



**AUDIT REPORTS
ON THE ACCOUNTS OF
UNION ADMINISTRATIONS
DISTRICT LAYYAH
AUDIT YEARS 2009-2012**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

DAC	Departmental Accounts Committee
DGA	Director General Audit
FD	Finance Department
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government and Community Development
MEFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
PAO	Principal Accounting Officer
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance
PLG	Punjab Local Government
RCC	Reinforcement Concrete Cement
TMA	Tehsil / Town Municipal Administration
TO (I&S)	Tehsil/ Town Officer Infrastructure
UAs	Union Administrations

Preface

Articles 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan, 1973 and section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to conduct the audit of the receipts and the expenditure of the Local Fund and Public Accounts of Union Administrations of the Districts.

The report is based on Audit of Union Administrations of District Layyah for the years 2008-09, 2009-10 and 2010-11. The Directorate General of Audit District Governments Punjab (South), Multan, conducted audit during 2009-10, 2010-11 and 2011-12 on test check basis with a view to reporting significant findings to 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 Annexure-1 of the Audit Report. The Audit observations listed in the Annexure-1 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.

Most of the observations included in this Report have been finalized in the light of written responses and discussion with the management.

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 Directorate General Audit, District Governments, Punjab (South), Multan, a Field Audit Office of the Auditor General of Pakistan is responsible to carry out the audit of all District Governments in Punjab (South) including Tehsil/ Town Municipal Administrations and Union Administrations. Its Regional Directorate of Audit, D.G.Khan has audit jurisdiction of District Governments, TMAs and UAs of four Districts i.e. D.G.Khan, Rajanpur, Layyah and Muzaffargarh.

The Regional Directorate has human resource of 21 officers and staff, constituting 3906 man days and a budget allocation of Rs3.723 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 fifteen UAs of District Layyah for the financial years from 2008-09 to 2010-11 and the findings included in the Audit Report.

Union Administrations (UAs), District Layyah conduct their operations under Punjab Local Government Ordinance 2001. UAs of District Layyah 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 Municipal 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 fifteen UAs in District Layyah mentioned above for the financial years from 2008-09 to 2010-11 was Rs20.518 million and expenditure incurred of Rs7.222 million showing savings of Rs13.296 million in

these years. The total Non development Budget for financial years 2008-2011 was Rs21.661 million and expenditure of Rs17.077 million, showing savings of Rs4.584 million. The reasons for savings in Development and Non development Budgets are required to be provided by PAO concerned.

Audit of UAs of District Layyah was carried out with the view to ascertain that the expenditure was incurred with proper authorization, in conformity with laws/ rules/ regulations, economical procurement of assets and hiring of services etc.

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 and there was no leakage of revenues.

a. Audit Methodology

Audit was conducted after understanding the business processes of UAs with respect to its 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.

b. Audit of Expenditure and Receipts

Total development budget allocation for financial years 2008-11 was Rs20.518 million, out of which total expenditure was Rs7.222 million. Audit of the development expenditure of Rs3.105 million carried out which was 43% of total expenditure. Audit of Non Development expenditure of Rs5.635 million out of total expenditure of Rs17.077 million for these years was conducted which is 33% of total expenditure. Total overall expenditure of fifteen UAs of District Layyah for three years was Rs24.299 million, out of which, overall expenditure of Rs8.740 million was audited which, is 36% of total expenditure. Therefore, there was 100% achievement against the planned audit activities.

The receipts of the fifteen UAs of District Layyah for the financial year 2008-11 were Rs4.155 million. RDA, D.G.Khan audited receipt of Rs 3.695 million which is 89% of total receipts.

c. Recoveries at the Instance of Audit

No Recoverable were pointed out through audit paras.

d. Desk Audit

Desk review helped auditors in understanding the systems, procedures, environment of entity and identification of high risk areas for additional compliance testing in the field. The Audit Command Language (ACL) was applied centrally on the Payroll part of appropriation account. As a result, certain irregularities and overpayments were identified, which were communicated to field audit officers for verification and follow-up action.

e. The Key Audit Findings of the Report;

- i. There was 01 case pertaining to non production of record –Rs4.833 million.¹
- ii. Violation of rules / financial propriety amounting to Rs4.553 million was noted in 02 cases.²
- iii. Weaknesses of internal controls involving an amount of Rs6.902 million were noted in 03 cases.³
- iv. Poor managerial performance was noted in 01 case for non utilization CCBs funds Rs3.046 million.⁴

Audit Paras on the accounts for 2008-11 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, (Annexure-A).

¹Para 1.2.1

²Para 1.3.1, 1.3.2

³Para 1.4.1, 1.4.2, 1.4.3

⁴Para 1.5.1

f. Recommendations

Audit recommends the PAOs / Management to focus on the following issues.

- i. Proper maintenance of record and its provision at the time of audit
- ii. Compliance of relevant laws, rules, instructions and procedures, etc.
- iii. Appropriate actions against officers/officials responsible for violation of rules and losses
- iv. Addressing systemic issues to prevent recurrence of various omissions and commissions.
- v. Physical stock taking of fixed and current assets
- vi. Hold investigations for wastage, fraud, misappropriation and losses, and take disciplinary actions after fixing responsibilities.
- vii. Strengthening of internal controls

SUMMARY, TABLES & CHARTS

Table 1: Audit Work Statistics

(Rupees in million)

Sr. No	Description	No.	Budget/ Expenditure
1	Total Entities (PAOs) in Audit jurisdiction	44	251.871
2	Total Entities (PAOs) Audited	15	42.179
3	Audit & Inspection Reports	15	42.179
4	Special Audit Reports	-	-
5	Performance Audit Reports	-	-
6	Other Reports (relating to UAs)	-	-

Table 2: Audit Observations Classified by Categories

(Rupees in million)

Sr. No.	Description	Amount Placed Under Audit Observation	Para No.
1	Asset management	-	-
2	Financial management	7.599	1.3.1, 1.3.2, 1.5.1
3	Internal controls	6.902	1.4.1, 1.4.2, 1.4.3
4	Others	4.833	1.2.1
Total		19.334	

Table 3: Outcome Statistics

(Rupees in million)

Sr. No.	Description	Physical Assets	Civil Works	Receipts	Others	Total
1	Outlays Audited	3.375	12.211	4.155	11.043	30.784
2	Amount Placed under Audit Observation/ Irregularities Pointed Out.	-	4.115	-	15.219	19.334
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 Current Year” is the sum of Expenditure and Receipts whereas the total expenditure is Rs26.629 million for the current year

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.	4.553
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3.	Accounting Errors (accounting policy departure from NAM ¹ 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 system.	6.902
5.	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public monies.	-
6.	Non-production of record.	4.833
7.	Others, including cases of accidents, negligence etc.	3.046
Total		19.334

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

CHAPTER 1

1.1 Union Administrations, District Layyah

1.1.1 Introduction

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

1.1.2 Comments on Budget and Accounts (Variance Analysis) for the Financial Years 2008-11

Original Budget of Rs42.179 million was allocated to UAs of District Layyah under various grants and no supplementary grants/ re appropriation was provided. However, revised/final budget of these UAs was Rs42.179 million. The total expenditure incurred by the UAs during 2008-11 was Rs24.299 million as detailed above.

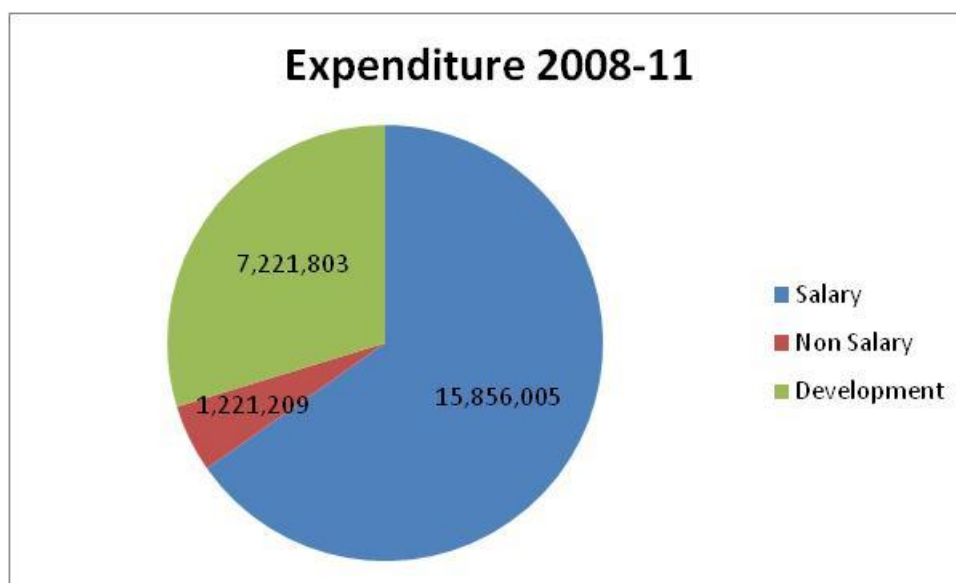
The variance analysis of the Revised/Final Grant and Actual Expenditure for the Financial Years 2008-11 depicted that there was a saving of Rs4.584 million and Rs13.296 million in non development and development component which will be used for following year budget estimates and determining the closing balances of these UAs of District Layyah.

1.1.3 Comments on Budget and Accounts (Variance Analysis)

(Amount in Rs.)

2008-11	Budget	Actual	Excess (+)/ Saving(-)	%Saving
Salary	18,583,000	15,856,005	2,726,995	15
Non Salary	3,077,828	1,221,209	1,856,619	60
Development	20,517,958	7,221,803	13,296,155	65
Total	42,178,786	24,299,017	17,879,769	

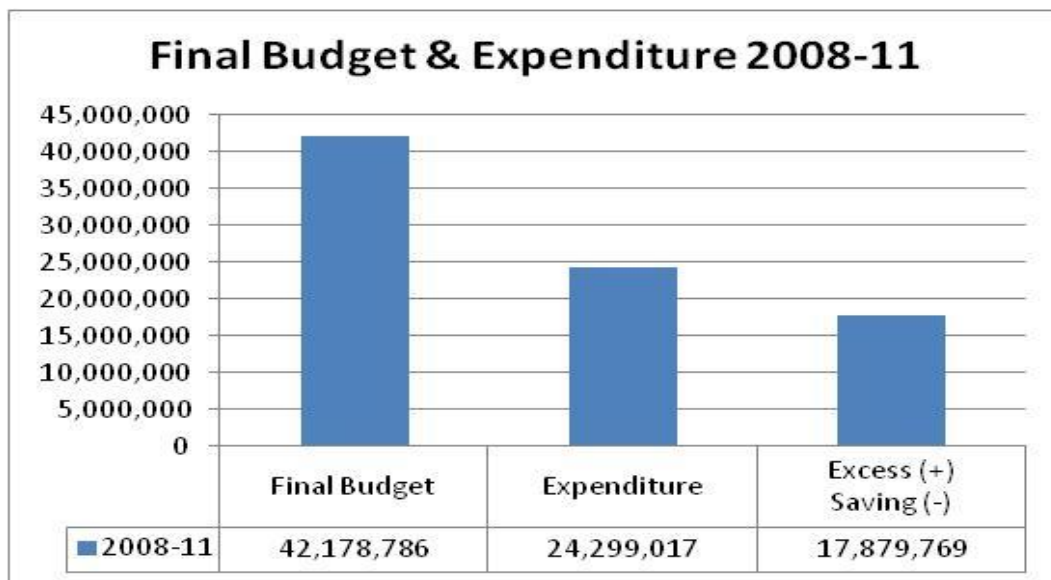
(Amount in Rs)



Details of the budget allocations, expenditures and savings of UAs of District Layyah for fifteen financial years are at Annexure-B.

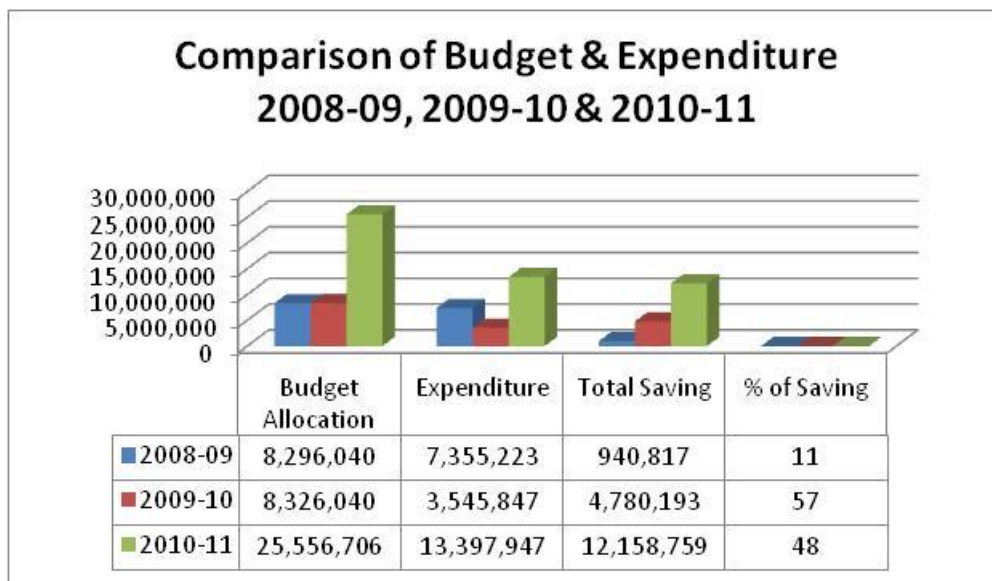
As per the budget books the expenditure relating to fifteen UAs in District Layyah was Rs24.299 million against original budget of Rs42.179 million. There was a saving of Rs17.880 million for which the reasons should be explained by the PAO.

(Amount in Rs)



The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Amount in Rupees)



There was overall saving in the budget allocations for the financial years 2008-09, 2009-10 and 2010-11 are as follows:

(Amount in Rupees)

Financial Year	Budget Allocation	Expenditure	Total Saving	% of Saving
2008-09	8,296,040	7,355,223	940,817	11
2009-10	8,326,040	3,545,847	4,780,193	57
2010-11	25,556,706	13,397,947	12,158,759	48

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

AUDIT PARAS

1.2 Non Production of Record

1.2.1 Non Production of Record – Rs4.883 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.

Following Secretaries of the Union Administrations drew and deposited the funds amounting to Rs4.883 million on account of expenditure and income as per cash book/bank statements. But vouched accounts were not produced to audit for verification. (Annexure-C)

(Rupees in million)				
Year	UA Name	AP No.	Nature of Record	Amount
2010-11	UA No.35	1	Neither cash book was maintained nor vouched accounts of expenditure and income produced to audit	2.966
-do-	UA No. 11	1	Vouched account of expenditure and income for the year 2009-10	1.917
Total				4.883

Audit was of the view that non production of record reflected irresponsible attitude on the part of executives and it was sheer escape from accountability process.

Legitimacy of the expenditure and receipt could not be ensured due to non production of record.

The matter was reported to Union Secretaries in April, 2012. The Secretaries of concerned union administrations signed the observation but did not submit any reply. The DAC meeting was not convened despite repeated requests.

No progress was intimated till finalization of Report.

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

[AIR Para: 1, 1-2010-11]

1.3 Irregularities and Non Compliance

1.3.1 Unjustified Payment without Detail Measurement–Rs2.477 million

According to Government of the Punjab LG & RD 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.

Following Secretaries of the Union Administrations incurred an expenditure of Rs2.477 million for construction of culverts/purchase of RCC pipes, Hand pumps and electrical material during 2008-11. Scrutiny of relevant record revealed that neither record entries were made in the Measurement Books nor site plans were prepared for the development work / schemes, as detailed below:

(Amount in Rupees)

Year	UA Name	AP No.	Nature of Scheme/Project	Amount
2008-09	UA No.3 Layyah	2	Construction of PCC slab and soling	631,963
-do-	UA No. 15Karor	2	-do-	637,800
-do-	UA No.29 Sher Ghar	2	Construction of culvert	295,000
-do-	UA No.38 Bakhery ahmed khan	2	Construction of RCC Pipe	626,300
-do-	UA Np.31 chock Azam	2	Construction of culverts and purchase of RCC Pipes	377,073
2009-10	UA Khairay Wala	1	Construction of culverts	460,530
-do-	UA Lohanch Nashib	1	Laying of RCC pips	656,000
-do-	UA Chowk Azam city	2	Hand pump and electric material	136,563
-do-	UA Jaman shah	2	Hand pumps	81,100
-do-	UA Karor Thal Jundi	1	Laying of RCC pips	573,276
-do-				
2010-11	UA No.35	2	Construction of culverts	392,540
-do-	UA No. 11	2	Purchase of RCC Pipes	330,000
-do-	UA No.30	1	Construction of culverts	647,500
-do-	UA No.36	2	Construction of culverts and purchase of RCC Pipes	586,500
-do-	UA No.44	1	Construction of culverts and purchase of RCC Pipes	520,000
Total				2,476,540

Audit was of the view that incurrence of expenditure without measurement was due to poor implementation of financial controls.

Payment without measurement resulted in unjustified expenditure.

The matter was reported to Union Secretaries in April, 2010 and April, 2012. The Secretaries of concerned union administrations signed the observation but did not submit any reply. The DAC meeting was not convened despite repeated requests. No progress was intimated till finalization of Report.

Audit recommends investigation to ascertain the authenticity of the expenditure and fix responsibility on the officer/official concerned for making payments without measurements.

[AIRs Para: 2, 2, 2, 2-2008-09, Para 1,1,2,2,1-2009-10, Para 2, 2, 1, 2, 1-2010-11]

1.3.2 Incurrence of Expenditure without Calling Tenders–Rs2.076 Million

According to Rule 9 of Punjab Procurement Rules 2009, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's web site.

Secretaries of the Union Administrations incurred expenditure of Rs2.076 million on account of purchase of RCC pipes, sewing machines and hand pumps during financial year 2008-11 through calling quotations instead of tendering process for the values exceeding limit of Rs100,000. The detail is given as below:

(Amount in Rupees)

Year	UA Name	AP No.	Description	Amount
2008-09	UA No.29 Sher Garh	5	Purchase of sewing Machines	150,000
-do-	UA No.38 Bakhery Ahmad Khan	4	Purchase of Hand Pumps	245,000
-do-	UA No. 31 Chock Azam	4	Purchase of sewing	269,000
2010-11	UA No. 11	4	Purchase of RCC Pipes	330,000
-do-	UA No.36	1	Purchase of sewing machine and hands pumps	632,000
-do-	UA No.44	2	Purchase of RCC Pipes	450,000
Total				2,076,000

Audit was of the view that incurrence of expenditure without calling tenders was due to weak financial controls.

Non invitation of tenders resulted in unfair competition and uneconomical purchases.

The matter was reported to Union Secretaries in April, 2012. The Secretaries of concerned union administrations signed the observation but did not submit any reply. The DAC meeting was not convened despite repeated requests. No progress was intimated till finalization of Report.

Audit recommends regularization of expenditure from competent authority besides fixing of responsibility on officer concerned for procurement of stores without observing the rule.

[AIRs Para 5, 4, 4-2008-09, Para 4, 1, 2-2010-11]

1.4 Weaknesses of Internal Control

1.4.1 Unjustified Consumption of Stores - Rs3.822 million

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be when delivery is taken and they should be kept in charge of a responsible Government servant. The Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

Secretaries of the following Union Administrations incurred an expenditure of Rs3.822 million during the financial years 2008-11 on account of purchase of sewing machines hand pumps, electric items and RCC pipes but neither their stock entries nor consumption record along with public requests demanding the installation of hand pumps and laying RCC pipes was available on record. In the absence of requisite record authenticity of the expenditure could not be verified.

(Amount in Rupees)

Year	UA Name	AP No.	Description	Amount
2008-09	UA No.38 Bakhery Ahmad Khan	5	Hand pumps	316,050
2009-10	UA Lohanch Nashib	2	RCC pips and stationery	662,975
-do-	UA Chowk Azam city	1	Stationery and Tube lights	189,462
-do-	UA Khairay Wala	3	Sewing machines and hand pumps	578,150
-do-	UA Jaman Shah	1	Sewing machines and hand pumps	306,250
-do-	UA Karor Thal Jundi	3	RCC pips and Sewing machine	345,456
2010-11	UA No.36 Paharpur	3	Sewing machine, hand pumps and RCC Pipes	547,500
-do-	UA No. 11 Sahoowala	3	RCC Pipes and tube lights	379,220
-do-	UA No.44 Jhakar	3	Hand pumps and RCC Pipes	497,000
Total				3,822,063

Audit was of the view that issuance of stores items without requisite record was due to weak managerial controls.

The issuance of stores without requisite record resulted in unjustified consumption of stores and loss to Government could not be ruled out.

The matter was reported to Union Secretaries in April, 2012. The Secretaries of concerned union administrations signed the observation but did not submit any reply. The DAC meeting was not convened despite repeated requests. No progress was intimated till finalization of Report.

Audit recommends investigation of the matter to fix the responsibility on the official(s) concerned for issuing the store without maintaining requisite record.

[AIRs Para 5-2008-09, Para2,1,3,1,3-2009-10, Para 3,3,3-2010-11]

1.4.2 Unauthorized Expenditure through Project Committee - Rs1.638 million

According to Rule 4 of Union Administration (Works) Rules 2002, When a project is executed by a Project Committee, the following terms and conditions shall be observed:-(c) the Union Nazim shall release the estimated cost of the project through cross cheque in the name of Project Committee in two equal installments. The funds so released shall be kept in an account of scheduled bank to be jointly operated by two members of the Project Committee as per provisions of rule 39 of the Punjab Local Governments (Accounts) Rules, 2001. Before releasing the Second installment a report shall be obtained by the Nazim from the Secretary of the Project Committee certifying that the amount of first installment has been incurred properly and that the progress of the work is satisfactory according to specification;(f) all members of the Project Committee shall periodically inspect the project and check the quality of work (e) the Secretary of the Project Committee shall ensure the maintenance of the following record of each project:-

(i) Detailed estimates duly approved by the Union Nazim; (ii) the quotations and vouchers of all articles/materials etc. purchased by the Project Committee, duly

verified by the convener of the Project Committee; (iii) Muster Roll for payment of labour charges; (iv) Stock Register; (v) Inspection Register for each scheme.

Secretaries of the following Union Administrations incurred an expenditure of Rs1.638 million during 2008-09 out of development budget for different projects as detailed below. The projects were executed through projects committee. The payments were made to contractors without satisfactory report by secretaries of the project committee and inspection report of members of Union Administration. Further all the payments were made against 1st and final bill instead of two installments in violation of above instructions

(Amount in Rs)

Year	AIR Para	Name of UAs	Description	Amount
2009-10	3	UA Lohanch Nashib	Laying of RCC pips	656,000
-do-	4	UA Khairay Wala	Construction of culverts	676,150
-do-	4	UA Jaman Shah	Sewing machines and hand pumps	306,250
Total				1,638,400

Audit held that payment against 1st and final bill instead of two installments and without inspection report of the project committee was unauthorized and reflects absence of internal control.

Secretaries Union Administration did not respond to the audit observation.

DAC meeting of PAOs of UAs Lohanch Nashib , Khairay wala and Jaman Shah were scheduled on 22.03.2011, 26.03.2011 and 24.03.2011 respectively but could not held. No further progress was intimated to audit till the finalization of this Report.

Audit recommends fixing of responsibility on the person concerned for not observing the rule besides regularization of expenditure from competent authority.

[AIRs Para 3, 4, 4-2009-10]

1.4.3 Unauthentic Payment of Rs1.442 million

According to 2.2 of Punjab Financial Rule 2003 Volume-I, all transaction should be entered in the cash book as soon as they occur and attested in token of check. In token of the check of the cash book, the last entry checked therein should be initialed (with date) by the Government servant concerned on each occasion.

Secretary of the Union Administrations No.35 drew and deposited the funds amounting to Rs1.442 million, but the entries in the cash book were not signed by the DDO/Nazim of the union council without which the authenticity of the expenditure could not be verified. The detail is given as below:

(Amount in Rupees)		
Month	Expenditure	Income
August 2008	142597	6834
September 2008	119358	240912
October 2008	242699	122869
November 2008	61481	8956
December 2008	62037	137440
February 2009	58959	238200
Total	687,131	755,211
Total of expenditure and income	1,442,342	

Audit was of the view that cash book was not signed by the DDO/Administrator due to weak internal controls.

Entries in cash book without signature of DDO/Nazim resulted in unauthentic payment/deposits.

The matter was reported to Union Secretary in April, 2012. The Secretary of concerned union administration signed the observation but did not submit any reply. The DAC meeting was not convened despite repeated requests. No progress was intimated till finalization of Report.

Audit recommends to get the cash book signed by the DDO besides fixing responsibility against the persons at fault.

[AIR Para: 4-2008-9]

1.5 Performance

1.5.1 Non Utilization of CCB Funds - Rs3.046 million

According to Government of the Punjab Local Government and Community Development Department Lahore letter vide No.SO.D-III(LF) 3-1/2006 dated 04.01.2006, efforts should be made to expedite utilization of 25% development budget earmarked for the Citizen Community Boards.

Following Secretaries of the Union Administrations did not pay any attention towards people motivation for organizing them for the joint cause of community. The budget earmarked for CCB piled up to Rs3.046 million during 2008-2011. Since devolution, no CCB was organized for the community. It seems that union administrations authorities were not interested to provide the benefits of devolution to the public.

(Amount in Rupees)			
Year	UA Name	AP No.	Amount
2008-09	UA No.15 Karor	3	680,860
2010-11	UA No.35	5	402,500
-do-	UA No. 11	6	281,250
-do-	UA No.30	3	450,000
-do-	UA No.36	6	793,990
-do-	UA No.44	5	437,500
Total			3,046,100

Audit was of the view that due to negligence of union administrations authorities funds were not utilized.

Non utilization of funds resulted in deprivation from benefits of devolution to the public.

The matter was reported to Union Secretaries in April, 2012. The Secretaries of concerned union administrations signed the observation but did not submit any reply. The DAC meeting was not convened despite repeated requests. No progress was intimated till finalization of this Report.

Audit recommends making efforts to utilize the funds for the cause besides fixing of responsibility on the officials concerned for negligence and not working for the cause.

[AIRs Para 3-2008-09, Para 5,6,3,6,5-2010-11]

ANNEXURES

Annexure-1**(Amount in Rupees)**

Sr. No.	Formation	Para No.	Title of Para	Amount	Nature of Observation
1.	UA No.31 Chock Azam 2008-09	6	Non deduction of General Sales Tax	31,250	Overpayment
2.	UA No. 38 Bakhery Ahmad Khan 2008-09	6	Non deduction of General Sales Tax	47,409	Overpayment
3.	UA Karor Thall Jundi 2009-10	2	Unauthorized Payment without Obtaining Technical Sanction	573,276	Violation of Rule
4.	UA No.35 TDA/172 2010-11	3	Non Deduction of Income Tax at Source	392,540	Overpayment
5.	UA No. 11 Sahoowala 2010-11	5	Non Deduction of Income Tax at Source	424,476	Overpayment
6.	UA No.30 Rafiqabad 2010-11	2	Non Deduction of Income Tax at Source	520,000	Overpayment
7.	UA No.36 Paharpur 2010-11	5	Non Deduction of Income Tax at Source	958,500	Overpayment
8.	UA No.44 Jhakar 2010-11	4	Non Deduction of Income Tax at Source	520,000	Overpayment
9.	UA No.36 2010-11	4	Non deduction of General Sales Tax	87,600	Overpayment
10.	UA No. 11 2010-11	5	Non deduction of General Sales Tax	72,161	Overpayment

Annexure-A**MEFDAC Paras**

(Amount in Rupees)

Sr. No	Name of Formation	AP No.	Subject	Amount
1.	UA No.3 Layya city 2008-09	1	Payments without pre-Audit	1,664,953
2.	UA No.3 Layya city 2008-09	3	Execution of development project without detail estimates	979,574
3.	UA No.3 Layya city 2008-09	4	Non maintenance of check measurement book expenditure incurred	631,963
4.	UA Bakri Ahmad khan 2008-09	1	Payments without pre-Audit	1,467,183
5.	UA Bakri Ahmad khan 2008-09	3	Execution of development project without detail estimates	942,350
6.	UA Bakri Ahmad khan 2008-09	7	Non maintenance of check measurement book expenditure incurred	626,300
7.	UA Karor City 2008-09	1	Payments without pre-Audit	1622984
8.	UA Karor City 2008-09	4	Non maintenance of check measurement book expenditure incurred	637800
9.	UA Karor City 2008-09	5	Unadjusted advances	30,000
10.	UA Sheer Garh 2008-09	1	Payments without pre-Audit	1,267,252
11.	UA Sheer Garh 2008-09	3	Execution of development project without detail estimates	445,000
12.	UA Sheer Garh 2008-09	6	Non maintenance of check measurement book expenditure incurred	295,000
13.	UA Chowk Azam Rural 2008-09	1	Payments without pre-Audit	1,412,604
14.	UA Chowk Azam Rural 2008-09	3	Execution of development project without detail estimates	646,073
15.	UA Chowk Azam Rural 2008-09	7	Non maintenance of check measurement book expenditure incurred	377,073
16.	UA Chowk Azam City 2009-10	3	Unauthorized Payment without obtaining technical sanction	44,368
17.	UA Chowk Azam City	4	Non transfer of pension	277,728

	2009-10		contribution on account Union Administration employees.	
18.	UA Chowk Azam City 2009-10	5	Cash book not signed by the DDO unauthentic payment	671,395
19.	UA Lohanch Nashib 2009-10	3	Cash book not signed by the DDO unauthentic payment	675,621
20.	UA Khairay Wala 2009-10	2	Unauthorized payment without obtaining technical sanction	676,150
21.	UA Jaman Shah 2009-10	3	Cash book not signed by the DDO unauthentic payment	633,645
22.	UA Jaman Shah 2009-10	5	Unauthorized payment without obtaining technical sanction	306,250
23.	UA Karor Thal Jundi 2009-10	4	Cash book not signed by the DDO unauthentic payment	1,036,125
24.	UA Karor Thal Jundi 2009-10	5	Variation in balance of cashbook and bank statement	15,004
25.	UA No.30 Rafiqabad 2010-11	5	Expenditure over and above the budget	65,924
26.	UA No.35 TDA/172 2010-11	6	Non deposit of Union Council Receipt	0

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.	Chowk Azam	Salary	652000	0	652000	648795	3205
		Non salary	163000	0	163000	117736	45264
		Total	815000	0	815000	766531	48469
		development	815000	0	815000	646073	168927
		G.Total	1630000	0	1630000	1412604	217396
2.	Sheer Garh	Salary	1000000	0	1000000	812423	187577
		Non salary	100000	0	100000	50000	50000
		Total	1100000	0	1100000	862423	237577
		development	500000	0	500000	404829	95171
		G.Total	1600000	0	1600000	1267252	332748
3.	Karor	Salary	730000	0	730000	683218	46782
		Non salary	162000	0	162000	147013	14987
		Total	892000	0	892000	830231	61769
		development	714040	0	714040	713000	1040
		G.Total	1606040	0	1606040	1543231	62809
4.	Bakri Ahmad	Salary	560000	0	560000	468373	91627
		Non salary	100000	0	100000	56460	43540
		Total	660000	0	660000	524833	135167
		development	1000000	0	1000000	942350	57650
		G.Total	1660000	0	1660000	1467183	192817
5.	Layyah City	Salary	650000	0	650000	580433	69567
		Non salary	150000	0	150000	104946	45054
		Total	800000	0	800000	685379	114621
		development	1000000	0	1000000	979574	20426

		ment					
		G.Total	1800000	0	1800000	1664953	135047
6.	Karor	Salary	652000	0	652000	852262	-200262
		Non salary	163000	0	163000	127207	35793
		Total	815000	0	815000	979469	-164469
		Develop ment	815000	0	815000	56565	758435
		G.Total	1630000	0	1630000	1036034	593966
7.	Lohanch Nasheeb	Salary	730000	0	730000	650122	79878
		Non salary	162000	0	162000	21273	140727
		Total	892000	0	892000	671395	220605
		Develop ment	714040	0	714040	0	714040
		G.Total	1606040	0	1606040	671395	934645
8.	Jaman Shah	Salary	650000	0	650000	591364	58636
		Non salary	150000	0	150000	42281	107719
		Total	800000	0	800000	633645	166355
		develop ment	1000000	0	1000000	0	1000000
		G.Total	1800000	0	1800000	633645	1166355
9.	Khairy Wala	Salary	560000	0	560000	523724	36276
		Non salary	100000	0	100000	9654	90346
		Total	660000	0	660000	533378	126622
		develop ment	1000000	0	1000000	0	1000000
		G.Total	1660000	0	1660000	533378	1126622
10.	Chock azam	Salary	652000	0	652000	650122	1878
		Non salary	163000	0	163000	21273	141727
		Total	815000	0	815000	671395	143605
		develop ment	815000	0	815000	0	815000
		G.Total	1630000	0	1630000	671395	958605
11.	Sahoo wala	Salary	1,710,000	0	1,710,000	1,111,716	598284
		Non	510,000	0	510,000	29,681	480319

		Salary					
		Sub-total	2,220,000	0	2,220,000	1,141,397	1078603
		Develop ment	1,275,000	0	1,275,000	511,700	763300
		Total	3,495,000	0	3,495,000	1,653,097	1841903
12.	Rafiqabad	Salary	2,318,000	0	2,318,000	2,354,027	-36027
		Non Salary	210,000	0	210,000	128,365	81635
		Sub-total	2,528,000	0	2,528,000	2,482,392	45608
		Develop ment	2,200,000	0	2,200,000	647,500	1552500
		Total	4,728,000	0	4,728,000	3,129,892	1598108
13.	UA No.35	Salary	2,569,000	0	2,569,000	1,977,876	591124
		Non Salary	311,000	0	311,000	50,435	260565
		Sub-total	2,880,000	0	2,880,000	2,028,311	851689
		Develop ment	2,297,500	0	2,297,500	804,212	1493288
		Total	5,177,500	0	5,177,500	2,832,523	2344977
14.	paharpur	Salary	2,400,000	0	2,400,000	1,789,859	610141
		Non Salary	413,828	0	413,828	180,113	233715
		Sub-total	2,813,828	0	2,813,828	1,969,972	843856
		Develop ment	3,409,878	0	3,409,878	971,000	2438878
		Total	6,223,706	0	6,223,706	2,940,972	3282734
15.	Jhakkar	Salary	2,750,000	0	2,750,000	2,161,691	588309
		Non Salary	220,000	0	220,000	134,772	85228
		Sub-total	2,970,000	0	2,970,000	2,296,463	673537
		Develop ment	2,962,500	0	2,962,500	545,000	2417500
		Total	5,932,500	0	5,932,500	2,841,463	3091037
Grand Total			42,178,786	0	42,178,786	24,299,017	17,879,769

Annexure-C**[Para No.1.2.1]****Non production of record (UA No.35)**

(Amount in Rupees)

Date	Description	Instrument No.	Expenditure	Income
06.05.2010	Cash	98550320	0	500
25.05. 2010	Cash	98990196	0	126000
25.05. 2010	Transfer	988381	38228	0
26.05. 2010	Transfer	98960012	0	5364
27. 05. 2010	Transfer	99320035	0	112606
31.05. 2010	Transfer	988382	25625	0
03.06. 2010	Transfer	988384	41510	0
03.06. 2010	Transfer	988385	634	0
08.06. 2010	Transfer	988383	250	0
30.06. 2010	Transfer	93480357	0	347459
30.06. 2010	Transfer	93490185	0	112618
01.07. 2010	Transfer	988386	41510	0
02.07. 2010	Transfer	988389	55721	0
13.08. 2010	Transfer	988390	356	0
13.08. 2010	Transfer	11728781	55721	0
01.10. 2010	Transfer	11728782	55721	0
02.11. 2010	Transfer	11728783	55721	0
02.11. 2010	Transfer	11728784	2314	0
02.11. 2010	Transfer	11728785	8800	0
08.11. 2010	Transfer	99490247	0	231616
03.12. 2010	Transfer	11728786	55721	0
03.12. 2010	Transfer	11728787	12237	0
01.01. 2011	Transfer	11728789	4799	0
11.01.2011	Transfer	11728790	56468	0
04.02.2011	Transfer	9972065	0	237925

08.02.2011	Transfer	11737061	260	0
08.02.2011	Transfer	11737062	56468	0
02.03.2011	Transfer	11737063	56468	0
02.03.2011	Transfer	11737064	4350	0
18.03.2011	Transfer	99780029	0	217119
05.04.2011	Transfer	11737065	56468	0
05.04.2011	Transfer	11737066	468	0
28.04.2011	Transfer	99710022	0	217119
07.05.2011	Transfer	11737067	56468	0
07.05.2011	Transfer	11737068	5406	0
24.05.2011	Cheque	11737069	5150	0
08.06.2011	Transfer	52619601	56468	0
08.06.2011	Transfer	52619603	1361	0
10.06.2011	Transfer	99300341	0	108522
17.06.2011	Cheque	52619602	4600	0
30.06.2011	Transfer	99500026	0	217119
30.06.2011	Transfer	99510019	0	217119
Total			815271	2151086
G.Total			2,966,357	

(UA No.11)

(Amount in Rupees)

Month	Description	Expenditure	Income
Jul-2009	pay of staff	8,404	0
-do-	Income of UC	0	2400
Aug-2009	pay of staff	59,633	0
-do-	Development expenditure	60,000	0
-do-	Govt. grant	0	119000
-do-	Income of UC	0	2010
sep.2009	pay of staff	37,212	0
-do-	Income of UC	0	1300

-do-	Govt. grant	0	119000
Oct-2009	pay of staff	53,016	0
-do-	Development expenditure	70,000	0
-do-	Income of UC	0	2365
-do-	Govt. grant	0	119000
Nov.2009	pay of staff	112,882	0
-do-	Development expenditure	94000	0
-do-	Income of UC	0	3910
-do-	Govt. grant	0	119000
Dec.2009	Income of UC	0	400
Jan-2010	Income of UC	0	3218
Feb-2010	Development expenditure	17000	0
-do-	current exp.	314	0
-do-	Income of UC	0	4153
March-2010	Income of UC	0	755
April-2010	pay of staff	106903	0
-do-	Govt. grant	0	112645
May-2010	pay of staff	41079	0
-do-	Govt. grant	0	112681
June-2010	pay of staff	74580	0
-do-	Govt. grant	0	460227
S.Total		735,023	1,182,064
G.Total		1,917,087	

Grand Total=1,917,087 + 2,966,357=4,883,444