



**AUDIT REPORTS  
ON  
THE ACCOUNTS OF  
UNION ADMINISTRATIONS  
RAJAN PUR  
AUDIT YEAR 2013-14**

**AUDITOR GENERAL OF PAKISTAN**

# Table of Contents

<b>ABBREVIATIONS AND ACRONYMS .....</b>	<b>i</b>
<b>Preface .....</b>	<b>ii</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>iv</b>
<b>SUMMARY TABLES &amp; CHARTS.....</b>	<b>ix</b>
Table 1: Audit Work Statistics .....	ix
Table 2: Audit Observation Classified by Categories .....	ix
Table 3: Outcome Statistics.....	x
Table 4: Irregularities Pointed Out .....	xi
Table 5: Cost - Benefit Ratio.....	xi
<b>CHAPTER 1 .....</b>	<b>1</b>
1.1 Union Administrations District Rajanpur.....	1
1.1.1 Introduction .....	1
1.1.2 Comments on Budget and Accounts for the Financial Years 2008-13....	1
1.1.2 Comments on Budget and Accounts .....	1
1.1.4 Brief Comments on the Status of Paras of Audit Reports of Remaining UAs for the Audit Year 2012-13 .....	3
1.1.5 Brief Comments on the Status of Non Compliant Paras of Annexure-I of Audit Reports for Audit Year 2012-13 .....	3
1.1.6 Brief Comments on the Status of Compliance with PAC Directives .....	4
<b>1.2 AUDIT PARAS.....</b>	<b>5</b>
1.3 Paras of Audit Reports of Remaining UAs for the Audit Year 2012-13..	11
<b>ANNEXURES .....</b>	<b>15</b>

## **ABBREVIATIONS AND ACRONYMS**

AGP	Auditor General of Pakistan
AIR	Audit and Inspection Report
DAC	Departmental Accounts Committee
MB	Measurement Book
MFDAC	Memoranda for Departmental Accounts Committee
NAM	New Accounting Model
PAO	Principal Accounting Officer
PLGO	Punjab Local Government Ordinance
RCC	Reinforced Cement Concrete
RDA	Regional Directorate of Audit
TSE	Technically Sanctioned Estimate
UAs	Union Administrations

## 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 require the Auditor General of Pakistan to audit the accounts of the Provincial Governments and the accounts of any authority or body established by, or under the control of, the Provincial Government. Accordingly, the Audit of all Receipts and Expenditures of the District Government Fund and Public Account of District Government is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of ten Union Administrations of District Rajanpur for the Financial Year 2008-13. The Directorate General of Audit District Governments Punjab (South), Multan conducted audit during 2013-14 on test check basis with a view to report 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-I of the Audit Report. The Audit observations listed in the Annex-I shall be pursued with the Principal Accounting Officer at the DAC level and in case 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.

The Audit results indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to prevent recurrence of such violations and irregularities.

The observations included in this Report have been finalized in the light of written responses of the Union Administration.

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 read with Section 115 of the Punjab Local Government Ordinance 2001, for causing it to be laid before the provincial PAC.

Islamabad

Dated:

**(Muhammad Akhtar Buland Rana)**

## **Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Director General Audit (DGA), District Governments, Punjab (South), Multan, is mandated to carry out audit of City District Governments and District Governments in Punjab (South) including Tehsil/Town Municipal Administrations and Union Administrations. The Regional Directorate of Audit, District Governments D.G Khan, a field audit office of the DGA, District Governments, Punjab (South), Multan, carries out audit of District Governments, TMAs and UAs of four Districts i.e., Dera Ghazi Khan, Muzaffargarh, Layyah and Rajanpur.

The Regional Directorate has human resource of 21 officers and staff, constituting 120 man days and a budget allocation of Rs11.953 million per Financial Year. It has the mandate 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 Regional Director Audit D.G.Khan carried out audit of the accounts of ten UAs of District D.G.Khan for the Financial Year 2012-13 and the findings included in the Audit Report.

Union Administrations, (UAs) District Rajanpur conduct their operations under Punjab Local Government Ordinance 2001. UAs of District Rajanpur 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 sub section 179-A of the PLGO 2001 appointed Tehsil officer (Regulation) as Administrator of Union Councils falling in the respective Tehsil Municipals Administrations vide notification No.SOR(LG)39-6/208 dated Lahore February 24, 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 UAs in District Rajanpur for the Financial Years 2008-09 to 2012-2013 was Rs15.571 million and expenditure incurred was Rs6.942 million showing savings of Rs8.629 million in the years. The total non-development budget for Financial Years 2008-09 to 2012-2013 was Rs50.193 million and expenditure was Rs33.205 million, showing savings of Rs16.988 million. The reasons for savings in development and non-development budget are required to be provided by the PAO concerned.

Audit of UAs of District Rajanpur was carried out with the view to ascertaining whether the expenditure was incurred with proper authorization, in conformity with laws, rules, regulations and economy was ensured in procurement of assets and hiring of services and to review, analyze and comment on various Government policies regarding different sectors.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules, there was no leakage of revenue and revenue did not remain outside Government account/ Local Fund.

**a. Scope of Audit (Audit of Expenditure and Receipts)**

The total budget of 10 Union Administrations was Rs65.764 million out of which Rs39.383 million pertained to salary and Rs10.810 million to non-salary. The development budget was Rs15.570 million. Audit of development expenditure of Rs2.777 million out of total expenditure of Rs6.942 million was carried out, and audit of non-development expenditure Rs13.947 million out of total expenditure of Rs33.205 million for the financial years 2012-2013 was conducted which is 40% & 42% of development and non-development expenditures respectively. Total overall expenditure of UAs of District Rajanpur for the financial year 2008-13 was Rs40.147 million, out of which overall expenditure of Rs16.724 million was audited which is 42% of total expenditure. Sample size selected for audit ranged from 36% to 45% of total expenditure.

Total receipts of the Union Administrations, District Rajanpur, for the financial year 2008-13, were Rs41.742 million. RDA Dera Ghazi Khan audited receipts of Rs32.409 million which was 78% of total receipts.

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

No recovery was pointed out during the audit.

**c. Audit Methodology**

Audit was performed through 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 the Auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity. Audit used desk audit techniques for analysis of compiled data and review of permanent files / record. Desk Audit greatly facilitated identification of high risk areas for substantive testing in the field.

**d. Audit Impact**

Significant issues like financial irregularities and non-compliance of rules were provided by Audit. PAOs agreed in DAC meetings to hold enquiries to find out reasons for deviation from financial discipline, etc. and fix responsibilities accordingly.

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

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve its objectives, safeguard assets, ensure accuracy, timelines, reliability of financial and accounting information for decision making.

One of the basic components of Internal Control System is Internal Audit, which is a tool for investigating and apprising the management about the efficiency and performance of various activities of the Department, through assessment of the effectiveness and implementation of policies, rules and regulations. It was noted that an internal auditor had not yet been appointed as required in terms of Section 115A of PLGO 2001.



**f. Key audit findings of the Report;**

- i. There was one case pertaining to non production of record –Rs10.717 million<sup>1</sup>.
- ii. There were three cases of irregular expenditure / payments and violation of rules / financial propriety amounting to Rs11.712 million.<sup>2</sup>

Audit paras for the audit year 2013-14 involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to the PAC were included in MFDAC (Annexure- A).

**g. Recommendations**

Audit recommends the Union Administrations (UAs) to focus on the following issues.

- i. Strengthening of internal controls
- ii. Appointment of Internal Auditor
- iii. Holding of DAC meetings well in time
- iv. Compliance of DAC directives and decisions in letter and spirit
- v. Expediting recoveries pointed out by Audit as well as others recoverable in the notice of management
- vi. Compliance of relevant laws, rules, instructions and procedures, etc.
- vii. Proper maintenance of accounts and record
- viii. Appropriate actions against officers/officials responsible for violation of rules and losses
- ix. Addressing systemic issues to prevent recurrence of various omissions and commissions.
- x. Realization and reconciliation of various receipts
- xi. Production of record to audit for verification
- xii. Physical stock taking of fixed and current assets

---

<sup>1</sup>1.2.1.1

<sup>2</sup> 1.2.2.1, 1.2.2.2, 1.2.2.3

- xiii. Hold investigations for wastage, fraud, misappropriation and losses, and take disciplinary actions after fixing responsibilities.

## SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics**

(Rupees in Million)

Sr. No.	Description	No.	Budget
1.	Total Entities (PAOs) in Audit Jurisdiction	44	240.542
2.	Total formations in audit jurisdiction	44	240.542
3.	Total Entities (PAOs) Audited	10	40.147
4.	Total Formations Audited	10	40.147
5.	Audit & Inspection Reports	10	40.147
6.	Special Audit Reports	-	-
7.	Performance Audit Reports	-	-
8.	Other Reports (relating to UAs)	-	-

Note: Total budget allocation of ten UAs for the period 2008-13 was Rs65.764 million out of which expenditure of Rs40.147 million was incurred. The expenditure amounting to Rs16.724 was audited.

**Table 2: Audit Observation Classified by Categories**

(Rupees in Million)

Sr. No.	Description	Amount Placed under Audit Observation
1.	Weak Financial management	-
2.	Weak Internal controls relating to financial management	11.712
3.	Others	10.717
<b>Total</b>		<b>22.429</b>

**Table 3: Outcome Statistics****(Rupees in Million)**

<b>Sr. No</b>	<b>Description</b>	<b>Expenditure on Acquiring Physical Assets (Procurement)</b>	<b>Civil Works</b>	<b>Receipts</b>	<b>Others</b>	<b>Total</b>	<b>Total Last year</b>
1.	Outlays Audited	-	15.570	0	24.577	40.147	29.105
2.	Amount Placed under Audit Observation / Irregularities of Audit	-	4.407	0	18.022	22.429	19.107
3.	Recoveries Pointed out at the instance of Audit	-	-	-	-	-	
4.	Recoveries Accepted / Established at the instance of Audit	-	-	-	-	-	
5.	Recoveries realized at the instance of Audit	-	-	-	-	-	

\* The amount mentioned against serial No.1 in column of “Total” is the sum of Expenditure and Receipts whereas the total expenditure was Rs40.147 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.	11.712
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources	0
3.	Accounting errors (accounting policy departure from NAM <sup>1</sup> , 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.	0
4.	Quantification of weaknesses of internal control systems	0
5.	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies	0
6.	Non production of record	10.717
7.	Others, including cases of accidents, negligence, non accountal of store etc.	0
<b>Total</b>		<b>22.429</b>

**Table 5: Cost - Benefit Ratio**

(Rupees in Million)			
Sr. No.	Description	2013-14	2012-13
1.	Outlays Audited (Items 1 of Table 3)	65.763	29.105
2.	Expenditure on Audit	0.040	0.40
3.	Recoveries realized at the instance of Audit	0	0
4.	Cost –Benefit Ratio	0	0

<sup>1</sup>The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

## CHAPTER 1

### 1.1 Union Administrations District Rajanpur

#### 1.1.1 Introduction

According to 1998 population census, the population of District Rajanpur was 1.902 million. Union Administrations consist of Union Nazim / Administrator and two (02) Secretaries. Each Union Administration has one (01) Drawing & Disbursing Officer.

There are 44 numbers of UAs in District Rajanpur out of which UA Nos. 3,4,15,20,23,29,31,33,34 and 41 were audited on sample basis during 2013-14.

#### 1.1.2 Comments on Budget and Accounts for the Financial Years 2008-13

Original Budget of Rs65.764 million was allocated to UAs of District Rajanpur under various grants and no supplementary grants/ re-appropriation were provided. The revised/final budget of these UAs was Rs65.764 million. The total expenditure incurred by the UAs during 2008-13 was Rs40.147million as detailed above.

The Final Grant and Actual Expenditure for the Financial Years 2008-13 depicted that there was a saving of Rs16.987 million in non development and Rs8.629 million in development components which will be used for following year budget estimates and determining the closing balances of these UAs of District Rajanpur.

#### 1.1.2 Comments on Budget and Accounts

Details of the budget allocations, expenditures and savings of UAs of District Rajanpur for the Financial Year are at Annexure-B.

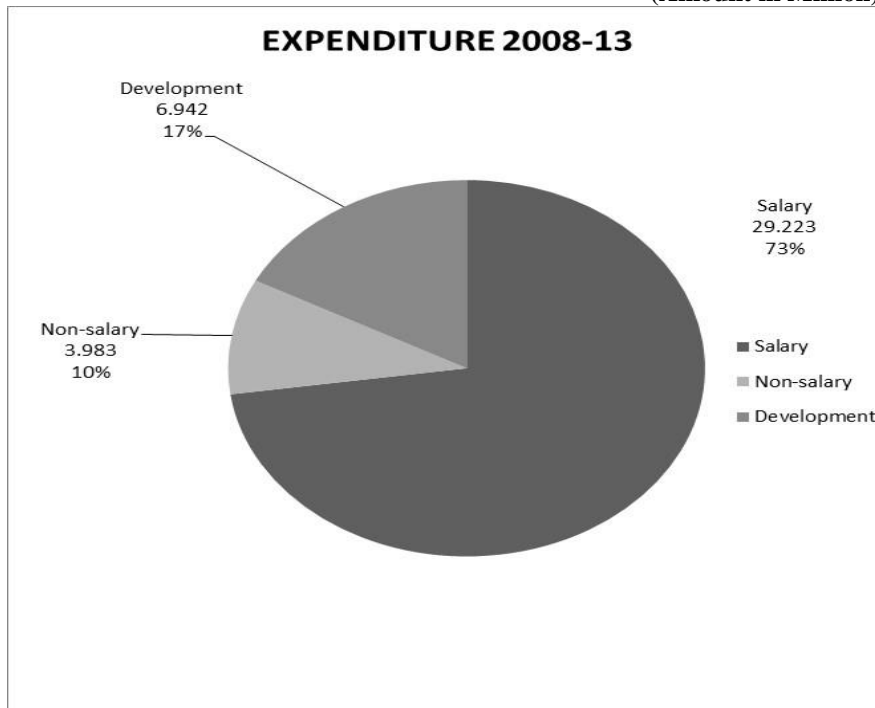
(Amount in Rupees)

2008-13	Budget	Expenditure	Excess (+) Saving (-)	%Saving
Salary	39.383	29.223	(10.160)	26%
Non Salary	10.810	3.983	(6.828)	63%
Development	15.570	6.941	(8.629)	55%
<b>Total</b>	<b>65.764</b>	<b>40.147</b>	<b>(25.616)</b>	<b>48%</b>

Revenue	72.215	41.742*	(30.473)	42%
---------	--------	---------	----------	-----

\* Revenue realized

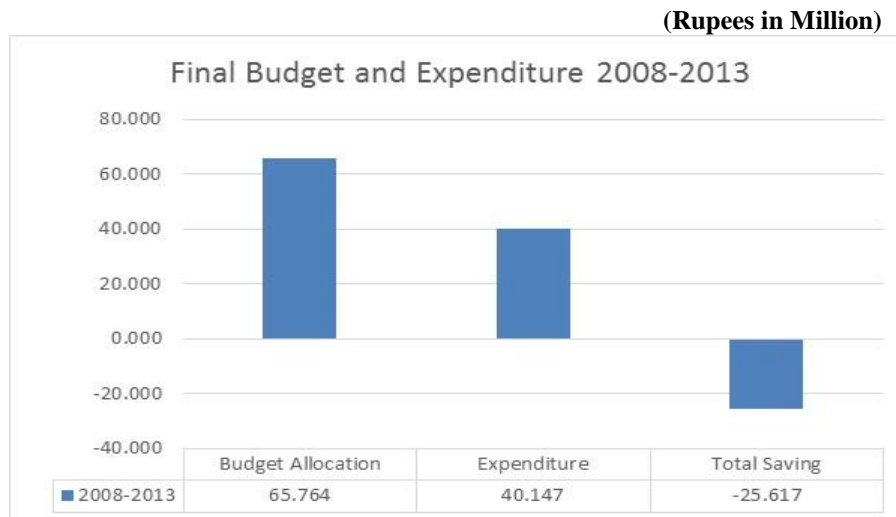
(Amount in Million)



As per Budget Books for the Financial Year from 2008-09 to 2012-13 of UAs of District Rajanpur the original and final budget was of Rs65.764 million. Against actual total expenditures incurred by the UAs of District Rajanpur during Financial Years 2008-13 was Rs40.147 million. There was a saving of Rs25.616 million the reasons for which should be explained by the PAO.



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



There was overall saving in the budget allocations for the Financial Year 2008-13 are as follows:

(Amount in Rupees)

Financial Year	Budget Allocation	Expenditure	Total Saving	% of Saving
2008-13	65.764	40.147	(25.617)	48%

The justification of saving when the development schemes have remained incomplete is required to be provided/ explained by PAO.

#### **1.1.4 Brief Comments on the Status of Paras of Audit Reports of Remaining UAs for the Audit Year 2012-13**

Paras of Audit Reports of Remaining UAs for the Audit Year 2012-13 has not been attended in accordance with the direction of DAC. These Paras are also reported / included in this Report.

#### **1.1.5 Brief Comments on the Status of Non Compliant Paras of Annexure-I of Audit Reports for Audit Year 2012-13**

Audit Paras reported in Annex-I of last year Audit Report have not been attended in accordance with the direction of DAC. These Paras are also reported at the end of this Report (Annexure-II).

### 1.1.6 Brief Comments on the Status of Compliance with PAC Directives

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1.	2009-12	3	Nil
2.	2012-13	3	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of UAs of District Rajanpur.

## **1.2 AUDIT PARAS**

## 1.2.1 Non Production of Record

### 1.2.1.1 Non Production of Record – Rs10.717 Million

According to Section 14(3) of Auditor General of Pakistan Ordinance envisages that any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person. According to Section 115(6) of Punjab Local Government Ordinance 2001, the officials shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Secretaries of the following Union Administrations withdrew Rs.10.717 million during Financial Years 2008-13 from concerned Union Administration bank accounts to defray the expenditure on development schemes, salary, contingent payment and income from various heads but the vouched accounts were not produced to audit for verification. The detail is given as below:

(Amount in Rupees)

Year	Name of Union Administration	Expenditure/ Income
2010-13	Tal Shumali, Tehsil Jampur	91,145
	Umer Kot Distt. Rajanpur	4,477,161
	Rojhan Sharqi, Tehsil Rojhan	105,840
2008-09	Peer Bukhsh Sharki	1,330,484
2008-13		60,720
2009-13	Rakh FazilPur	60,000
2011-13	Shikar Pur	4,592,000
<b>Total</b>		<b>10,717,350</b>

Audit was of the view that non-production of record reflected irresponsible attitude on the part of executives.

Due to non-production of record authenticity of the expenditure could not be ascertained.

The matter was reported to Union secretaries in April, 2014. Despite written requests, management neither submitted reply nor convened the DAC meeting.

Audit recommends production of record for audit scrutiny besides fixing of responsibility for non-production of record and disciplinary action in terms of Clause 14(3) of AGP Ordinance under intimation to Audit.

[AIRs Para 10,1,2,3,7,3,1]

## 1.2.2 Non Compliance of Rules

### 1.2.2.1 Unauthentic Cash Payments Rs.7.305 Million

According to Government of Punjab Finance Department letter No.FD(FR) V-6/75(P) dated 17.09.2008, Payments of Rs100,000 and above to the contractors and suppliers shall not be made in cash by the DDO. The payments shall be made through cross cheque in favour of suppliers to minimize the chances of fraud / embezzlement / theft.

Secretaries Union Administrations made the payments of R.7.305 million to staff during the Financial Year 2008-13. The mode of payment was through cash instead of cross cheque in the favor of supplier/employees. Authenticity of the expenditure as well as payments could not be verified due to the cash payments.

(Amount in Rupees)

Sr. No.	Name of UA	Year	Amount
1	Jampur Gharbi	2010-13	1,659,368
2	Jampur Sharqi	2010-13	2,248,592
3	Tal Shumali	2010-13	2,028,135
4	Umer Kot	2010-13	322,925
5	Rajanpur Sharki	2008-13	1,046,277
<b>Total</b>			<b>7,305,297</b>

Cash payments of Rs.7.305 million was due to weak internal controls.

The matter was reported to Union secretaries in April, 2014. Despite written requests, management neither submitted reply nor convened the DAC meeting.

Audit recommends fixing of responsibility for making cash payments besides the regularization of the same from Finance Department.

[AIR Paras:1,1,1,2,5]

### 1.2.2.2 Defective Tendering Process to Avoid Healthy Competition – Rs2.783 Million

According to rule 13 (1) of the Punjab Procurement Rules 2009, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice

Secretaries Union Administration called tenders through advertisement in press Rs2.738 million for development schemes with allowing response time only 6 or 7 days unauthorizedly.

**(Amount in Million)**

<b>Year</b>	<b>Name of Union Administration</b>	<b>Amount</b>
2010-13	Jampur Gharbi	0.682
2010-13	Umer Kot	2.056
<b>Total</b>		<b>2.738</b>

Due weak internal financial controls less response time was granted to contractors.

Less response time resulted in unauthorized expenditure.

The matter was reported to Union secretaries in April, 2014. Despite written requests, management neither submitted reply nor convened the DAC meeting.

Audit recommends fixing of responsibility against the persons at fault besides regularization of expenditure with the sanction of competent authority.

[AIR Paras:14,5]

### **1.2.2.3 Un-authorized Execution of Development Schemes Rs.1.624 Million**

According to Government of the Punjab Local Government & Rural Development Department Notification No.SOV(LG) 5-33/2002 dated 06-07-2005, the payment shall be made only after the assessment of work and recording of its measurement in the measurement book by the Sub Engineer of the Tehsil/Town Municipal Administration concerned. Further as per section 5 of Union Administration (Works) Rules, 2002 “If the cost of the project included in the Annual Development Plan is more than Rs.100,000/- the Union Administration may get it executed through the Tehsil Municipal Administration or the District government as deposit work”

Secretary Union Administration Umar Kot executed development schemes worth Rs.1.624 million instead of executing through Tehsil Municipal Administration or the District Government as deposit work. The same was

executed by the concerned union administration which was beyond the financial powers limit. (**Annexure-C**)

Due to weak internal financial controls unauthorized expenditure was incurred by the department.

The matter was reported to Union secretaries in April, 2014. Despite written requests, management neither submitted reply nor convened the DAC meeting.

Audit recommends fixing of responsibility against the persons at fault besides regularization of expenditure with the sanction of competent authority.

[AIR Paras:6]



**1.3 Paras of Audit Reports of  
Remaining UAs for the Audit Year  
2012-13**

### 1.3.1 Violation of Rules

#### 1.3.1.1 Non-Utilization of Budget – Rs15.597 Million

According to Rule 64(i)(iv) of Punjab District Government & TMA (Budget) Rules 2003, each local Govt. shall effectively and efficiently manage the resources made available to it. Further according to section 16(3) of PLGO 2001, every authorized Govt. officer will be responsible to the people for improvement of governance and delivery of services within the ambit of authority decentralized to him.

Secretaries Union Administrations Rajanpur had a development budget of Rs15.597 million for the period 2008-12 but the same was not utilized. The detail is given as below:

**(Amount in Rupees)**

<b>Sr. No.</b>	<b>Name of UAs</b>	<b>Financial Year</b>	<b>Development Budget</b>
1	Rajanpur (Gharbi)	2008-12	3,458,100
2	No. 21 Sikhani Wala		3,452,600
3	No. 22 Sahan Wala	2009-10	360,000
4	Jahanpur	2009-12	3,239,400
5	Murghai		5,086,600
<b>Total</b>			<b>15,596,700</b>

Audit was of the view that due to negligence of Union Administration authority, funds were not utilized.

Due to non-utilization of funds people remained deprived off from the basic necessities.

The matter was reported to Union secretaries in April, 2013. Despite written requests, management neither submitted reply nor convened the DAC meeting.

Audit recommends fixing of responsibility on the persons concerned for violation of government instructions besides condonation of the irregularity from the Finance Department.

[AIR Paras: 1, 2, 3, 6, 6]

### **1.3.1.2 Un-authorized Payment of Salary to the Employees Appointed on Ad hoc Basis Rs1.927 Million.**

According to Rule 22(2) of Part-IV of Government of the Punjab SDA&I Department Notification No.SOR-3-1-5/74 dated 24.08.1974, an appointing authority may fill the post on adhoc basis for a period not exceeding one year, provided that the vacancy is advertised in the newspapers, the appointment is made of the person properly qualified, on the basis of merit after sending requisition to selection authority. Furthermore the adhoc appointment shall be subject to revocation at any time and shall not confer any right in the matter of regular appointment to the same post nor the service will count towards seniority.

Secretary Union Council No. 22 Sahan Wala paid salaries to the detailed below official who was appointed on ad hoc basis and after the lapse of some period the service of officials was regularized without observing the codal formalities.

**(Amount in Rupees)**

<b>Name of Official</b>	<b>AIR Para</b>	<b>Period</b>	<b>Amount</b>
Muhammad Khan S/O Imam Buksh Khan	1	23.10.1988 to 30.6.2012	783,451
Syed Imtiaz Hussain Shah S/O Syed Wahid Buksh Shah	4	18.03.1990 to 30.6.2012	1,143,576
<b>Total</b>			<b>1,927,027</b>

Audit was of the view that due to negligence of Union Administration unauthorized appointment was made.

Due to weak internal control an unauthorized payment of salary was made to the employee.

The matter was reported to Union secretaries in April, 2013. Despite written requests, management neither submitted reply nor convened the DAC meeting.

Audit recommends fixing of responsibility against the persons responsible beside regularization of service from competent authority.

[AIR Paras: 1, 4]

### 1.3.1.3 Non-Allocation of 25% Budget for Citizen Community Boards - Rs1.060 million

According to Rule 41 (2) of PDG &TMA (Budget) Rules 2003, twenty five percent of the development budget shall be earmarked for execution through Citizen Community Boards. The Citizen Community Boards projects shall be processed, included in the development budget and approved by the council in accordance with Rules.

The following Secretaries of Union Administrations finalized the development budget for the period 2009-12 but 25% funds amounting to Rs1.060 million were not earmarked for the CCB. The detail is as below:

**(Amount in Rupees)**

Sr. No.	Name of UA	AP No.	Year	Development budget	25% CCB Share
1	UA-Rajanpur (Gharbi)	4	2009-10	401300	100,000
			2010-11	1,410,400	352,000
			2011-12	1,312,400	328,100
2	Sikhani Wala	3	2010-11	1,120,100	280,025
<b>Total</b>				<b>4,244,200</b>	<b>1,060,125</b>

Audit was of the view that due to negligence of union administration authority, funds were not allocated in prescribed ratio for CCB schemes.

Non-allocation of funds resulted in deprivation from the benefits of works through CCBs.

The matter was reported to Union secretaries in April, 2013. Despite written requests, management neither submitted reply nor convened the DAC meeting.

Audit recommends fixing of responsibility on the persons concerned for violation of Government instructions besides condonation of irregularity from competent authority.

[AIR Paras: 4, 3]

# **ANNEXURES**

## Annexure-I

### Serious Irregularities of Less than Rupees One Million

(Amount in Rupees)

Name of UA	Sr. No.	AP No	Subject	Amount
Jampur Gharbi	1.	15	Irregular Expenditure on Development Schemes by Splitting	681,000
Jampur Sharqi	2.	8	Doubtful payment due to execution of works without measurements	187,006
Tal Shumali	3.	8	Irregular Expenditure due to Defective Tendering Process to Avoid Healthy Competition	547,000
	4.	9	Irregular Development Expenditure due to TS by Irrelevant Authority	347,000
Peer Bux Sharki	5.	2	Unauthorized and doubtful expenditure on purchase of RCC pipes	279,000
Rajanpur Sharki	6.	2	Misappropriation of development funds	974,500

## Annexure-II

### Non Compliant Paras of Annexure-I for the Year 2012-13

(Amount in Rupees)

Name of UAs	Sr. No	Para No.	Subject	Amount	Nature of Para
UA Kot Mithan	1.	1	Irregular invitation of Tender	595,000	Violation of Rule
	2.	2	Unauthorized payment without detailed measurement	456,190	
	3.	3	Unauthorized payment without Technical sanction	351,190	

**Annexure-A****LIST OF MFDAC PARAS****(Amount in Rupees)**

Name of UA	Sr. No.	AP No	Subject	Amount
Jampur Gharbi	1.	3	Irregular drawl of House Building Advance	180,000
	2.	4	Non-deposit of pension contribution on account of Zila Council Employees	72,624
	3.	5	Recovery of HBA Installments	13000
	4.	6	Irregular and Doubtful Drawal against Medical Charges	266,257
	5.	7	Doubtful Payment of Contractor's Security without maintaining Security Deposit Register	82,468
	6.	8	Non-Accountal of Stores	58,610
	7.	9	Doubtful / Unjustified Consumption of Stores	117,850
	8.	10	Unauthentic Payments	3.170 Million
	9.	11	Misappropriation of Sports Items	14,500
	10.	13	Recovery of Non Deposit of Sales Tax and Income Tax	23,480
	11.	16	Non-Utilization of Budget	1,082,790
Jampur Sharqi	12.	2	Non-Accountal of stores	70,400
	13.	3	Unauthentic Payments	2.577 Million
	14.	4	Misappropriation against Election Duty Charges	18,560
	15.	6	Extra-ordinary Delay in Depositing NADRA Fees and Other Receipts	319,410
	16.	7	Irregular Expenditure on Development Schemes by Splitting	198,000
Rojhan Sharqi	17.	1	Misappropriation by inserting Zero at the End of Figure	39,240
	18.	3	Unauthorized recruitment and payment of salaries to contingent paid staff	105,000
	19.	4	Irregular drawl of House Building Advance	50,000
	20.	5	Non-accountal of stores	30,569
	21.	7	Unauthorized and irregular drawl of rent	143,100
	22.	8	Irregular Expenditure on Development Schemes by Splitting	252,000
Tal Shumali	23.	2	Unauthorized recruitment and payment of salaries to contingent paid staff	33,900
	24.	3	Recovery of House Building Advance	32,000
	25.	4	Recovery of Motor Cycle Advance Installments	88,000
	26.	5	Doubtful Payment of Contractor's Security without maintaining Security Deposit Register	29,751



Name of UA	Sr. No.	AP No	Subject	Amount
	27.	6	Misappropriation of POL	49,070
Umer Kot	28.	3	Doubtful Payment of Contractor's Security without maintaining Security Deposit Register	226,040
	29.	4	Recovery of non Deposit of Income Tax	65,670
Fazil Pur	30.	1	Non-Utilization of Budget	3,648,900
	31.	2	Unauthorized Advances to Employees without sanction	175,000
	32.	3	Violation of Punjab Local Government ordinance 2001 due to non-Preparation of budget and appropriation account under NAM	
	33.	4	Unauthorized drawl of pay and allowances	468,139
Peer Bux Sharki	34.	1	Non-Utilization of Budget	3,474,300
	35.	4	Unauthorized Advances To Employees Without Sanction	250,000
	36.	5	Recovery of Non Deposit Of GST	44,640
	37.	6	Unauthorized and Doubtful drawl of Honoraria for work charge/short time employees amounting	111,104
	38.	8	Violation of Punjab Local Government ordinance 2001 due to non-Preparation of budget and appropriation account under NAM	
Rajanpur Sharki	39.	1	Non-Utilization of Budget	6,389,100
	40.	3	Unauthorized Advances to Employees without sanction	150,000
	41.	4	Vouched Accounts not available	60720
	42.	6	Overpayment on account of premature increment	31818
	43.	7	Violation of Punjab Local Government ordinance 2001 due to non-Preparation of budget and appropriation account under NAM	
Rakh Fazil Pur	44.	1	Non-Utilization of Budget	3,182,800
	45.	2	Unauthorized Advances to Employees without sanction	200,000
	46.	5	Non collection of license renewal fee	24000
	47.	7	Violation of Punjab Local Government ordinance 2001 due to non-Preparation of budget and appropriation account under NAM	
UA Kot Mithan	48.	1	Irregular invitation of Tender	595,000

## Annexure-B

(Amount in Rupees.)

Sr. No.	Name of UAs	Nature of Expenditures	Original Grant	Supplementary Grant	Revised / Final Grant	Actual Expenditure	(+) Excess (-) Saving
1	Jampur Gharbi 2010-13	Salary	2,056,660	0	2,056,660	1,990,190	-66,470
		Non-Salary	457,000	0	457,000	54,528	-402,472
		<b>Sub-total</b>	<b>2,513,660</b>	<b>0</b>	<b>2,513,660</b>	<b>2,044,718</b>	-468,942
		<b>Development</b>	661,590	0	661,590	524000	-137,590
		<b>Total</b>	<b>3,175,250</b>	<b>0</b>	<b>3,175,250</b>	<b>2,568,718</b>	-606,532
2	Jampur Sharqi 2010-13	Salary	3,478,224	0	3,478,224	2,535,350	-942,874
		Non-Salary	1,982,865	0	1,982,865	1,173,317	-809,548
		<b>Sub-total</b>	<b>5,461,089</b>	<b>0</b>	<b>5,461,089</b>	<b>3,708,667</b>	-1,752,422
		<b>Development</b>	1,568,000	0	1,568,000	446522	-1,121,478
		<b>Total</b>	<b>7,029,089</b>	<b>0</b>	<b>7,029,089</b>	<b>4,155,189</b>	-2,873,900
3	Shikar Pur 2011-13	Salary	2,461,900	0	2,461,900	1,747,930	-713,970
		Non-Salary	600,000	0	600,000	272,715	-327,285
		<b>Sub-total</b>	<b>3,061,900</b>	<b>0</b>	<b>3,061,900</b>	<b>2,020,645</b>	-1,041,255
		<b>Development</b>	1,189,000	0	1,189,000	0	-1,189,000
		<b>Total</b>	<b>4,250,900</b>	<b>0</b>	<b>4,250,900</b>	<b>2,020,645</b>	-2,230,255
4	Peer Bux Sharqi	Salary	5,208,104	0	5,208,104	4,100,925	-1,107,179
		Non-Salary	1,535,000	0	1,535,000	975,959	-559,041
		<b>Sub-total</b>	<b>6,743,104</b>	<b>0</b>	<b>6,743,104</b>	<b>5,076,884</b>	-1,666,220
		<b>Development</b>	1,500,000	0	1,500,000	968300	-531,700
		<b>Total</b>	<b>8,243,104</b>	<b>0</b>	<b>8,243,104</b>	<b>6,045,184</b>	-2,197,920
5	Rajanpur Sharqi	Salary	5,938,100	0	5,938,100	5,845,245	-92,855
		Non-Salary	1,418,000	0	1,418,000	660,424	-757,576
		<b>Sub-total</b>	<b>7,356,100</b>	<b>0</b>	<b>7,356,100</b>	<b>6,505,669</b>	-850,431
		<b>Development</b>	1,539,100	0	1,539,100	974500	-564,600
		<b>Total</b>	<b>8,895,200</b>	<b>0</b>	<b>8,895,200</b>	<b>7,480,169</b>	-1,415,031
6	Rakh Fazil Pur	Salary	6,681,800	0	6,681,800	5,914,253	-767,547
		Non-Salary	1,215,000	0	1,215,000	245,800	-969,200
		<b>Sub-total</b>	<b>7,896,800</b>	<b>0</b>	<b>7,896,800</b>	<b>6,160,053</b>	-1,736,747
		<b>Development</b>	2,000,000	0	2,000,000	681000	-1,319,000
		<b>Total</b>	<b>9,896,800</b>	<b>0</b>	<b>9,896,800</b>	<b>6,841,053</b>	-3,055,747
7	Fazil Pur 2010-13	Salary	5,361,900	0	5,361,900	4,275,980	-1,085,920
		Non-Salary	1,020,000	0	1,020,000	436,250	-583,750
		<b>Sub-total</b>	<b>6,381,900</b>	<b>0</b>	<b>6,381,900</b>	<b>4,712,230</b>	-1,669,670
		<b>Development</b>	1,648,900	0	1,648,900	0	-1,648,900
		<b>Total</b>	<b>8,030,800</b>	<b>0</b>	<b>8,030,800</b>	<b>4,712,230</b>	-3,318,570
8	Tal Shumali 2010-13	Salary	4,255,201	0	4,255,201	990,190	-3,265,011
		Non-Salary	1,706,020	0	1,706,020	54,528	-1,651,492
		<b>Sub-total</b>	<b>5,961,221</b>	<b>0</b>	<b>5,961,221</b>	<b>1,044,718</b>	-4,916,503
		<b>Development</b>	1,938,916	0	1,938,916	725368	-1,213,548
		<b>Total</b>	<b>7,900,137</b>	<b>0</b>	<b>7,900,137</b>	<b>1,770,086</b>	-6,130,051

Sr. No.	Name of UAs	Nature of Expenditures	Original Grant	Supplementary Grant	Revised / Final Grant	Actual Expenditure	(+) Excess (-) Saving
9	Umar Kot 2010-13	Salary	1,908,320	0	1,908,320	990,190	-918,130
		Non-Salary	388,500	0	388,500	54,528	-333,972
		<b>Sub-total</b>	<b>2,296,820</b>	<b>0</b>	<b>2,296,820</b>	<b>1,044,718</b>	<b>-1,252,102</b>
		<b>Development</b>	2,100,000	0	2,100,000	2056000	-44,000
		<b>Total</b>	<b>4,396,820</b>	<b>0</b>	<b>4,396,820</b>	<b>3,100,718</b>	<b>-1,296,102</b>
10	Rojhan Sharqi 2010-13	Salary	2,032,524	0	2,032,524	832,873	-1,199,651
		Non-Salary	488,000	0	488,000	54,528	-433,472
		<b>Sub-total</b>	<b>2,520,524</b>	<b>0</b>	<b>2,520,524</b>	<b>887,401</b>	<b>-1,633,123</b>
		<b>Development</b>	1,425,000	0	1,425,000	565892	-859,108
		<b>Total</b>	<b>3,945,524</b>	<b>0</b>	<b>3,945,524</b>	<b>1,453,293</b>	<b>-2,492,231</b>
<b>Grand Total</b>			<b>65,763,624</b>	<b>0</b>	<b>65,763,624</b>	<b>40,147,285</b>	<b>-25,616,339</b>

**Annexure - C**

**[Para1.2.2.3]**

**Un-authorized Execution of Development Schemes**

**(Amount in Rupees)**

<b>Sr. No</b>	<b>Description of Work</b>	<b>Amount of TS</b>
1	Construction of B/P Misc works from Home Amin shah to house habib khosa Basti Khadim Shah	150,000
2	Construction of Drain, from house of Malik Imam bux to water course.	150,000
3	Brick pavement, soling, and earth filling from Mian Roa to House Khali kahmed Dhandla.	150,000
4	Construction of drain, brick pavement, earth filling from house of Amir ahmed Khosa to school basti khadim shah	140,000
5	Construction of Brick pavement , earth filling from the house of Allah ditta to qazi sidiq dhadla	149,000
6	Construction of Drain and Other allied work from house of Abdul karim to water course	148,120
7	Construction of brick pavement earth filling from house mukhtiar ahmed dhandla to GPS Kot behram	150,000
9	Construction and brick pavement earth filling and other allied work near house Mitha dhandla	136,500
10	Construction and brick pavement earth filling and other allied work from house Khaja buxdhandla to house of latif	150,000
11	Construction and brick pavement earth filling and other allied work from cha min to Maqsood goraya	150,000
12	Construction and brick pavement earth filling and other allied work from chqamarzaman to house Mohmmad basti Tariq abad	150,000
<b>Total</b>		<b>1,623,620</b>

**Annexure - D**

**[Para1.4.1.1]**

**Unauthorized Payment without Measurement**

(Amount in Rupees)

Name of Scheme	Amount
Const./Repair PCC Slab Ward 1,2,3	74,025
Const./Repair PCC Slab Ward 4,5,6	67,761
Const./Repair PCC Slab Ward 4,5,6	7,803
Const./Repair PCC Slab Ward 7,8,9	31,161
Const. of slab soling mouza Kotla Hussain	46,665
Const. of slab soling mouza Kotla Hussain	16,335
Const. of slab soling mouza Mohib Ali	63,000
Repair of U/C office	42,000
Const./Repair PCC slab ward No. 7,8,9	44,440
B/wall Aftab Stadum	56,230
B/wall Aftab Stadum	6,770
<b>Total</b>	<b>456,190</b>

**Annexure - E**

**[Para1.4.1.2]**

**Unauthorized Payment Without Obtaining Technical Sanction**

**(Amount in Rupees)**

<b>Name of Scheme</b>	<b>Amount</b>
Const./Repair PCC Slab Ward 1,2,3	74,025
Const./Repair PCC Slab Ward 4,5,6	67,761
Const./Repair PCC Slab Ward 4,5,6	7,803
Const./Repair PCC Slab Ward 7,8,9	31,161
Const. of slab soling mouza Kotla Hussain	46,665
Const. of slab soling mouza Kotla Hussain	16,335
Const. of slab soling mouza Mohib Ali	63,000
Const./Repair PCC slab ward No. 7,8,9	44,440
<b>Total</b>	<b>351,190</b>