



**AUDIT REPORT
ON
THE ACCOUNTS OF
UNION ADMINISTRATIONS
DISTRICT BHAKKAR**

AUDIT YEAR 2015-16

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

| | |
|--------|--|
| DAC | Departmental Accounts Committee |
| DDO | Drawing & Disbursing Officer |
| MFDAC | Memorandum for Department Accounts Committee |
| PAC | Public Accounts Committee |
| PAO | Principal Accounting Officer |
| PPRA | Punjab Procurement Regularity Authority |
| PDG | Punjab District Government |
| PLGO | Punjab Local Government Ordinance |
| PLG | Punjab Local Government |
| TMA | Tehsil Municipal Administration |
| TMO | Tehsil Municipal Officer |
| TO (F) | Tehsil Officer (Finance) |
| UAs | Union Administrations |
| UCs | Union Councils |

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 government 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 Local Fund and Public Accounts of Union Administrations of the Districts is the responsibility of the Auditor General of Pakistan.

The Report is based on audit of accounts of Union Administrations of District Bhakkar for the Financial Year 2014-15. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2015-16 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit observations of serious nature. 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.

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 after discussion of Audit Paras with the management. However, no Departmental Accounts Committee meetings were convened 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 to cause it to be laid before the Provincial Assembly of Punjab.

Islamabad

Dated:

(Imran Iqbal)

Acting-Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Punjab (North), Lahore, a field Audit Office of the Auditor General of Pakistan is responsible to carry out the audit of all District Governments in Punjab (North) including Tehsil and Town Municipal Administrations. Its Regional Directorate of Audit Sargodha has audit jurisdiction of District Governments, TMAs and UAs of four Districts i.e. Sargodha, Khushab, Mianwali and Bhakkar.

The Regional Directorate of Audit Sargodha had a human resource of 11 officers and staff, total 2,951 man-days and the budget of Rs 10.48 million for the Financial Year 2015-16. It had mandate to conduct Financial Attest Audit, Regularity 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 Sargodha carried out Audit of the accounts of ten UAs of District Bhakkar for the Financial Years 2014-15.

Each Union Administration in District Bhakkar is headed by a Union Nazim / Administrator who carries out operations as per Punjab Local Government Ordinance, 2001. Secretary is the Principal Accounting Officer (PAO)) and acts as coordinating and administrative officer, responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and bye-laws. The PLGO, 2001 requires the establishment of Union Local Fund and Public Account for which Annual Budget Statement is authorized by the Union Nazim/Union Council/Administrator in the form of budgetary grants.

Audit of ten UAs of District Bhakkar was carried out with a view to ascertaining 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/ revenue was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules.

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

Total development budget allocation for Financial Year 2014-15 was Rs 3.92 million whereas expenditure was Rs 0.28 million. Audit of the development expenditure of Rs 0.27 million was carried out which was 96% of total expenditure. Audit of Non-Development expenditure of Rs 10.42 million out of total expenditure of Rs 13.90 million for the year was conducted which was 75% of total expenditure. Total expenditure of the UAs of District Bhakkar was Rs 14.18 million, out of which, expenditure of Rs 10.69 million was audited which was 75% of total expenditure. Therefore, there was 100% achievement against the planned audit activities.

b. Recoveries at the Instance of Audit

Recovery of Rs 14.14 million was pointed out during audit. However, no recovery was effected till compilation of Report.

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 auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity. Formations were selected for audit in accordance with risks analyzed. Audit was planned and executed accordingly.

d. Audit Impact

A number of improvements, as suggested by audit, in maintenance of record and procedures, have been initiated by the concerned Departments. However, audit impact in shape of change in rules has not been significant due to non-convening of regular PAC meetings. Had PAC meetings been regularly held, audit impact would have been manifold.

e. Comments on Internal Control 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, and 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

- i. Non production of record of Rs 4.00 million was noted in one case¹
- ii. Irregularities and Non-compliance of rules and regulations amounting to Rs 23.65 million were noted in two cases² and
- iii. Weaknesses of Internal Controls involving an amount of Rs 16.69 million were noted in four cases.³

Audit Paras involving procedural violations including internal control weaknesses and irregularities which were not considered worth reporting to Provincial PAC, have been included in MFDAC. (**Annex-A**)

¹Para 1.2.1.1

² Para 1.2.2.1 – 1.2.2.2

³ Para 1.2.3.1 – 1.2.3.4

g. Recommendations

Audit recommends that the PAO / Management of TMAs should ensure the following:

- i. Proper maintenance of record and its production to audit for scrutiny
- 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 and
- vi. Holding of investigations for wastage, fraud, misappropriation and losses, and take disciplinary actions against the person (s) at fault.

SUMMARY TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rs in million)

| Sr. No. | Description | No. | Budget (F.Y. 2014-15) | | |
|---------|---|-----|-----------------------|----------|--------|
| | | | Expenditure | Receipts | Total |
| 1 | Total Entities (PAOs) in Audit Jurisdiction | 42 | 107.38 | 8.11 | 115.49 |
| 2 | Total formations in audit jurisdiction | 42 | 107.38 | 8.11 | 115.49 |
| 3 | Total Entities (PAOs)/ DDOs Audited | 10 | 14.18 | 1.93 | 16.11 |
| 4 | Total Formations Audited | 10 | 14.18 | 1.93 | 16.11 |
| 5 | Audit & Inspection Reports | 10 | 14.18 | 1.93 | 16.11 |
| 6 | Special Audit Reports | - | - | - | - |
| 7 | Performance Audit Reports | - | - | - | - |
| 8 | Other Reports (Relating to UAs) | - | - | - | - |

Table 2: Audit Observations Classified by Categories

(Rs in million)

| Sr. No. | Description | Amount under audit observation |
|--------------|----------------------|--------------------------------|
| 1 | Asset Management | - |
| 2 | Financial Management | 14.14 |
| 3 | Internal Controls | 2.54 |
| 4 | Violation of Rules | 23.65 |
| 5 | Others | 4.00 |
| Total | | 44.33 |

Table 3: Outcome Statistics

(Rs in million)

| Sr. No. | Description | Expenditure and Acquiring Physical Assets | Civil Work | Receipts | Others | Total |
|---------|--|---|------------|----------|--------|--------|
| 1 | Outlays audited | - | 0.28 | 1.93 | 13.90 | 16.11* |
| 2 | Amount placed under audit observation / irregularities | - | 2.38 | 14.14 | 27.81 | 44.33 |
| 3 | Recoveries pointed out at the instance of Audit | - | - | 14.14 | - | 14.14 |
| 4 | Recoverable accepted / established at Audit instance | - | - | 14.14 | - | 14.14 |
| 5 | Recoveries realized at the instance of Audit | - | - | - | - | - |

*The amount in serial No.1 column of "total" is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 14.18 million.

Table 4: Irregularities Pointed Out

(Rs in million)

| Sr. No. | Description | Amount under Audit observation |
|--------------|--|--------------------------------|
| 1 | Violation of rules and regulations and principle of propriety and probity. | 23.65 |
| 2 | Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public funds. | - |
| 3 | Accounting Errors ¹ (Accounting Policy departure from NAM, 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 controls system. | 2.54 |
| 5 | Recoveries, overpayments and loss to the government. | 14.14 |
| 6 | Non-production of record to Audit | - |
| 7 | Others, including cases of accidents, negligence etc. | 4.00 |
| Total | | 44.33 |

Table 5: Cost-Benefit Ratio

(Rs in million)

| Sr. No. | Description | 2014-15 |
|---------|--|---------|
| 1 | Outlays Audited (Items 1 of Table 3) | 16.11 |
| 2 | Expenditure on Audit | 1.31 |
| 3 | Recoveries realized at the instance of Audit | - |
| 4 | Cost –Benefit Ratio | - |

¹ The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan.

CHAPTER-1

1.1 UNION ADMINISTRATIONS, DISTRICT BHAKKAR

1.1.1 Introduction

Each Union Administration of District Bhakkar consists of Union Nazim, Union Naib Nazim, Secretary and Administration. Each UA Bhakkar comprises one Drawing and Disbursing Officer i.e. Secretary. As per Section 76 of PLGO 2001, the functions of UAs are as follows:

- i. to collect and maintain statistical information for socio-economic surveys
- ii. to consolidate village and neighborhood development needs and prioritize them into union-wide development proposals with the approval of the Union Council and make recommendations thereof to the District Government or Tehsil Municipal Administration, as the case may be
- iii. to identify deficiencies in the delivery of services and make recommendations for improvement thereof to the Tehsil Municipal Administration
- iv. to register births, deaths and marriages and issue certificates thereof;
- v. to make proposals to the Union Council for levy of rates and fees specified in the Second Schedule and to collect such rates and fees within the Union
- vi. to establish and maintain libraries
- vii. to organize inter-village or neighborhood sports tournaments, fairs, shows and other cultural and recreational activities
- viii. to disseminate information on matters of public interest
- ix. to improve and maintain public open spaces, public gardens and playgrounds
- x. to provide and maintain public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water

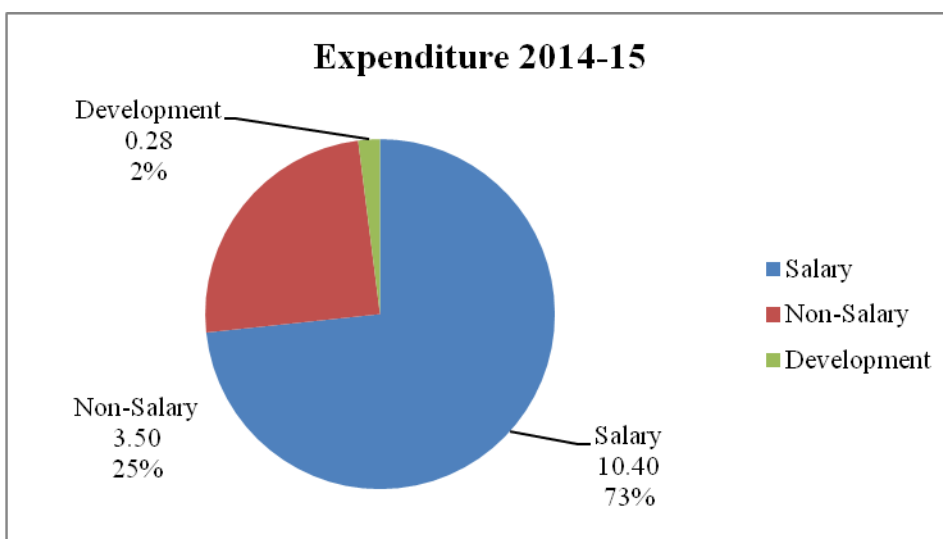
- xi. to maintain the lighting of streets, public ways and public places through mutual agreement with the Tehsil Municipal Administration
- xii. to execute the projects of the approved Union Annual Development Plan by contracting out to the private sector in the manner as may be prescribed and to obtain support of the Tehsil Municipal Administration or District Government for such execution and
- xiii. to assist the Village Councils or, as the case may be, Neighborhood Councils in the Union to execute development projects.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

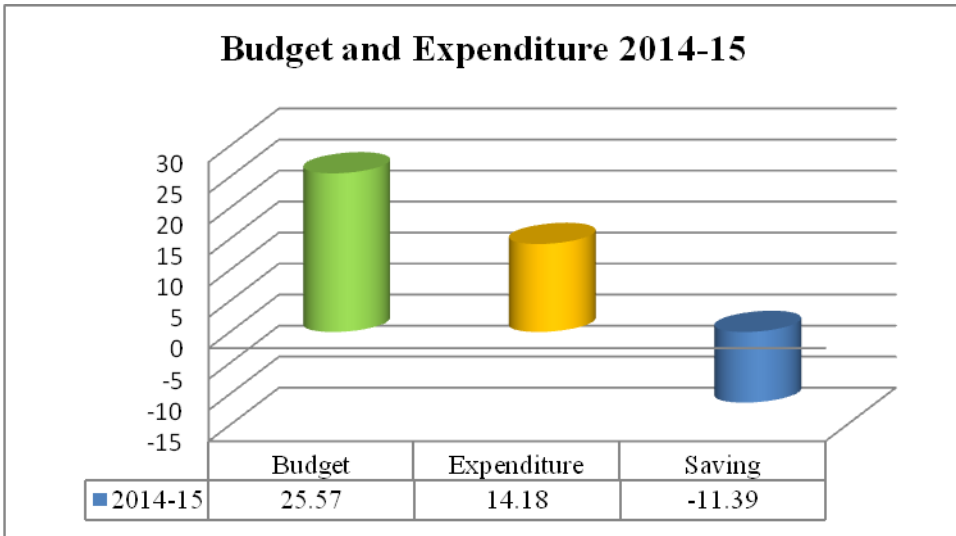
Total budget of ten UAs of District Bhakkar was Rs 25.57 million including salary component of Rs 13.08 million, Non-Salary component of Rs 8.57 million and Development component of Rs 3.92 million. Expenditure against salary component was Rs 10.40 million, Non Salary component was Rs 3.50 million and Development component was Rs 0.28 million. Overall saving were Rs 11.39 million which was 45% of total budget.

(Rs in million)

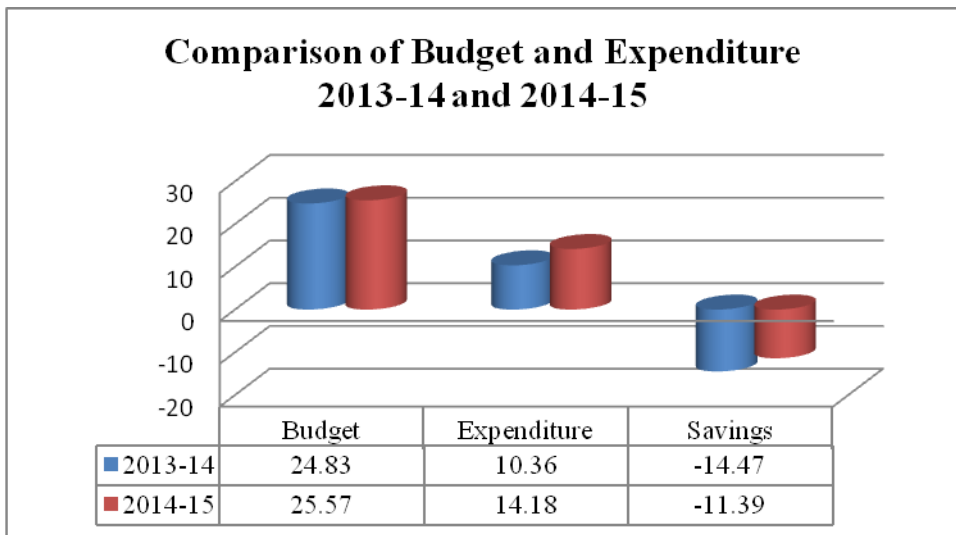
| 2014-15 | Budget | Expenditure | Excess (+) / Saving (-) | % (Saving) |
|--------------|--------------|--------------|----------------------------|---------------|
| Salary | 13.08 | 10.40 | (-) 2.68 | 21 |
| Non-salary | 8.57 | 3.50 | (-) 5.07 | 59 |
| Development | 3.92 | 0.28 | (-) 3.64 | 93 |
| Total | 25.57 | 14.18 | (-) 11.39 | 45 |



The original and final Budget of ten UAs in District Bhakkar for the Financial Year 2014-15 was of Rs 25.57 million. Against the final budget, total expenditures incurred by the UAs during financial year was Rs 14.18 million. There was a saving of Rs 11.39 million the reasons for which should be explained by the PAO, Union Nazims and management of UAs. **Annex-B**



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



There was saving in the budget allocation of the Financial Years 2013-14 and 2014-15. The saving were due to less utilization of non-development budget and non-execution of some component of the development schemes.

(Rs in million)

| Financial Year | Budget | Expenditure | Saving | %age of Saving |
|-----------------------|---------------|--------------------|---------------|-----------------------|
| 2013-14 | 24.83 | 10.36 | 14.47 | 58 |
| 2014-15 | 25.57 | 14.18 | 11.39 | 45 |

The justification of saving when the development schemes have remained incomplete besides poor service delivery is required to be explained by the PAO, Administrator concerned.

1.1.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab:

Status of Previous Audit Reports

| Sr. No. | Audit Year | No. of Paras | Status of PAC Meetings |
|----------------|-------------------|---------------------|-------------------------------|
| 1. | 2009-12 | 7 | Nil |
| 2. | 2012-13 | 2 | Nil |
| 3. | 2013-14 | 5 | Nil |

1.2 AUDIT PARAS

1.2.1 Non-Production of Record

1.2.1.1 Non-production of Record – Rs 4.00 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, according to Section-115(5) & (6) of PLGO, 2001, at the time of audit, the officials concerned shall provide all record for audit inspection and comply with any request for information in as complete a form as possible and with all reasonable expedition.

Secretary Union Administration No.42 Hyderabad, Tehsil Mankera did not produce the record amounting to Rs 4.00 million on account of Pay & Allowances, Receipts and Development for Audit scrutiny.

Audit is of the opinion that due to defective financial discipline and weak Internal Controls, relevant record was not produced to Audit in clear violation of constitutional provisions.

In the absence of record, the authenticity, validity, accuracy and genuineness could not be verified.

The matter was reported to the PAO/Secretary in March, 2016 but no reply was received. DAC meeting was not convened. No progress was intimated till the finalization of this report.

Audit recommends detailed inquiry and disciplinary action against the responsible(s) under intimation to Audit.

1.2.2 Irregularity and Non-compliance

1.2.2.1 Unauthorized Payment of Pay and Allowances - Rs 21.27 million

According to Note under Rule 7.17 of PFR-Vol.1, it is the duty of all heads of offices to see that the service books of the establishments employed under them are punctually and regularly written up, that the entries made on the opening pages are re-attested at least every five years, and that no member of the office has access to the books.

Scrutiny of accounts record of following Union Administrations District Bhakkar revealed that Pay and Allowances amounting Rs 21.27 million were paid to the staff during the Financial Year 2013-14 & 2014-15. However, Service Books of the officials were not verified by the Union / Tehsil Accounts Officer. (**Annex-C**)

Audit holds the due to weak Internal Controls, Pay and Allowances were paid to the officials without verification of their service books.

This resulted in unauthorized payment of Rs 21.27 million.

The matter was reported to the PAO/Secretary in March, 2016 but no reply was received. DAC meeting was not convened. No progress was intimated till the finalization of this report.

Audit recommends regularization besides fixing responsibility against the person (s) for non-maintenance of relevant record under intimation to the audit.

[AIR Para No. 02, 02, 02, 03, 02, 03, 03, 03, 03]

1.2.2.2 Doubtful Execution of Development Works - Rs 2.38 million

As per Rule 12(1) of Punjab Procurement Rules 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations. Further, according to para 2.7 to 2.12 of B&R Code, no development scheme will be executed unless technically sanctioned by the engineering Department.

Scrutiny of accounts record of following Union Administrations of District Bhakkar revealed that the schemes were not advertised on PPRA's website. Further probe revealed that schemes were executed without TS Estimate. Completion reports were also not available on record.

(Rs in million)

| Sr. No. | UA No. | Name of UA | Amount |
|--------------|--------|---------------|-------------|
| 1 | 39 | Urban Mankera | 0.94 |
| 2 | 38 | Patti Buland | 0.12 |
| 3 | 40 | Goharwala | 1.32 |
| Total | | | 2.38 |

Audit holds that works were executed in violation of codal formalities.

This resulted in doubtful expenditure of Rs 2.38 million.

The matter was reported to the PAO/Secretary in March, 2016 but no reply was received. DAC meeting was not convened. No progress was intimated till the finalization of this report.

Audit recommends inquiry of the matter besides fixing responsibility against the person (s) at fault under intimation to audit.

[AIR Para No. 02,02,02]

1.2.3 Internal Control Weaknesses

1.2.3.1 Non-achievement of Financial Targets - Rs 13.02 million

According to Rule 13 of Punjab Union Administration (Budget) Rules 2003, the Collecting Officers shall while preparing their estimates of receipts be guided by the following:

- (i) estimates of receipts are prepared diligently and accurately;
- (ii) in relation to revised estimates, shall take into consideration the actual receipts during the first eight months of the financial year and also consider the figures of the previous financial year;
- (iii) all material reasons, facts and circumstances relied upon in adopting the figures for the Revised Estimates for the current financial year shall be recorded clearly;
- (iv) the reasons for adopting the figures for the budget estimates of the coming financial year shall be clearly explained; and
- (v) the receipts shall cover all sources including fiscal transfers from provincial government.

Managements of certain Union Administrations of District Bhakkar failed to achieve the Budget targets for the Financial Years 2013-14 & 2014-15 on account of different income heads as detailed below:

(Rs in million)

| Sr. No. | UA No. | Name of UA | Budgeted Receipts | Actual Receipts | Less Realization |
|--------------|--------|--------------------------|-------------------|-----------------|------------------|
| 1 | 05 | Urban II Darya Khan | 4.20 | 2.70 | 1.50 |
| 2 | 22 | Dagar Quershi Darya Khan | 6.27 | 2.47 | 3.80 |
| 3 | 23 | Branga Darya Khan | 4.20 | 2.70 | 1.50 |
| 4 | 24 | Jhamt Shumali Darya Khan | 6.43 | 3.45 | 2.98 |
| 5 | 25 | Punjgrian Darya Khan | 5.73 | 3.35 | 2.38 |
| 6 | 26 | Angra Daggar Darya Khan | 4.37 | 3.51 | 0.86 |
| Total | | | | | 13.02 |

Audit holds that due to weak financial management and internal controls, the income targets were not achieved.

This resulted in less realization of Local Fund receipts amounting to Rs 13.02 million

The matter was reported to the PAO/Secretary in March, 2016 but no reply was received. DAC meeting was not convened. No progress was intimated till the finalization of this report.

Audit recommends fixing responsibility against the person(s) at fault under intimation to the audit.

[AIR Para No. 01,01,01,02,01,02]

1.2.3.2 Non-utilization of Development Funds - Rs 1.73 million

According to Rule 4 (v) of Punjab Union Administration Budget Rules 2003, the Head of Offices is responsible for ensuring that the funds allotted are spent on the activities for which the money was provided.

Management of following Union Administrations of District Bhakkar allocated development funds amounting to Rs 1.73 million for the Financial Years 2013-14 & 2014-15. However, Secretaries of the following Union Administrations failed to utilize the funds.

| Sr. No. | UA No. | Name of UA | Non Utilization (Rs) |
|----------------|---------------|---------------------------|-----------------------------|
| 1 | 05 | Urban II Darya Khan | 0.40 |
| 2 | 22 | Daggar Quershi Darya Khan | 0.23 |
| 3 | 23 | Branga Darya Khan | 0.40 |
| 4 | 24 | Jhamt Shumali Darya Khan | 0.20 |
| 5 | 25 | Punjgrian Darya Khan | 0.20 |
| 6 | 26 | Angra Daggar Darya Khan | 0.30 |
| Total | | | 1.73 |

Audit holds that due to weak Internal Controls, allocated development funds were not utilized.

Due to non-utilization of development funds, general public of the locality was deprived of the benefits of the Development Schemes.

The matter was reported to the PAO/Secretary in March, 2016 but no reply was received. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this report.

Audit recommends fixing responsibility against the person (s) at fault under intimation to audit.

[AIR Para No. 06,07,06,08,07,07]

1.2.3.3 Non-deposit of Pension Contribution - Rs 1.12 million

According to Government of the Punjab Local Government & Community Development Department letter dated 15-04-1991, employees of Erstwhile Zila Council were adjusted in Town w.e.f 01-08-2012, the pension contribution @ 40% of pay was required to be transferred to Local Government Pension Fund Account from the budget of the respective government where they were working.

Scrutiny of accounts record of following Union Administrations of District Bhakkar revealed that Pension Contribution was deducted from the Pay and Allowances of officials but the same was not transferred to Local Government Pension Account.

(Rs in million)

| Sr. No. | UA No. | Name of UA | Non Deposit of Pension |
|--------------|--------|---------------------------|------------------------|
| 1 | 05 | Urban II Darya Khan | 0.20 |
| 2 | 22 | Daggar Quershi Darya Khan | 0.22 |
| 3 | 23 | Branga Darya Khan | 0.20 |
| 4 | 24 | Jhamt Shumali Darya Khan | 0.27 |
| 5 | 25 | Punjgrian Darya Khan | 0.13 |
| 6 | 26 | Angra Daggar Darya Khan | 0.10 |
| Total | | | 1.12 |

Audit holds the due to weak Internal Controls, Pension Contribution was deducted but not credited to the pension account.

This resulted in unauthorized retention of pension funds.

The matter was reported to the PAO/Secretary in March, 2016 but no reply was received. DAC meeting was not convened. No progress was intimated till the finalization of this report.

Audit recommends fixing responsibility against the officials at fault under intimation to Audit.

[AIR Para No. 04,04,04,05,04,05]

1.2.3.4 Difference between Cash Book and Bank Statement - Rs 0.81 million

According to Rule (3)(1) of PLG Accounts Rules 2008, all transactions of a Local Government involving money out of District Fund / Local Fund shall be brought to account.

Scrutiny of accounts record of following Union Administrations revealed that difference of amount between Cash Book and Pass Book on 30th June. Moreover, Secretaries/PAO of the Union Administrations did not prepare Reconciliation Statements.

(Rs in million)

| UA No. | Name of UA | Year | Balance as per cash book | Balance as per pass book | Difference |
|--------------|----------------|---------|--------------------------|--------------------------|-------------|
| 22 | Daggar Quershi | 2013-14 | 0.58 | 0.26 | 0.32 |
| 24 | Jhamt Shumali | 2014-15 | - | - | 0.07 |
| 25 | Punjgrian | 2014-15 | - | - | 0.42 |
| Total | | | | | 0.81 |

Audit holds that due to non reconciliation, difference of amount between cash book and pass book was noticed.

Non-reconciliation may result in misuse of local government funds.

The matter was reported to the PAO/Secretary in March, 2016 but no reply was received. DAC meeting was not convened. No progress was intimated till the finalization of this report.

Audit recommends inquiry of the matter besides fixing responsibility against the person (s) at fault under intimation to audit.

[AIR Para No. 06, 07, 06]

ANNEXURES

Annex-A

MFDAC Paras for the Audit Year 2014-15

(Rs in million)

| Sr. No. | UA No. | Name of UA | PDP No. | Description of Paras | Nature of Violation | Amount |
|----------------|---------------|---------------------|----------------|---|----------------------------|---------------|
| 1 | 05 | Urban II Darya Khan | 03 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 2 | | | 05 | Non generation / collection of own source revenue | Internal control weakness | 0.50 |
| 3 | 22 | Daggar Quershi | 03 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 4 | | | 05 | Non generation / collection of own source revenue | Internal control weakness | 0.50 |
| 5 | 23 | Branga | 03 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 6 | | | 05 | Non generation / collection of own source revenue | Internal control weakness | 0.50 |
| 7 | 24 | Jhamt Shumali | 01 | Irregular expenditure on account of sports funds | Irregularity | 0.032 |
| 8 | | | 04 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 9 | | | 06 | Non generation / collection of own source revenue | Internal control weakness | 0.500 |
| 10 | 25 | Punjgrian | 03 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 11 | | | 05 | Non generation / collection of own source revenue | Internal control weakness | 0.500 |
| 12 | 26 | Angra Daggar | 01 | Irregular expenditure on account of sports funds | Irregularity | 0.015 |
| 13 | | | 04 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 14 | | | 06 | Non generation / collection of own source revenue | Internal control weakness | 0.500 |

| Sr. No. | UA No. | Name of UA | PDP No. | Description of Paras | Nature of Violation | Amount |
|----------------|---------------|-------------------|----------------|---|----------------------------|---------------|
| 15 | 38 | Patti Buland | 01 | Irregular expenditure on account of sports funds | Irregularity | 0.045 |
| 16 | | | 04 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 17 | | | 05 | Less receipt deposit of | Internal control weakness | 0.059 |
| 18 | | | 06 | Non deposit of Income Tax | Internal control weakness | 0.009 |
| 19 | | | 07 | Non generation / collection of own source revenue | Internal control weakness | 0.500 |
| 20 | 39 | Urban Mankera | 01 | Irregular expenditure on account of sports funds | Irregularity | 0.069 |
| 21 | | | 04 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 22 | | | 05 | Less receipt deposit | Internal control weakness | 0.098 |
| 23 | | | 06 | Non deposit of income tax | Internal control weakness | 0.066 |
| 24 | | | 07 | Non generation/collection of own source revenue | Internal control weakness | 0.500 |
| 25 | 40 | Goharwala | 01 | Irregular expenditure on account of sports funds | Irregularity | 0.043 |
| 26 | | | 04 | Non-reconciliation of Expenditure and Receipts | Irregularity | - |
| 27 | | | 05 | Less receipt deposit of | Internal control weakness | 0.247 |
| 28 | | | 06 | Non deposit of income tax | Internal control weakness | 0.092 |
| 29 | | | 07 | Non generation / collection of own source revenue | Internal control weakness | 0.500 |

UAs of Bhakkar District

Budget and Expenditure Statement for the Financial Year 2014-15

(Rs in million)

| Sr. No | Name of UAs | Budget | Expenditure | Saving | %age |
|--------------|-----------------|---------------|---------------|---------------|-----------|
| 38 | Patti Bilanda | 1.710 | 1.581 | 0.129 | 08 |
| 39 | Urban Mankera | 3.105 | 2.097 | 1.008 | 32 |
| 24 | Darya Khan | 2.550 | 1.798 | 0.752 | 29 |
| 25 | Punjgrian | 3.486 | 1.549 | 1.937 | 56 |
| 26 | Angra Daggar | 3.085 | 2.002 | 1.083 | 35 |
| 05 | Urban II D.Khan | 2.792 | 1.710 | 1.082 | 39 |
| 22 | Daggar Qureshi | 3.175 | 1.731 | 1.444 | 45 |
| 23 | Branga | 2.400 | 1.710 | 0.690 | 29 |
| 40 | Gohar Wala | 3.264 | 0 | 3.264 | 100 |
| Total | | 25.567 | 14.178 | 11.389 | 44 |

Annex-C**Unauthorized Payment of Pay and Allowances**

(Rs in million)

| Sr. No. | UA No. | Name of UA | Amount |
|----------------|---------------|---------------------------|---------------|
| 1 | 05 | Urban II Darya Khan | 2.300 |
| 2 | 22 | Daggar Quershi Darya Khan | 2.239 |
| 3 | 23 | Branga Darya Khan | 2.300 |
| 4 | 24 | Jhamt Shumali Darya Khan | 2.882 |
| 5 | 25 | Punjgrian Darya Khan | 2.040 |
| 6 | 26 | Angra Daggar Darya Khan | 2.933 |
| 7 | 38 | Patti Buland | 2.422 |
| 8 | 39 | Urban Mankera | 1.379 |
| 9 | 40 | Goharwala | 2.772 |
| Total | | | 21.267 |