- ചെലവ് കണക്കുകളെ ശരിയായ രീതിയിൽ അവതരിപ്പിക്കുന്നു എന്ന് ഞാൻ സാക്ഷ്യപ്പെടുത്തുന്നു.

ഡെപ്യൂട്ടി ഡയറക്ടർ

കേരള സംസ്ഥാന ഓഡിറ്റ് വകുപ്പ്,
ജില്ലാ ഓഡിറ്റ് കാര്യാലയം, കാസറഗോഡ്.