



**AUDIT REPORT**  
**ON**  
**THE ACCOUNTS OF**  
**UNION ADMINISTRATIONS**  
**SAHIWAL**  
**AUDIT YEAR 2016-17**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
APRs	Actual Payee's Receipts
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
D&C	Demand & Collection Register
DGA	Director General Audit
FD	Finance Department
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government and Community Development
LPC	Last Pay Certificate
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance
PPRA	Punjab Procurement Regulatory Authority
RDA	Regional Directorate Audit
TAO	Tehsil Accounts Officer
TMA	Tehsil Municipal Administration
TO (F)	Tehsil Officer (Finance)
TS	Technical Sanction
TO (R)	Tehsil Officer Regulation
UAs	Union Administrations
UPS	Uninterrupted Power Supply

## **PREFACE**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 and Auditor General of Pakistan's SRO (1)/2009 dated 02.03.2009 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditures of the Local Fund and Public Accounts of District Governments, Town / Tehsil Municipal Administrations and Union Administrations.

The Report is based on audit of the accounts of Union Administrations of District Sahiwal for the Financial Years 2008-16 (first audit of Union Administrations). The Directorate General of Audit District Governments Punjab (South), Multan conducted audit during Audit Year 2016-17 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The Report have been finalized without management response and DAC meeting, as the management failed to respond to audit observations despite repeated requests.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 for causing it to be laid before the Provincial Assembly.

Islamabad  
Dated:

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit (DGA), District Governments, Punjab (South), Multan, a Field Audit Office of the Auditor General of Pakistan, is mandated to carry out the audit of all District Governments in Punjab (South) including Town / Tehsil Municipal Administrations and Union Administrations. Regional Directorate of Audit (RDA), Multan has audit jurisdiction of District Governments, TMAs and UAs of six Districts i.e. Multan, Lodhran, Vehari, Sahiwal, Pakpattan and Khanewal.

The Regional Directorate Audit has a human resource of 21 officers and staff, constituting 5,271 mandays and the budget amounting to Rs 22.549 million was allocated in Audit Year 2016-17. The office is mandated to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly, RDA Multan carried out audit of the accounts of ten UAs of District Sahiwal on sample basis for the Financial Years 2008-16 and the findings are included in this Audit Report.

Union Administrations (UAs), District Sahiwal conduct their operations under Punjab Local Government Ordinance, 2001. UAs of District Sahiwal comprise Union Nazim / Administrator and not more than three secretaries namely Secretary (Union Committees), Secretary (Municipal Services) and Secretary (Community Development). Administrator designates one secretary as Principal Accounting Officer (PAO). Financial provisions of the Ordinance require every Local Government to establish Public Account. Additional Secretary (Local Government and Community Development Department) in pursuance of Section 179-A of the PLGO, 2001, appointed Tehsil Officer (Regulation) as Administrator of Union Councils falling in the respective Tehsil Municipal Administrations vide notification No.SOR(LG)39-6/208 dated Lahore, 24<sup>th</sup> February, 2010. According to this notification, “the Administrators shall perform the functions and exercise the powers of the Union Nazim, Naib Union Nazim and Union Councils under the ordinance and or any other law for the time being in force”.

The total Development Budget of ten above mentioned UAs in District Sahiwal for the Financial Years 2008-16, was Rs 38.057 million and expenditure incurred was Rs 26.776 million, showing savings of Rs 11.280 million. The total Non-development Budget for Financial Years 2008-16 was Rs 104.400 million and expenditure was Rs 78.680 million, showing savings of Rs 25.720 million. The reasons for savings in Development and Non-development Budgets are required to be provided by the PAOs concerned.

The total budget targets of receipts of ten Union Administrations for the Financial Years 2008-16 were Rs 129.346 million against which Rs 143.880 million were collected.

Audit of UAs of District Sahiwal was carried out with the view to ascertaining that the expenditure was incurred with proper authorization, in conformity with laws/rules/regulations and whether the procurement of assets and hiring of services were economical or not.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection and reconciliation were made in accordance with laws and rules and that there was no leakage of revenue.

**a. Scope of Audit**

Out of total expenditure of UAs for the Financial Years 2008-16, auditable expenditure under the jurisdiction of Regional Director Audit, Multan was Rs 938.558 million. Out of 89 UAs of District Sahiwal, Regional Director Audit Multan audited an expenditure of Rs 105.456 million covering ten UAs / PAOs / formations of District Sahiwal which, in terms of percentage, is 11% of total auditable expenditure and irregularities amounting to Rs 90.105 million were pointed out. Regional Director Audit planned and executed audit of 10 formations i.e. 100% achievement against the planned audit activities.

Total receipts of the UAs for the Financial Years 2008-16, were Rs 535.350 million. RDA Multan audited receipts of Rs 143.880 million of the ten UAs of District Sahiwal which is 27% of total receipts and no irregularities were pointed out.

**b. Recoveries at the Instance of Audit**

Recoveries of Rs 13.015 million were pointed out by Audit (out of which nil amount paras over Rs 1 million are included in this Report) which was not in the notice of the management earlier. No amount was recovered by the management till the time of compilation of the Report.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of UAs with respect to functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity.

**d. Audit Impact**

A number of improvements in record maintenance and procedures have been initiated by the departments concerned on pointation of Audit. However, audit impact in the shape of change in rules could not be materialized as the Public Accounts Committee has not discussed Audit Reports pertaining to Union Administrations.

**e. Comments on Internal Control and Internal Audit Department**

Internal control mechanism of UAs of District Sahiwal was not found satisfactory during audit. Many instances of weak internal controls have been highlighted during the course of audit which includes some serious lapses. Negligence on the part of UAs authorities may be captioned as one of the important reasons for Weak Internal Controls.

**f. key Audit Findings of the Report**

- i. Non production of record involving Rs 30.110 million was noted in one case<sup>1</sup>

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<sup>1</sup> Para No. 1.2.1.1

- ii. Irregularities and non compliance involving Rs 45.230 million were noted in four cases<sup>2</sup>
- iii. Internal control weakness of Rs 14.755 million was noted in one case<sup>3</sup>

Audit Paras on the accounts for the Financial Years 2008-16 involving procedural violations including internal control weaknesses and irregularities which were not considered worth reporting to Provincial PAC have been included in Memorandum for Departmental Accounts Committee (Annex-A).

**g. Recommendations**

Audit recommends that the PAO / management of UAs should ensure to resolve the following issues seriously:

- i. Production of record to audit for verification
- ii. Regularization of unauthorized expenditures
- iii. Strengthening of internal controls
- iv. Holding of DAC meetings in time and compliance of DAC directives and decisions in letter and spirit
- v. Implement internal as well as financial controls in letter and spirit to avoid unauthorized drawal/ utilization of funds.

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<sup>2</sup> Para No. 1.2.2.1 to 1.2.2.4

<sup>3</sup> Para No. 1.2.3.1



## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

(Rupees in million)

Sr. No.	Description	No.	Expenditure	Receipts	Total
1	Total PAOs in Audit Jurisdiction	89	938.558	535.350	1,473.908
2	Total formations in Audit Jurisdiction	89	938.558	535.350	1,473.908
3	Total Entities (PAOs) Audited	10*	105.456	143.880	249.336
4	Total Formations Audited	10*	105.456	143.880	249.336
5	Audit & Inspection Reports	10*	105.456	143.880	249.336
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports (Relating to UAs)	-	-	-	-

\* All the ten Union Administrations had been audited for the Financial Years 2008-16.

**Table 2: Audit Observations regarding Financial Management**

(Rupees in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Unsound asset management	-
2	Weak financial management	21.544
3	Weak Internal controls relating to financial management	14.755
4	Others	53.796
<b>Total</b>		<b>90.095</b>

**Table 3: Outcome Statistics**

(Rupees in million)

Sr. No.	Description	Expenditure on Physical Assets	Salary	Non Salary	Civil Works	Receipts	Total Current Year	Total Last Year
1	Total Financial Outlay	-	112.627	46.928	779.003	535.350	1,473.908	1,483.138
2	Outlays Audited	-	62.478	16.202	26.776	143.880	249.336*	117.836
3	Amount placed under audit observations / irregularities pointed out	-	-	30.110	59.985	-	90.095	41.718
4	Recoveries pointed out at the instance of audit	-	-	-	-	-	-	-
5	Recoveries accepted / established at audit instance	-	-	-	-	-	-	-
6	Recoveries realized at the instance of audit	-	-	-	-	-	-	-

\* The amount mentioned against Sr. No.2 in column of "Total Current Year" is the sum of expenditure and receipts, whereas the total expenditure was Rs 105.456 million

**Table 4: Irregularities Pointed Out**

(Rupees in million)

Sr. No.	Description	Amount placed under audit observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	45.230
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from IPSAS*, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems	14.755
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	-
6	Non production of record to Audit	30.110
7	Others, including cases of accidents, negligence etc.	-
<b>Total</b>		<b>90.095</b>

**Table 5: Cost Benefit**

(Rupees in million)

Sr. No.	Description	Amount
1	Outlays Audited (Items 2 Table 3)	249.336
2	Expenditure on Audit	0.075
3	Recoveries realized at the instance of Audit	-
4	Cost-Benefit Ratio	-

\*The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

# CHAPTER 1

## 1.1 Union Administration, Sahiwal

### 1.1.1 Introduction

Union Administration (UA) consists of Union Nazim, Union Naib Nazim and not more than three Secretaries namely Secretary (Union Committees), Secretary (Municipal Services) and Secretary (Community Development). Each UA has one Drawing & Disbursing Officer.

There are 89 UAs in District Government Sahiwal out of which 10 UAs number 11, 39, 42, 46, 50, 63, 64, 65, 66 and 67 were audited on sample basis during 2016-17.

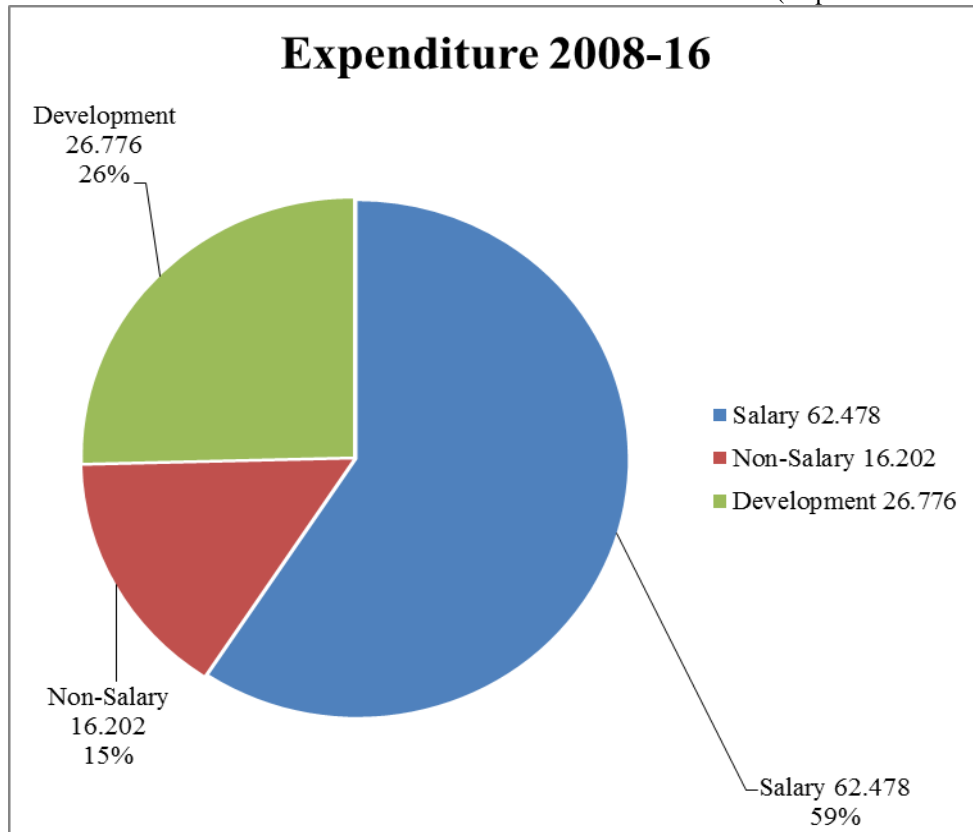
### 1.1.2 Comments on Budget and Accounts

The detail of budget and expenditure of ten UAs audited during 2016-17 is given below in tabulated form:

(Rupees in million)

2008-16	Budget	Actual	Excess (+) / Saving (-)	% (Saving)
Salary	82.267	62.478	-19.789	-24.055%
Non-salary	22.133	16.202	-5.931	-26.797%
Development	38.057	26.776	-11.281	-29.642%
<b>Sub Total</b>	<b>142.457</b>	<b>105.456</b>	<b>-37.001</b>	<b>-25.973%</b>
Revenue	129.346	143.880	14.534	-11.237%

(Rupees in million)

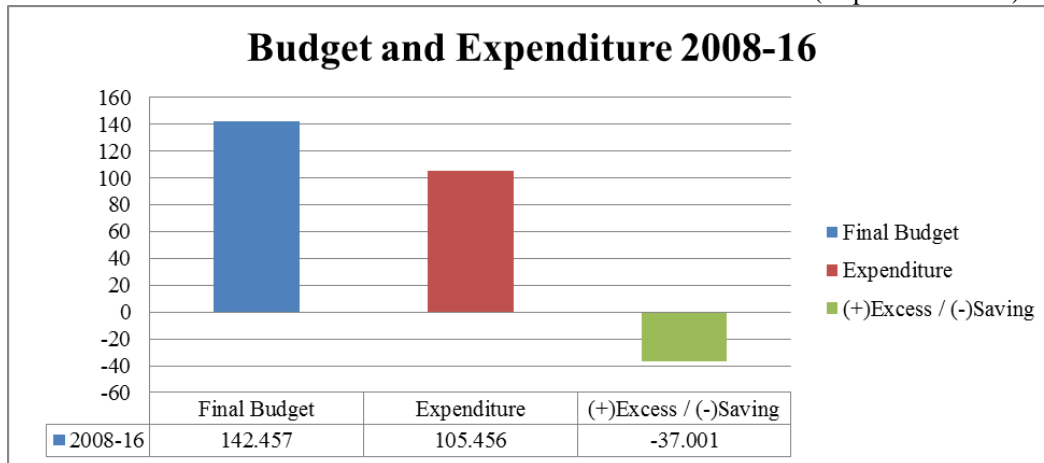


Details of budget allocations, expenditures and savings of each UA of District Sahiwal for the Financial Years 2008-16 are at **Annex-B**.

As per Budget Books for the Financial Years 2008-16 of UAs in District Sahiwal, original and final budget of audited ten UAs was Rs 142.457 million. Total expenditure incurred by these UAs during Financial Years 2008-2016 were of Rs 105.456 million. A saving of Rs 37.001 million came to the notice of audit which shows that the UAs failed to provide essential services as envisaged and planned at the time of preparation and approval of annual budget for the year. **(Annex-B)**

The comparative analysis of the budget and expenditure of current Financial Year is depicted as under:

(Rupees in million)



### 1.1.3 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2015-16

Audit paras, reported in MFDAC (Annex-I) of Audit Report 2015-16, which have not been attended in accordance with the directives of DAC, have now been reported in Part-II of **Annex-A**.

### 1.1.4 Brief Comments on Status of Compliance with PAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee.

#### Status of Previous Audit Reports

S. No.	Audit Report Year	No. of Paras	Status of PAC Meeting
1	2009-12	8	PAC not constituted
2	2012-13	6	PAC not constituted
3	2013-14	6	PAC not constituted
4	2015-16	8	PAC not constituted

# **AUDIT PARAS**

## 1.2.1 Non Production of Record

### 1.2.1.1 Non production of record – Rs 30.110 million

According to Section 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001 “The Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts.”

Secretaries of following Union Administrations did not produce the vouched accounts of various development expenditures, contingency heads and service record amounting to Rs 30.110 million during Financial Years 2008-16 despite repeated requests and the same remained unaudited.

(Rupees in million)

Sr. No.	UA No.	Description	Amount
1	39	Record pertaining to pay and allowances, contingent and Development expenditure	8.001
2	63	Service record viz. appointment orders, service book, LPCs, vouched account of pension contribution etc.	8.165
3	64	Service record viz. appointment orders, service book, LPCs, vouched account of pension contribution etc.	5.984
4	65	Service record viz. appointment orders, service book, LPCs, vouched account of pension contribution, record of development works and receipts pertaining to Nikah Perts etc.	6.3
5	66	Service record viz. appointment orders, service book, LPCs, vouched account of pension contribution etc.	0.680
6	67	Service record viz. appointment orders, service book, LPCs, vouched account of pension contribution etc.	0.980
<b>Total</b>			<b>30.110</b>

Audit is of the view that due to weak internal controls, record was not produced for audit verification.

Non production of record of Rs 30.110 million created doubts regarding the legitimacy of the expenditure as well as violation of the Government instructions.



The matter was reported to the Union Secretaries / PAOs in April, 2017. The Union Secretaries did not submit any reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides production of record to Audit for verification.

[UA-39 AIR Para: 01], [UA 63 AIR Para: 04], [UA 64 AIR Para: 08], [UA 65 AIR Para: 05, 11],  
[UA 66 AIR Para: 07], [UA 67 AIR Para: 03]

## 1.2.2 Irregularities and non compliance

### 1.2.2.1 Irregular expenditure without pre-audit – Rs 21.544 million

According to Clause 3(iv) of the Government of Punjab Finance Department letter No.FD(FR)II-5/82(P) dated 29.05.2009, Tehsil Accounts Officer shall conduct pre-audit of payment of Union Administrations falling in the jurisdiction of respective TMA.

Secretaries of following Union Administrations drew funds amounting to Rs 21.544 million during Financial Years 2008-16 on account of various expenditures i.e. Development and Non Development and paid the amount to suppliers / firms without the pre-audit. The Secretaries and Administrators, being the co-signatory, drew the funds without pre-audit from TAO. The authenticity of entire expenditure could not be ascertained without pre-audit of the expenditure.

(Rupees in million)

Sr. No.	UA No.	Financial Year	Amount
1	11	2014-15 and 2015-16	5.712
2	39	2014-15 and 2015-16	2.853
3	42	2014-15 and 2015-16	2.932
4	46	2014-15 and 2015-16	3.854
5	63	2008-09 to 2015-16	0.521
6	64	2008-09 to 2015-16	1.776
7	65	2007-08	0.556
8	66	2007-08 and 2015-16	2.518
9	67	2015-16	0.822
<b>Total</b>			<b>21.544</b>

Audit is of the view that due to weak financial management, funds were withdrawn without pre-audit.

Withdrawal of funds without pre-audit of vouchers amounting to Rs 21.544 million resulted in violation the Government instructions.

The matter was reported to the Union Secretaries / PAOs in April, 2017. The Union Secretaries did not submit any reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[UA 11 AIR Para No.01], [UA 39 AIR Para No.02], [UA 42 AIR Para No. 01], [UA 46 AIR Para No. 01], [UA 63 AIR Para No. 07], [UA 64 AIR Para No. 06], [UA 65 AIR Para No. 04], [UA 66 AIR Para No. 09], [UA 67 AIR Para No. 07]

### **1.2.2.2 Unauthorized execution of works beyond competency by splitting - Rs 14.204 million**

According to Rules 4 & 5 of the Punjab Union Administrations (Works) Rules, 2002, in case of a project having cost less than Rs 150,000 the Union Administration may execute the project at its own either by contracting out to the private sector or through a Project Committee. If the cost of a project included in the Annual Development Plan is more than Rs 150,000, the Union Administration may get it executed through the TMA or the District Government as deposit work for which the funds shall be placed at their disposal.

Secretaries of following Union Administrations incurred expenditure of Rs 14.204 million on development schemes through splitting the works just to keep the expenditure within competency during the Financial Years 2008-15 instead of getting it executed through TMA as deposit work.

(Rupees in million)		
Sr. No.	UA No.	Amount
1	11	3.585
2	42	1.668
3	46	1.536
4	50	0.450
5	64	2.485
6	65	0.358
7	66	4.122
<b>Total</b>		<b>14.204</b>

Audit is of the view that due to maladministration, unauthorized expenditure was incurred beyond the competency.

Unauthorized expenditure of Rs 14.204 million resulted in violation of rules.

The matter was reported to the Union Secretaries / PAOs in April, 2017. The Union Secretaries did not submit any reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[UA 11 AIR Para No.02], [UA 42 AIR Para No.02], [UA 46 AIR Para No. 02], [UA 50 AIR Para No. 01], [UA 64 AIR Para No. 03], [UA 65 AIR Para No. 14], [UA 66 AIR Para No. 06]

### **1.2.2.3 Unjustified payment on development works – Rs 7.684 million**

According to Para 03, 04 of Punjab Union Administrations (Works) Rules 2002, authorities of Union Council can carry out different projects through a committee up to Rs 100,000 by adopting detailed below procedure:

- i. Project committee will be responsible for completion of project according to design.
- ii. Project committee will provide skilled and unskilled labor by calling quotations.
- iii. Union Nazim will pay the cost of project through crossed cheques in two installments by obtaining certificate from Secretary that first installment was properly utilized.
- iv. Project committees will carry out project after obtaining Technical sanction estimate approved by the competent authority, vouchers and quotations duly verified by the convener of the committee, payment to labor register, inspection register and completion certificate duly signed by all members of the committee.

Contrary to above, Secretaries of following Union Administrations carried out development works for Rs 7.684 million during Financial Years 2008-16 without observing following Government Rules and codal formalities:

- i. Project committee was not constituted
- ii. Separate bank account in the name of the project committee was not opened
- iii. Amounts were withdrawn by Secretary and the Nazim instead of prescribed project committee
- iv. Amounts were withdrawn in single installment in violation of the above clauses of the rule.

(Rupees in million)

Sr. No.	UA No.	Amount
1	63	2.854
2	64	1.776
3	65	0.504
4	66	1.728
5	67	0.822
<b>Total</b>		<b>7.684</b>

Audit is of the view that due to non compliance of rules, project committee was not constituted and other requirements of the rules were not fulfilled.

Non constitution of project committee and non fulfillment of other requirements of the rules resulted in unauthorized expenditure of Rs 7.684 million.

The matter was reported to the Union Secretaries / PAOs in April, 2017. The Union Secretaries did not submit any reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[UA 63 AIR Para No. 06], [UA 64 AIR Para No. 02], [UA 65 AIR Para No. 03], [UA 66 AIR Para No. 04], [UA 67 AIR Para No. 02]

#### **1.2.2.4 Unauthorized expenditure on fixing of street lighting – Rs 1.798 million**

According to Rule 3(2) of Rules of Business of TMA Rules, 2002 provision, management, operation, maintenance and improvement of the

municipal infrastructure and services, including street lighting are the functions of TMA.

Secretaries of Union Administrations No.42, 46 & 50, District Sahiwal incurred unauthorized expenditure amounting Rs 1.798 million during 2008-16 on the development schemes pertaining to street lighting, which was beyond their functions / rules of business. **Annex-C**

Audit is of the view that due to non compliance of rules, unauthorized expenditure on provision of street lights was incurred.

Incurrence of expenditure of Rs 1.798 million on street lights from Union Administration funds resulted in violation of the Government instructions.

The matter was reported to the Union Secretaries / PAOs in April, 2017. The Union Secretaries did not submit any reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[UA 42 AIR Para No.04], [UA 46 AIR Para No. 03], [UA 50 AIR Para No. 02]

## 1.2.3 Internal Control Weaknesses

### 1.2.3.1 Unauthorized lump sum provision for development in the budget - Rs 14.755 million

According to Rule 55 (1) of the Punjab Union Administration (Budget) Rules, 2003, the Annual Development Programme shall be formulated as prescribed in Part-VII, VIII and IX of Volume-I and include details of each development project. It shall be an explanatory document to the demand for grants (development).

Secretaries of following Union Administrations approved budget without detail of development schemes and kept lump sum provision of Rs 14.755 million for development projects during the Financial Years 2008-16 in violation of above rule. Detail is as under:

(Rupees in million)

Sr. No.	UA No.	Period	Amount
1	11	2008-16	7.805
2	39	2008-16	1.805
3	42	2008-16	5.145
<b>Total</b>			<b>14.755</b>

Audit is of the view that due to weak internal controls, lump sum provision for development projects was kept in the budget.

Lump sum provision of budget Rs 14.755 million for development projects resulted in violation of rule.

The matter was reported to the Union Secretaries / PAOs in April, 2017. The Union Secretaries did not submit any reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[UA 11 AIR Para No. 03], [UA 39 AIR Para No. 07], [UA 42 AIR Para No. 05]

# **Annex**



**Annex-A**

**Part-I**

**Memorandum for Departmental Accounts Committee Paras Pertaining to Audit Year 2016-17**

(Rupees in million)

Sr. No.	UA No.	AIR Para No.	Subject	Amount
1	Union Administration No. 11	4	Irregular / unjustified execution of development work	0.354
2		5	Non-deposit of Income Tax	0.285
3		6	Unjustified expenditure of Advertising charges and Non-reimbursement by respective UAs	0.082
4		7	Non-utilization of Development Funds	4.279
5		8	Preparation of improper budget leaving less closing balances and non-achievement of income targets	0.353
6		9	Non-utilization of Generator and Computer	0.106
7		10	Loss to Government due to Non- levying of permit and license fee	-
8		4	Embezzlement in Nikkah Fee and Non-Production of record	0.589
9		5	Less Collection of death/birth certificate fee	0.735
10		6	Unjustified drawl of pension fund	0.22
11		8	Loss to Government due to non-achievement of target income	1.892
12		9	Preparation of improper budget leaving less closing balances	-
13		10	Excess expenditure over and above the budget allocation	0.358
14		11	Loss to Government due to Non- levying of permit and license fee	-
15	Union Administration No.42	3	Unauthorized expenditure on account of development schemes non-deduction of Income Tax	0.562
16		6	Non-deposit of Income Tax	0.11
17		7	Less Collection of death/birth certificate fee	0.029
18		8	Excess expenditure over and above the budget allocation	0.853
19		9	Improper preparation of budget without leaving 5% closing balances	-
20		10	Loss to Government due to Non- levying of permit and license fee	-

Sr. No.	UA No.	AIR Para No.	Subject	Amount
21	Union Administration No. 46	4	Un-authorized lump-sum provision of development	1.805
22		5	Unauthorized expenditure on account of development schemes Rs215,209 and non-deduction of Income Tax	0.215
23		6	Less Collection of death/birth certificate fee	0.073
24		7	Excess expenditure over and above the budget allocation	0.363
25		8	Non-deposit of Income Tax	0.053
26		9	Improper preparation of budget leaving less closing balances	-
27		10	Loss to Government due to Non-levying of permit and license fee	-
28		Union Administration No. 50	3	Less deposit of union council receipt (copying fee)
29	4		Non deduction of Income tax	0.021
30	5		Unjustified payment of rent of office Building	0.126
31	6		Doubtful drawl of P.O.L of generator	0.016
32	Union Administration No. 63	1	Non Deposit of Nikkah fees and recovery	0.888
33		2	Misappropriation of Nikkah fees and recovery	0.102
34		3	Non deposit of nikkah fees of Mr. Javid Iqbal nikkah registrar	0.09
35		5	Undue payment of share to secretary	0.055
36		8	Recovery on account of excess payment of pay and allowances	0.159
37	Union Administration No. 64	1	Non Deposit of Nikkah fees and recovery thereof	0.164
38		4	Non deposit of pension fund	0.247
39		5	Non deduction of income tax	0.111
40		7	Unjustified utilization of union council funds	0.619
41		9	Less deposit of union council receipt (copying fee)	0.013
42		10	Unjustified payment of share to secretary	0.039
43	Union Administration No. 65	1	Non Deposit of Nikkah fees and recovery thereof	0.185
44		2	Late deposit of union council receipt	0.066
45		6	Non deduction of income tax	0.09
46		7	Unjustified utilization of union council funds	0.218
47		8	Non deposit of pension fund	0.353
48		9	Unjustified payment of share and computer allowance to secretary	0.082
49		10	Unjustified appointment of Alam Sher Niab Qasid and payment thereof	0.454
50		12	Unjustified payment of medical bill	0.033
51		13	Unjustified payment of arrears of pay and	0.155

<b>Sr. No.</b>	<b>UA No.</b>	<b>AIR Para No.</b>	<b>Subject</b>	<b>Amount</b>
			allowances	
52		15	Recovery on account of excess purchase of bricks in different works	0.045
53	Union Administration No. 66	1	Bogus drawl on account of execution of works (Construction of soling at chak No.162-9-L)	0.79
54		2	Non Deposit of Nikkah fees and recovery thereof	0.104
55		3	Non deduction of income tax	0.202
56		5	Unjustified utilization of union council funds	0.333
57		8	Non deposit of pension fund	0.013
58	Union Administration No. 67	1	Non deposit of Nikkah fees and recovery thereof	0.511
59		4	Unjustified payment of share to secretary	0.02
60		5	Unjustified utilization of union council funds	0.097
61		6	Non deduction of income tax	0.073
62		8	Non Deposit of received Nikkah fees and recovery thereof	0.031

**Part-II**

**[Para 1.1.3]**

**Memorandum for Departmental Account Committee Paras not attended in Accordance with Directives of the DAC Pertaining to Audit Year 2015-16**

(Rupees in million)

Sr. No	UA No.	AIR Para No.	Subject	Amount
1	UA 08 Sahiwal	3	Non deduction of income tax	0.098
2		5	Unjustified purchases of different items without stock entries and without any distribution record	0.114
3		6	Non deposit of deducted income tax with income tax department	0.109
4		7	Unjustified allotment of works without consulting authorized committee	1.347
5		8	Unjustified payment on account of increase in pay of Mr. Khalil-ur-Rehman secretary union council	0.052
6		9	Recovery on account of less recovery of shrinkage charges in different works of Union council No. 08 Sahiwal	0.023
7		10	Non deposit of Nikkah fees and recovery thereof	0.026
8		11	Irregular purchase of generator and recovery	0.032
9		12	Unjustified payment of share to secretary	0.044
10		13	Less deposit of union council receipt (copying fee)	0.018
11		14	Unjustified payment of encashment and recovery from Mr. Manzoor Ahmad Secretary union council	0.064
12		15	Misappropriation of Nikkah fees	0.007
13		16	Doubtful change of nikkah pert's dates in Nikkah papers by Mr. Hafiz Muhammad Shabbir Faridi nikkah registrar	-
14	UA 23 Sahiwal	1	Non deposit of pension fund	0.154
15		2	Non deposit of nikkah fees	0.125
16		3	Unjustified allotment of works without consulting authorized committee	0.739
17		4	Non deduction of income tax	0.049
18		5	less deposit of union council receipt (copying fee)	0.029
19		7	Non deposit of deducted income tax with income tax department	0.084
20		8	Unjustified payment on account of arrear of pay and allowances	0.038
21	UA 24	1	Less deposit of union council receipt (Copying fee)	0.169

Sr. No	UA No.	AIR Para No.	Subject	Amount
22	Sahiwal	3	Non deposit of nikkah fees	0.190
23		4	Non deduction of income tax	0.158
24		5	Non deposit of pension fund	0.073
25		7	Non deposit of deducted income tax with income tax department	0.082
26	UA 40 Sahiwal	1	Non completion of Union council building and expenditure thereof	1.088
27		3	Non deduction of income tax	0.155
28		4	less deposit of union council receipt (copying fee)	0.050
29		5	Unjustified utilization of union council funds on youth festival	0.606
30		6	Non deposit of deducted income tax with income tax department	0.038
31		7	Unjustified payment on account of personal fund of Nazim	0.024
32		8	Non deposit of nikkah fees	0.148
33		9	Doubtful payment for laying of soling at different places	0.846
34	UA 54 Sahiwal	1	Non deposit of nikkah fees	0.243
35		2	Non deposit of deducted income tax with income tax department	0.162
36		3	Non deposit of pension fund	0.173
37		4	Recovery on account of less recovery of shrinkage charges in different works of union council.	0.076
38		6	Unjustified utilization of union council funds	0.279
39		7	Unjustified payment to Wafaq citizen community board	0.155
40		10	Non deduction of income tax	0.082
41		11	Non production of sale tax deposit proof	0.044
42		12	Late deposit of nikkah fees	0.106
43		13	Less deposit of union council receipt (copying fee)	0.022
44	UA 58 Sahiwal	1	Unjustified expenditure on Youth Festival	0.252
45		2	Less receipt of nikah fee	0.125
46		3	Non availability of soling and excess payment of quantities to contractor, misappropriation	0.060
47		5	Unjustified payment of earth without recording of cross section area	0.320
48		6	Unjustified drawl of funds without purchase & availability of vouched Account, lead to misappropriation	0.278
49		7	Irregular execution of development schemes of sewerage	0.499
50		9	Excess payment to contractor by charging excess rate	0.056

Sr. No	UA No.	AIR Para No.	Subject	Amount
			of earth compaction	
51		10	Unjustified award of Work to contractor without enlistment of contractors	3.628
52		12	Non payment of income tax and sales tax due to purchase of material from unregistered sales tax supplier	0.102
53		13	Recovery of license fee without survey which resulted into expected loss	0.100
54		14	Unjustified expenditure on repair of furniture	0.065
55		1	Unjustified expenditure on youth festival	0.162
56		2	Irregular / doubtful expenditure without stock entries & consumption record	0.073
57		3	Non payment of income tax & sales tax due to purchase of material from unregistered sales tax supplier	0.102
58		4	Unjustified expenditure on repeated repair of furniture / computer / cycle	0.328
59	UA 60 Sahiwal	5	Doubtful / fraudulent expenditure on purchase of sewing machine	0.065
60		6	Less deposit of registration fee of nikah registrars	0.010
61		9	Excess payment to contractor by charging excess rate of earth compaction	0.017
62		11	Non deposit of income tax of development work	0.055
63		12	Irregular release of fund to CCBs in the same bank accounts	0.145
64		14	Unjustified payment of earth without recording of cross section area	0.209
65		3	Excess payment to contractor by charging excess rate of earth compaction	0.066
66		4	Unjustified expenditure on youth festival without sanction of youth development council	0.271
67	UA 67 Sahiwal	5	Unjustified purchase of computer and UPS	0.093
68		7	Unjustified expenditure on repeated repair of furniture / computer/cycle	0.066
69		8	Less deposit of registration fee of nikah registrars	0.011
70		10	Non deposit of income tax of development work	0.109
71		12	Excess payment of windows	0.011
72		2	Unjustified expenditure on youth festival without sanction of youth development council	0.364
73	UA 70 Sahiwal	4	Excess payment to contractor by charging excess rate of earth compaction	0.036
74		6	Unjustified payment of earth without recording of cross section area	0.385

<b>Sr. No</b>	<b>UA No.</b>	<b>AIR Para No.</b>	<b>Subject</b>	<b>Amount</b>
75		7	Non payment of income tax and sales tax due to purchase of material from unregistered sales tax supplier	0.041
76		8	Non deposit of income tax of development work	0.109
77		9	Unjustified drawl of funds without purchase and availability of vouched account	0.418
78		10	Unjustified bank account in UBL bank	-
79	UA 71 Sahiwal	2	Unjustified expenditure on youth festival without sanction of youth development council	0.364
80		3	Excess payment to contractor by charging excess rate of earth compaction	0.022
81		5	Unjustified payment of earth without recording of cross section area	0.166
82		6	Non payment of income tax and sales tax due to purchase of material from unregistered sales tax supplier	0.113
83		7	Unjustified bank account in UBL Bank	-

## UAs of Sahiwal District

## Budget and Expenditure Statement for Financial Years 2008-2016

(Rupees in million)

Sr. No.	UA No.	Particular	Final Budget	Actual Expenditure	Excess (+) / Savings(-)	% Excess (+) / Savings(-)
1	UA No. 11	Salary	11.069	7.053	-4.016	36.282
		Non-Salary	3.971	1.617	-2.354	59.280
		<b>Sub Total</b>	<b>15.040</b>	<b>8.670</b>	<b>-6.370</b>	<b>42.354</b>
		Development	7.805	2.916	-4.889	62.639
		<b>Total</b>	<b>22.845</b>	<b>11.586</b>	<b>-11.259</b>	<b>49.284</b>
		Revenue	12.935	14.388	-1.453	11.237
2	UA No. 39	Salary	10.393	5.025	-5.368	51.650
		Non-Salary	2.013	2.851	(0.838)	(41.629)
		<b>Sub Total</b>	<b>12.406</b>	<b>7.876</b>	<b>-4.530</b>	<b>36.515</b>
		Development	1.805	1.211	-0.594	32.909
		<b>Total</b>	<b>14.211</b>	<b>9.087</b>	<b>-5.124</b>	<b>36.057</b>
		Revenue	15.522	17.266	-1.744	11.237
3	UA No. 42	Salary	10.206	7.840	-2.366	23.182
		Non-Salary	2.069	1.866	-0.203	9.812
		<b>Sub Total</b>	<b>12.275</b>	<b>9.706</b>	<b>-2.569</b>	<b>20.929</b>
		Development	2.403	2.398	-0.005	0.208
		<b>Total</b>	<b>14.678</b>	<b>12.104</b>	<b>-2.574</b>	<b>17.536</b>
		Revenue	16.815	18.704	-1.889	11.237
4	UA No. 46	Salary	9.565	7.516	-2.049	21.422
		Non-Salary	2.242	2.243	(0.001)	(0.045)
		<b>Sub Total</b>	<b>11.807</b>	<b>9.759</b>	<b>-2.048</b>	<b>17.346</b>
		Development	3.471	1.682	-1.789	51.541
		<b>Total</b>	<b>15.278</b>	<b>11.441</b>	<b>-3.837</b>	<b>25.115</b>
		Revenue	19.402	21.582	-2.180	11.237
5	UA No. 50	Salary	3.092	2.426	-0.666	21.539
		Non-Salary	0.995	0.569	-0.426	42.814
		<b>Sub Total</b>	<b>4.087</b>	<b>2.995</b>	<b>-1.092</b>	<b>26.719</b>
		Development	2.012	1.211	-0.801	39.811
		<b>Total</b>	<b>6.099</b>	<b>4.206</b>	<b>-1.893</b>	<b>31.038</b>
		Revenue	7.761	8.633	-0.872	11.237
6	UA No. 63	Salary	8.942	7.541	-1.401	15.668
		Non-Salary	3.200	2.603	-0.597	18.656
		<b>Sub Total</b>	<b>12.142</b>	<b>10.144</b>	<b>-1.998</b>	<b>16.455</b>
		Development	4.101	3.151	-0.950	23.165
		<b>Total</b>	<b>16.243</b>	<b>13.295</b>	<b>-2.948</b>	<b>18.149</b>
		Revenue	10.348	11.510	-1.163	11.237
7	UA No. 64	Salary	9.382	7.393	-1.989	21.200
		Non-Salary	1.897	0.997	-0.900	47.443
		<b>Sub Total</b>	<b>11.279</b>	<b>8.390</b>	<b>-2.889</b>	<b>25.614</b>
		Development	4.982	3.994	-0.988	19.831
		<b>Total</b>	<b>16.261</b>	<b>12.384</b>	<b>-3.877</b>	<b>23.842</b>
		Revenue	11.641	12.949	-1.308	11.237
8	UA No. 65	Salary	11.232	10.097	-1.135	10.105
		Non-Salary	2.010	1.603	-0.407	20.249
		<b>Sub Total</b>	<b>13.242</b>	<b>11.700</b>	<b>-1.542</b>	<b>11.645</b>
		Development	4.026	3.758	-0.268	50.720
		<b>Total</b>	<b>17.268</b>	<b>15.458</b>	<b>-1.810</b>	<b>20.755</b>
		Revenue	11.641	12.949	-1.308	11.237



Sr. No.	UA No.	Particular	Final Budget	Actual Expenditure	Excess (+) / Savings(-)	% Excess (+) / Savings(-)
		Revenue	9.054	10.072	-1.017	11.237
9	UA No. 66	Salary	7.332	6.543	-0.789	10.761
		Non-Salary	2.510	1.566	-0.944	37.610
		<b>Sub Total</b>	<b>9.842</b>	<b>8.109</b>	<b>-1.733</b>	<b>17.608</b>
		Development	6.752	5.788	-0.964	14.277
		<b>Total</b>	<b>16.594</b>	<b>13.897</b>	<b>-2.697</b>	<b>16.253</b>
		Revenue	11.641	12.949	-1.308	11.237
10	UA No. 67	Salary	1.054	1.044	-0.010	0.949
		Non-Salary	1.226	0.287	-0.939	76.591
		<b>Sub Total</b>	<b>2.280</b>	<b>1.331</b>	<b>-0.949</b>	<b>41.623</b>
		Development	0.700	0.667	-0.033	4.714
		<b>Total</b>	<b>2.980</b>	<b>1.998</b>	<b>-0.982</b>	<b>32.953</b>
		Revenue	14.228	15.827	-1.599	11.237
Total Salary			82.267	62.478	-19.789	24.055
Total Non-Salary			22.133	16.202	-5.931	26.797
<b>Sub Total</b>			<b>104.400</b>	<b>78.680</b>	<b>-25.720</b>	<b>24.636</b>
Total Development			38.057	26.776	-11.281	29.642
<b>Grand Total</b>			<b>142.457</b>	<b>105.456</b>	<b>-37.001</b>	<b>25.973</b>
<b>Total Revenue</b>			<b>129.346</b>	<b>143.880</b>	<b>14.534</b>	<b>11.237</b>

**Annex-C**

**[Para 1.2.2.4]**

**Unauthorized expenditure on fixing of street lighting – Rs 1.798 million**

(Rupees in million)

<b>Cheque No.</b>	<b>Date</b>	<b>Name of Schemes</b>	<b>Estimate</b>	<b>Name of Contractor</b>	<b>Amount as per MB</b>
339036	03.07.12	Construction of PCC Topping Soling Drains sewer Road Street Light Water pump etc. U.A No. 42 ( G-1)	0.1	Siddue Const. Co. Khalil Aziz	0.099
339039	03.07.12	Construction of PCC Topping Soling Drains sewer Road Street Light Water pump etc. U.A No. 42 ( G-2)	0.1	Siddue Const. Co. Khalil Aziz	0.100
339040	03.07.12	Construction of PCC Topping Soling Drains sewer Road Street Light Water pump etc. U.A No. 42 ( G-4)	0.05	Siddue Const. Co. Khalil Aziz	0.050
			0		
47986516	14.11.15	Construction of Soling Drain Slab Culverts RCC Sewer Parks Street Light Topping Road Tuff Tiles etc. UA No.42 (G-1)	0.15	Meher & Co,	0.150
47986517	14.11.15	Construction of Soling Drain Slab Culverts RCC Sewer Parks Street Light Topping Road Tuff Tiles etc. UA No.42 (G-2)	0.15	Meher & Co,	0.150
<b>Total</b>					<b>0.549</b>

<b>Cheque No.</b>	<b>Date</b>	<b>Name of Schemes</b>	<b>Estimate</b>	<b>Name of Contractor</b>	<b>Amount as per MB</b>
958664	08.03.13	Construction of PCC Topping Soling Drains sewer Road Street Light Water Pump etc. UA No.46 (G-3)	0.1	Awaz & Co. Imtiaz Ahmad Butt	0.099
123930783, 958661	7.10.13, 08.3.13	Construction of PCC Topping Soling Drains sewer Road Street Light Water Pump etc. UA No.46 (G-4)	0.1	Awaz & Co. Imtiaz Ahmad Butt	0.100
958662	08.03.13	Construction of PCC Topping Soling Drains sewer Road Street Light Water Pump etc. UA No.46 (G-5)	0.1	Awaz & Co. Imtiaz Ahmad Butt	0.099

<b>Cheque No.</b>	<b>Date</b>	<b>Name of Schemes</b>	<b>Estimate</b>	<b>Name of Contractor</b>	<b>Amount as per MB</b>
702161651	01.03.16	Construction of Soling Drain RCC Slab Culverts RCC Sewer Parks Street Light Topping road Tuff tiles etc. UA No.46 (G-01)	0.15	M/S Bilal Naeem & Co	0.150
1773327	27.11.05	Construction of Soling Drain RCC Slab Culverts RCC Sewer Parks Street Light Topping road Tuff tiles etc. UA No.46 (G-02)	0.15	M/S Bilal Naeem & Co	0.150
201773306	31.08.15	Construction of Soling Drain RCC Slab Culverts RCC Sewer Parks Street Light Topping road Tuff tiles etc. UA No.46 (G-03)	0.15	M/S Bilal Naeem & Co	0.150
<b>Total</b>					<b>0.749</b>

<b>Cheque No. &amp; date</b>	<b>M.B No and page No.</b>	<b>No of street lights for which amounts were drawn</b>	<b>Name of contractor</b>	<b>Amount of work</b>
802621178 dated 4-7-15	17070, page No. 84 to 85	15 Nos	Haider Construction	0.100
802621180 dated 15-7-15	17070, page No. 86 to 87	12 Nos	Haider Construction	0.100
802621179 dated 4-7-15	17070, page No. 82 to 83	22 Nos	Haider Construction	0.150
803662943 dated 18-2-15	17070, page No. 96 to 97	22 Nos	Khadim Construction	0.150
<b>Total</b>				<b>0.500</b>
<b>Grand Total</b>				<b>1.798</b>