



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

AUDIT YEAR 2015-16

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AGP	Auditor General of Pakistan
AIR	Audit and Inspection Report
ADP	Annual Development Plan
BDD	Budget Demand - Development
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
IPSAS	International Public Sector Accounting Standards
NAM	New Accounting Model
PAO	Principal Accounting Officer
PFR	Punjab Financial Rules
PDG	Punjab District Governments
PLA	Personal Ledger Account
PLGO	Punjab Local Government Ordinance
RDA	Regional Directorate of Audit
TMA	Town/Tehsil Municipal Administration
UA	Union Administration

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, requires 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 governments. 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 the accounts of Union Administrations of District Hafizabad for the Financial Year 2013-15. 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 findings carrying value of Rs 1.00 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The audit observations listed in the Annexure-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 conveyed 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 is responsible to carry out the audit of One thousand eight hundreded twenty four Union Administrations. Its Regional Directorate of Audit, Gujranwala has audit jurisdiction of District Governments, TMAs and UAs of one City District Government i.e. Gujranwala and five District Governments i.e. Gujrat, Gujrat, Narowal, Sialkot and Mandi Baha-ud-Din.

The Regional Directorate had a human resource of seventeen officers and staff, total 4,760 man-days and the annual budget of Rs 25.20 million for the Financial Year 2015-16. It had been mandated to conduct Financial Attest, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes/projects & receipts. Accordingly, RDA, Gujranwala carried out Audit of the accounts of ten Union Administrations of District Hafizabad for the Financial Year 2013-15.

Each Union Administration, in District Hafizabad is headed by a Union Nazim / Administrator who carries out operations as per Punjab Local Government Ordinance, 2001. Administrator 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 the Union Administrations, District Hafizabad 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 / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenue were made in accordance with Laws and Rules, there was no leakage of revenue in the Government Account / Local Fund.

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

Total expenditure of Union Administrations of District Hafizabad for the Financial Year 2013-15, was Rs 36.58 million covering ten PAOs and ten formations. Out of this, RDA Gujranwala audited expenditure

of Rs 21.95 million which, in terms of percentage, was 60% of the total expenditure. Regional Director Audit planned and executed audit of ten formations i.e. 100% achievement against the planned audit activities.

Total receipts of ten (10) UAs of District, Hafizabad for the Financial Year 2013-15 were Rs 28.36 million. RDA, Gujranwala audited receipts of Rs 17.03 million which was 60% of total receipts.

b. Recoveries at the Instance of Audit

Recovery of Rs 1.65 million was pointed out which was not in the notice of the executive before audit but no recovery was effected till the compilation of this report.

c. Audit Methodology

Audit was performed through understanding the business process 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 according to 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 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 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. The key audit findings of the report;

- i. Non-production of record of Rs 5.20 million was noted in one case¹
- ii. Irregularity and non-compliance of Rules and Regulations of Rs 3.72 million was noted in two cases²
- iii. Internal Control Weakness of Rs 1.46 million was noted in one case.³

Audit paras for the audit year 2015-16, involving procedural violations including internal control weaknesses, unsound asset management and irregularities not considered worth reporting are included in MFDAC (Annexure-A).

g. Recommendations

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

- i. Head of the Union Administrations needs to conduct physical stock taking of fixed and current assets
- ii. Departments need to comply with the Public Procurement Rules for and rational purchases of goods and services
- iii. Inquiries need to be held to fix responsibility for wasteful expenditure and unauthorized payment
- iv. The PAO needs to make efforts for expediting the realization of various Government receipts
- v. The PAO and his team need to ensure proper execution and implementation of the monitoring system
- vi. The PAO needs to take appropriate action for non-production of record
- vii. The PAO needs to rationalize its budget with respect to utilization.

¹Para 1.2.1.1

²Para 1.2.2.1& 1.2.2.2

³Para 1.2.3.1

SUMMARY OF TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. No.	Description	Number	Budgeted Figure FY 2013-15		
			Expenditure	Receipts	Total
1	Total Entities (PAOs) under Audit Jurisdiction	42	96.45	74.26	170.71
2	Total formations under Audit Jurisdiction	42	96.45	74.26	170.71
3	Total Entities (PAOs) Audited	10	36.58	28.38	64.96
4	Total Formations Audited	10	36.58	28.38	64.96
5	Audit & Inspection Reports	10	36.58	28.38	64.96
6	Special Audit Reports	--	--	-	-
7	Performance Audit Reports	--	--	-	-
8	Other Reports	--	--	-	-

Table 2: Audit Observations Classified by Categories

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset Management	0
2	Financial management	0
3	Weak internal control	1.46
4	Others	8.92
TOTAL		10.38

Table 3: Outcome Statistics

(Rs in million)

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Current Year	Total Last Year
1	Outlays Audited	0	3.72	28.36	32.86	64.96*	127.15
2	Amount Placed Under Audit Observations / Irregularities	-	3.72	-	6.66	10.38	78.58
3	Recovery Pointed Out at the Instance of Audit	-	-	-	1.65	1.65	1.294
4	Recovery Accepted / Established	-	-	-	1.65	1.65	1.294

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Current Year	Total Last Year
5	Recovery 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 for the current year was Rs 36.58 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.	3.57
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 systems	-
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies	1.65
6	Non-production of record	5.16
7	Others, including cases of accidents, negligence, non-accountal of store etc.	-
Total		10.38

Table 5: Cost - Benefit Ratio

Sr. #	Description	Amount (Rs in millions)
1	Outlays Audited (Items 1 of Table 3)	64.96
2	Expenditure on Audit	2.10
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1:0

CHAPTER 1

1.1 UNION ADMINISTRATIONS, DISTRICT HAFIZABAD

1.1.1 INTRODUCTION

According to 1998 population census, the population of District Hafizabad was Rs 0.833 million. There were forty two Union Administrations in District Hafizabad. Each Union Administration consists of Union Nazim / Administrator and three (03) Secretaries. Each Union Administration has one (01) Drawing & Disbursing Officer. As per Section 76 of PLGO, 2001 the main functions of UAs are as follows;

- i. 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;
- ii. to identify deficiencies in the delivery of services and make recommendations for improvement thereof to the Tehsil Municipal Administration;
- iii. to register births, deaths and marriages and issue certificates thereof;
- iv. 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;
- v. to establish and maintain libraries;
- vi. to organize inter-village or neighborhood sports tournaments, fairs, shows and other cultural and recreational activities;
- vii. to disseminate information on matters of public interest;
- viii. to improve and maintain public open spaces, public gardens and playgrounds;
- ix. to provide and maintain public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- x. to maintain the lighting of streets, public ways and public places through mutual agreement with the Tehsil Municipal Administration;
- xi. 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

- xii. 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) for the FY 2013-15

Original Budget of Rs 42.82 million was allocated to UAs of District Hafizabad under various grants and no supplementary grants re-appropriations were provided. However, revised/final budget of these UAs was Rs 42.82 million. The total expenditure incurred by the UAs during 2013-15 was Rs 36.58 million as detailed below.

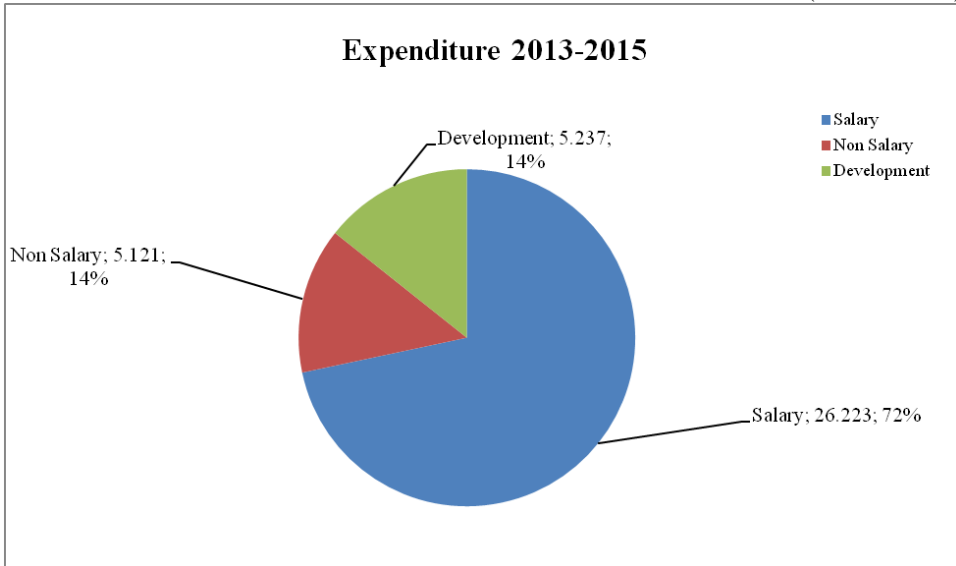
The variance analysis of the Final Grant and Actual Expenditure for the Financial Years 2013-15 depicted that there was a saving of Rs 4.82 million in non development and Rs 1.42 million in development component which will be used for following year budget estimates and determining the closing balances of these UAs of District Hafizabad.

1.1.3 Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

F.Y. 2013-15	Budget (Rs)	Expenditure (Rs)	Saving (-) (Rs)	%age Saving
Salary	29.17	26.22	-2.95	10
Non Salary	6.99	5.12	-1.87	27
Development	6.65	5.24	-1.41	21
TOTAL	42.82	36.58	-6.23	15

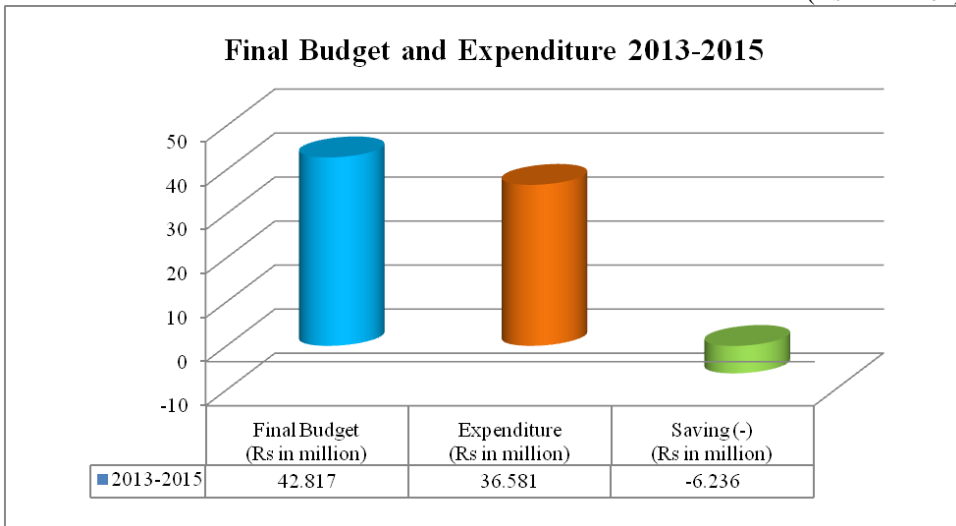
(Rs in million)



The detail of budget allocations, expenditures and savings of ten UAs in District Hafizabad for Financial Year 2013-15 is at Annexure-B.

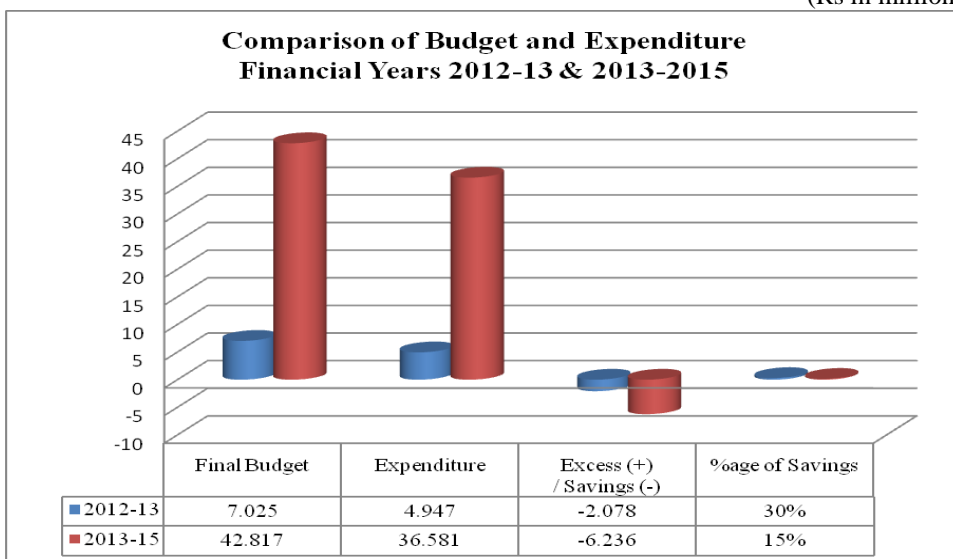
As per Budget Books for the years 2013-15 of UAs of District Hafizabad the original and final budget was Rs 42.82 million. Against the final budget total expenditure incurred by the UAs during 2013-15 was Rs 36.58 million. There was a saving of (-) Rs 6.23 million the reasons for which should be explained by the Secretary UAs/PAOs.

(Rs in million)



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

(Rs in million)



There were overall savings in the budget allocation of the Financial Year 2013-2015 as follows:

(Rs in million)

Financial Year	Final Budget	Expenditure	Excess (+) / Saving (-)	%age of Saving
2012-13	7.03	4.95	-2.08	30%
2013-15	42.82	36.58	-6.24	15%

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

1.1.4 Brief Comments on the Status of Compliance with PAC/UAC Directives

Sr. No.	Audit Year	No. of Paras	Status of PAC / UAC Meetings
1.	2008-11	5	Nil
2.	2011-12	1	Nil
3	2012-13	6	Nil

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

1.2 AUDIT PARAS

1.2.1 Non production of Record

1.2.1.1 Non production of record – Rs 5.16 million

According to Section-115(5) & (6) of PLGO, 2001, the Auditor General have the authority to require that any accounts books, papers & 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 and 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.

Union Administration Vanike Tarar and Union Administration Kalian wala of District Hafizabad incurred the expenditures of Rs 1.58 million & Rs 3.61 million respectively during the financial year 2013-15 but did not produce the record for audit scrutiny. In the absence of record, the expenditure could not be verified. The detail is at **Annexure-C**.

Audit holds that the relevant record of the expenditure was not produced to Audit for verification which may lead to likely misappropriation and misuse of public money.

The matter was reported to the PAO in March, 2016. However, no reply was furnished by the Union Administration and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No.10 & 01]

1.2.2 Irregularity / Non-compliance

1.2.2.1 Irregular payment for development work without record entries in M.B – Rs 2.28 million

According to para 4.5 of B&R Code, the measurement book must be looked upon as a most important record since it is the basis of the all of the accounts of quantities, whether work done by labor or by the piece or by contract or of material received which have to be counted or measured.

Management of six Nos Union Administrations of District Hafizabad incurred an expenditure of Rs 2.28 million on development schemes during the Financial Year 2013-15 without recording entries in the measurement books as detailed at **Annexure-D**.

Audit holds that irregular expenditure was due to weak internal controls and violation of government rules. This resulted in irregular expenditure of Rs 2.28 million.

The matter was reported to the PAO in March, 2016. However, no reply was furnished by the Union Administration and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility besides action under intimation to Audit.

[AIR Para No.03, 05, 04, 01,06 &03]

1.2.2.2 Unauthorized payment – Rs 1.44 million

As per instructions contained in F.D letter No FD (F-R) ii 2/89 dated 27-03-1990, in order to watch the transparency that the Estimate of the work has been technically sanctioned by the component authority prior to start of the work so the number, date and amount of TS Estimate and name of authority who TS the estimates should be mentioned in the notice of press advertisement. Further, FD letter No RO (tech) 1-2/83-IV dated 29-03-2009 also laid down that a certificate should be obtained from end user that the repair / execution has been carried out satisfactory before releasing the final payment to the contractor.

Management of three Union Administrations incurred an expenditure of Rs 1,440,470 for the year 2013-15 on development works without preparation of cost estimates and the approval of the competent authority. This resulted unauthorized expenditure of Rs 1.44 million as detailed below.

Sr. No.	Name of UC	Amount (Rs)	Detailed at Annexure-E
1	UANO.06 Kassoki	800,000	
2	UA No.07 Nanoana	573,670	
3	UA No 10 Vanike Tarar	66,800	
Total		1,440,470	

Audit holds that irregular expenditure was due to non compliance and violation of rules.

The matter was reported to the PAO in March, 2016. However, no reply was furnished by the Union Administration and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility besides action under intimation to Audit.

[AIR Para No.07, 07&08]

1.2.3 Internal Control Weakness

1.2.3.1 Non achievement of targets resulting in revenue loss of – Rs 1.46 million

As per rule 11 & 12 of the Punjab, Local Government (Budget) Rules, 2001, each collecting officer may from time to time and with the approval of the controlling officer and Finance office, formulate revenue collection program, setting up the targets for collection during specified period and the Assistant Collecting Officers shall as far as possible follow the program. He is required to ensure that all revenue targets are achieved

Managements of following Union Administrations of District Hafizabad failed to achieve the budgeted targets for the Financial Year 2013-15 on account of different receipts. This resulted in less realization of receipts of Rs 1.46 million as detailed below:

Year	Name of UAs	Budgeted Estimate (Rs)	Actual Receipts (Rs)	Less Realization (Rs)	Detailed at Annexure-F
2013-15	UA No.04 Chak Chatha	64,000	43,000	21,000	
2013-15	UA No.01 karyala	345,000	186,390	158,610	
2013-15	UA No.06 Kassoki	435,500	188,815	246,685	
2013-15	UA No.07 Nano Ana	418,300	160,600	257,700	
2013-15	UA No.09 Qila Ram Kour	500,000	331,635	168,365	
2013-15	UA No.08 Solangi Awan	322,600	261,500	61,100	
2013-15	UA No.01 Vinni	452,108	54,800	397,308	
2013-15	UA No.03 Sagar Kalan	347,000	196,613	150,387	
Total		3,256,008	1,569,168	1,461,155	

Audit holds that due to weak financial management and internal control the targets could not be achieved.

The matter was reported to the PAO in March, 2016. However, no reply was furnished by the Union Administration and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility besides action under intimation to Audit.

ANNEXURES

Annexure-A

MFDAC Paras 2013-15

Sr. #	Name of UAs	AIR Para No.	Subject	Amount (Rs)	Nature of Para
1	Chak Chatha	1	Non reconciliation of receipts with the NADRA authorities	11,200	Non-Compliance
2		4	Non preparation of budget on prescribed format	5,605,266	Non-Compliance
3		5	Non production of Budget	5,605,266	Non-Compliance
4		6	Non Preparation of Monthly Expenditure Statements	-	Non-Compliance
5		7	Unjustified expenditure on cash prizes	13,200	Internal Control Weaknesses
6		8	Irregular and doubtful expenditure for payment to Daily Wages	22,000	Internal Control Weaknesses
7		9	Non Sale proceed of Old Newspapers	2,000	Internal Control Weaknesses
8	Karayala	1	Non reconciliation of receipts with the NADRA authorities	30,000	Internal Control Weaknesses
9		111	Non preparation of budget on prescribed format	5,864,740	Non-Compliance
10		4	Non Preparation of Monthly Expenditure Statements	-	Non-Compliance
11		5	Non entry of schemes in the measurement book	83,550	Non-Compliance
12		6	Non Sale proceed of Old Newspapers	2,000	Non-Compliance
13	Kassoki	1	Non Sale proceed of Old Newspapers	2,000	Non-Compliance
14		2	Improper maintenance of Cash Book		Internal Control Weaknesses
15		111	Non reconciliation of receipts with the NADRA authorities	30,000	Non-Compliance
16		6	Non preparation of budget on prescribed format	6,846,548	Non-Compliance
17		8	Non Preparation of Monthly Expenditure Statements		Non-Compliance
18	Nanoana	1	Non reconciliation of receipts with the NADRA authorities		Non-Compliance
19		111	Expenditure incurred beyond the financial power	67,800	Internal Control Weaknesses
20		5	Payment of rent of office building without assessment of rent from excise and taxation department of	24,000	Internal Control Weaknesses
21		6	Non preparation of budget on prescribed format	6,404,168	Non-Compliance

Sr. #	Name of UAs	AIR Para No.	Subject	Amount (Rs)	Nature of Para
22		8	Unauthorized Splitting of Development Schemes	468,670	Internal Control Weaknesses
23		9	Non production of Budget	6,404,168	Non Production Non-Compliance
24		10	Non Preparation of Monthly Expenditure Statements	-	Non-Compliance
25		11	Non Sale proceed of Old Newspapers (Approximately)	2,000	Internal Control Weaknesses
26	Qila Ram Kour	1	Non reconciliation of receipts with the NADRA authorities	111,000	Non-Compliance
27		111	Expenditure incurred beyond the financial power	52,500	Internal Control Weaknesses
28		4	Payment of rent of office building without assessment of rent from excise and taxation department	-	Internal Control Weaknesses
29		5	Non preparation of budget on prescribed format	6,916,328	Non-Compliance
30		6	Non Preparation of Monthly Expenditure Statements	-	Non-Compliance
31		7	Non accountal of store items	8,500	Non-Compliance
32		8	Non Sale proceed of Old Newspapers	2,000	Non-Compliance
33		UA Qila Ram Kour	1	Non reconciliation of receipts with the NADRA authorities	111,000
34	3		Expenditure incurred beyond the financial power	52,500	Internal Control Weaknesses
35	4		Payment of rent of office building without assessment of rent from excise and taxation department	-	Internal Control Weaknesses
36	5		Non preparation of budget on prescribed format	6,916,328	Non-Compliance
37	6		Non Preparation of Monthly Expenditure Statements		Non-Compliance
38	7		Non accountal of store items	8,500	Non-Compliance
39	8		Non Sale proceed of Old Newspapers	2,000	Non-Compliance
40	Solangi Awan	2	Non reconciliation of receipts with the NADRA authorities	96,000	Non-Compliance
41		4	Non preparation of budget on prescribed format	6,817,828	Non-Compliance
42		5	Non Preparation of Monthly Expenditure Statements	-	Non-Compliance

Sr. #	Name of UAs	AIR Para No.	Subject	Amount (Rs)	Nature of Para
43		6	Non Sale proceed of Old Newspapers	2,000	Non-Compliance
44	Vanike Tarar	1	Non reconciliation of receipts with the NADRA authorities	49,800	Non-Compliance
45		2	Non preparation of budget on prescribed format	6,675,205	Non-Compliance
46		3	Non production of Budget Statement	6,675,205	Non-Compliance
47		4	Non Preparation of Monthly Expenditure Statements	-	Non-Compliance
48		5	Doubtful and Unjustified expenditure on youth Festival	97,825	Internal Control Weaknesses
49		6	Doubtful and Non transparent payment on account of earth filling	287,600	Internal Control Weaknesses
50		7	Doubtful and Non transparent payment on account of cleaning of Nullah	148,900	Internal Control Weaknesses
51		9	Non accountal of store items	43,180	Non-Compliance
52		11	Non Sale proceed of Old Newspapers	2,000	Non-Compliance
53		Vinni	1	Non reconciliation of receipts with the NADRA authorities	18,000
54	3		Payment of rent of office building without assessment of rent from excise and taxation department	-	Internal Control Weaknesses
55	4		Non preparation of budget on prescribed format	5,716,796	Non-Compliance
56	5		Non Preparation of Monthly Expenditure Statements		Non-Compliance
57	7		Non Sale proceed of Old Newspapers	2,000	Non-Compliance
58	Sagar Kalan	1	Non reconciliation of receipts with the NADRA authorities	3,6000	Non-Compliance
59		4	Non preparation of budget on prescribed format	6,762,635	Non-Compliance
60		5	Non Preparation of Monthly Expenditure Statements		Non-Compliance
61		6	Non Sale proceed of Old Newspapers	2,000	Non-Compliance

MFDAC Paras 2012-13

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
1.	Karyala	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
2.		5	Non deduction of Income Tax	39,830	Internal Control Weakness
3.	Kaliwala	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
4.		5	Non deduction of Income Tax	38,465	Internal Control Weakness
5.	Sagar Kalan	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
6.		5	Non deduction of Income Tax	30,300	Internal Control Weakness
7.	Chak Chatta	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
8.		5	Non deduction of Income Tax	38,820	Internal Control Weakness
9.	Vinni	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
10.		5	Non deduction of Income Tax	28,731	Internal Control Weakness
11.	Kassoke	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
12.		5	Non deduction of Income Tax	6,672	Internal Control Weakness
13.	Nano Aana	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
14.		5	Non deduction of Income Tax	52,797	Internal Control Weakness
15.	Salangi Awan	4	Non imposition of penalty	100,000	Internal Control Weakness
16.		5	Non verification of deposits	1,492,961	Internal Control Weakness
17.	Qila Ramkour	4	Non imposition of penalty	120,000	Internal Control Weakness
18.		5	Non verification of deposits	1,551,856	Internal Control Weakness
19.	Vanike Tarar	4	Non imposition of penalty	88,200	Internal Control Weakness
20.	Ramake Chatha	4	Non imposition of penalty	80,000	Internal Control Weakness
21.		5	Less deposit of government receipt	-	Internal Control Weakness
22.	Dhiranke Lalke	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
23.		5	Non deduction of Income Tax	46,284	Internal Control Weakness
24.	Kolo Tarar	2	Doubtful deposit of	-	Internal Control

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
			Government receipts		Weakness
25.		5	Non deduction of Income Tax	10,080	Internal Control Weakness
26.	Kot Ishaque	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
27.		5	Non deduction of Income Tax	71,874	Internal Control Weakness
28.	Kot Said Muhammad	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
29.		5	Non deduction of Income Tax	62,250	Internal Control Weakness
30.	Nahrinwala	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
31.		5	Non deduction of Income Tax	50,863	Internal Control Weakness
32.	City Hafizabad -1	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
33.		5	Non deduction of Income Tax	30,246	Internal Control Weakness
34.	City Hafizabad -2	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
35.		5	Non deduction of Income Tax	43,740	Internal Control Weakness
36.	City Hafizabad -3	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
37.		5	Non deduction of Income Tax	33,000	Internal Control Weakness
38.	City Hafizabad -4	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
39.		5	Non deduction of Income Tax	23,100	Internal Control Weakness
40.	City Hafizabad -5	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
41.	City Hafizabad -6	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
42.		5	Non deduction of Income Tax	17,096	Internal Control Weakness
43.	City Hafizabad -7	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
44.	Kaleke	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
45.		5	Non deduction of Income Tax	45,864	Internal Control Weakness
46.	Chak Bhatti	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
47.		3	Unjustified payment of salary	191,388	Poor Performance
48.		5	Non deduction of GPF, GI and BF	15,780	Non compliance

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
49.	Rasulpur Tarar	3	Unjustified payment of salary	191,388	Poor Performance
50.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
51.	Madhora Klan	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
52.		3	Unjustified payment of salary	191,388	Poor Performance
53.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
54.	Sadhoke	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
55.		3	Unjustified payment of salary	191,388	Poor Performance
56.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
57.	Matteke	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
58.		3	Unjustified payment of salary	191,388	Poor Performance
59.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
60.	Kor Sarwar	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
61.		3	Unjustified payment of salary	191,388	Poor Performance
62.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
63.	Nauthian	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
64.		3	Unjustified payment of salary	191,388	Poor Performance
65.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
66.	Bhobrra	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
67.		3	Unjustified payment of salary	191,388	Poor Performance
68.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
69.	Kot Nikka	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
70.		3	Unjustified payment of salary	191,388	Poor Performance
71.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
72.	Mustafa Abad	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
73.		4	Non deduction of GPF, GI and BF	15,780	Non compliance

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
74.	Badar Ali	3	Doubtful deposit of Government receipts	-	Internal Control Weakness
75.	Behlolpur	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
76.		3	Unjustified payment of salary	191,388	Poor Performance
77.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
78.	Thatta Khairo Matmal	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
79.		3	Unjustified payment of salary	191,388	Poor Performance
80.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
81.	Pindi Bhattian	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
82.		3	Unjustified payment of salary	191,388	Poor Performance
83.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
84.	Sukheke	2	Doubtful deposit of Government receipts	-	Internal Control Weakness
85.		3	Unjustified payment of salary	191,388	Poor Performance
86.		5	Non deduction of GPF, GI and BF	15,780	Non compliance
87.	Jalalpur Bhattian	6	Doubtful deposit of Government receipts	-	Internal Control Weakness
88.		4	Non deduction of GPF, GI and BF	15,780	Non compliance

UAs of Hafizabad District
Budget and Expenditure Statement
for Financial Years 2013-15
Ten - Union Administrations

10 Union Administrations				
Financial Years 2013-15				
(Rs in millioms)				
F.Y. 2012-13	Budget	Expenditure	Saving (-)	%age Saving
Salary	29.17	26.22	-2.95	10
Non Salary	6.99	5.12	-1.87	27
Development	6.65	5.24	-1.41	21
TOTAL	42.81	36.58	-6.23	15

Annexure-C

Para 1.2.1.1 – Rs 5.20 million

Non-production of record

UA Vanike Tarar

Date	Cheque No.	Amount (Rs)
07-08-2013	6186845	18500
07-08-2013	6186846	17500
02-09-2013	6196847	36450
06-09-2013	6196849	35848
06-09-2013	6196850	36000
02-10-2013	6196602	24000
02-10-2013	6196603	25000
02-10-2013	6196604	50000
02-10-2013	6196605	53000
02-10-2013	6196606	79800
04-11-2013	6196609	7400
04-11-2013	6196610	24300
08-11-2013	6196611	17350
08-11-2013	6196612	35000
19-11-2013	6196613	14742
21-11-2013	6196614	31800
21-11-2013	6196615	3530
25-01-2013	6196616	76400
28-11-2013	6196617	17790
02-12-2013	6196619	35219
02-12-2013	6196620	66220
18-12-2013	6196621	10000
24-12-2013	6196622	84500
02-01-2014	6196624	14500
02-01-2014	6196625	10000
03-02-2014	6203428	1510
14-02-2014	6203429	38000
18-02-2014	6203430	22750
12-03-2014	6203435	35625
17-03-2014	6203436	74500
17-03-2014	6203437	37845
21-03-2014	6203438	55000
18-04-2014	6203442	24300
05-05-2014	6203445	9700

Date	Cheque No.	Amount (Rs)
16-05-2014	6203446	19650
10-06-2014	6203448	39500
10-06-2014	6203449	40200
24-06-2014	6203450	21500
11-07-2014	1541452	9600
24-07-2014	1541453	49020
24-07-2014	1541454	7500
08-08-2014	1541456	18500
3-10-2014	1541459	15000
9-1-2015	1541470	9650
2-2-2015	1541472	14500
1-4-2015	785680	9000
1-4-2015	785681	16600
10-4-2015	785681	20500
20-4-2015	785686	5000
2-5-2015	785686	19000
2-6-2015	Not Mentioned	33180
8-6-2015	-do-	25000
9-6-2015	-do-	68850
11-6-2015	-do-	18000
Total		1,583,829

UA Kalian Wala

The undermentioned figures are estimated based on the average budget of UAs because management did not produce any record during audit

FY.2013-14

	Budget	Expenditure	Saving
Salary	1,480,000	1,385,107	94,893
Non salary	486,000	380,496	105,504
Development	224,000	100,316	123,684
Total	2,190,000	1,865,919	324,081

FY.2014-15

	Budget	Expenditure	Saving
Salary	1,615,000	1,527,986	87,014
Non salary	355,000	192,841	162,159
Development	150,000	24,292	125,708
Total	2,120,000	1,745,119	374,881

Annexure-D

Para 1.2.2.1 - Rs 2.28 million

Irregular Payment for Development Work without Record entries in M.B

UA No. 04 Chak Chatha

Year	Particulars	Amount
2013-14	Construction of street	130000
2014-15	Construction of street	50000
		180000

UA No. 06 Kassoki

Sr. No.	Particulars	Amount
1	Const. of drains, streets and culverts phase 1	100000
2	Const. of drains, streets and culverts phase 2	100000
3	Const. of drains, streets and culverts phase 3	100000
4	Const. of drains, streets and culverts phase 4	100000
5	Const. of drains, streets and culverts phase 5	100000
6	Const. of drains, streets and culverts phase 6	100000
7	Const. of drains, streets and culverts phase 7	100000
8	Const. of drains, streets and culverts phase 8	100000
		800000

UA No. 07 Nanoana

Voucher No. & Date	Particulars	Amount
7/19-5-2014	Construction of street	35000
8/21-5-2014	Construction of street	30000
9/27-5-2014	Construction of street	40000
5/6-6-2014	Const. Of street Malik Gulzar	34500
5/6-6-2014	Const. of street	18170
6/13-6-2014	Const. of culvert	49700
7/13-6-2014	Const. of culvert	49700
8/13-6-2014	Const. of culvert	49700
9/20-6-2014	Const. of culvert	49700
10/20-6-2014	Const. of culvert	49700
11/20-6-2014	Arrears const. of culvert	20000
13/24-6-2014	Const. of culvert	49500
-/27-6-2014	Const. of culvert	98000
	Total	573670

UA No. 08 Solangi Awan

Year	Particulars	Amount
2013-14	Development	301,870

UA No. 01 Vinni

Year	Particulars	Amount
2013-14	Development	121108
2014-15	Repair work	32000
		153108

UA No. 03 Sagar Kalan

Year	Particulars	Amount
2013-14	Development	271,300

Annexure-E

Para 1.2.2.2 – Rs 1.44 million

Unauthorized payment

UA No.06 Kassoki

Sr. No.	Particulars	Amount
1	Const. of drains, streets and culverts phase 1	100000
2	Const. of drains, streets and culverts phase 2	100000
3	Const. of drains, streets and culverts phase 3	100000
4	Const. of drains, streets and culverts phase 4	100000
5	Const. of drains, streets and culverts phase 5	100000
6	Const. of drains, streets and culverts phase 6	100000
7	Const. of drains, streets and culverts phase 7	100000
8	Const. of drains, streets and culverts phase 8	100000
	TOTAL	800000

UA No.07 Nanoana

Voucher No. & Date	Particulars	Amount
7/19-5-2014	Construction of street	35000
8/21-5-2014	Construction of street	30000
9/27-5-2014	Construction of street	40000
5/6-6-2014	Const. Of street Malik Gulzar	34500
5/6-6-2014	Const. of street	18170
6/13-6-2014	Const. of culvert	49700
7/13-6-2014	Const. of culvert	49700
8/13-6-2014	Const. of culvert	49700
9/20-6-2014	Const. of culvert	49700
10/20-6-2014	Const. of culvert	49700
11/20-6-2014	Arrears const. of culvert	20000
13/24-6-2014	Const. of culvert	49500
-/27-6-2014	Const. of culvert	98000
	TOTAL	573670

Union Administration No.10 Vanike Tarar

Name of Scheme	Estimated Cost
Repairing of Wall office UC	66800

Annexure-F

Para 1.2.2.1 - Rs 1.46 million

Non-achievement of targets resulting in revenue loss o

UA No.04 Chak Chatha

Year	budgeted estimate of receipts	Actual Receipts	Less realization of Receipts
2013-14	64000	43000	21000

UA No.01 karyala

Year	budgeted estimate of receipts	Actual Receipts	Less realization of Receipts
2013-14	180000	62079	117921
2014-15	165000	124311	40689
Total	345000	186390	158610

UA No.06 Kassoki

Year	budgeted estimate of receipts	Actual Receipts	Less realization of Receipts
2013-14	194000	97645	96355
2014-15	241500	91170	150330
Total	435500	188815	246685

UA No.07 Nano Ana

Year	budgeted estimate of receipts	Actual Receipts	Less realization of Receipts
2013-14	198300	69800	128500
2014-15	220000	90800	129200
Total	418300	160600	257700

UA No.09 Qila Ram Kour

Year	budgeted estimate of receipts (Rs)	Actual Receipts (Rs)	Less realization of Receipts (Rs)
2013-14	238000	143485	94515
2014-15	262000	188150	73850
Total	500000	331635	168365

UA No.08 Solangi Awan

Year	budgeted estimate of receipts (Rs)	Actual Receipts (Rs)	Less realization of Receipts (Rs)
2013-14	144600	95500	49100
2014-15	178000	166000	12000
Total	322600	261500	61100

UA No.01 Vinni

Year	budgeted estimate of receipts (Rs)	Actual Receipts (Rs)	Less realization of Receipts (Rs)
2013-14	193108	11800	181308
2014-15	259000	43000	216000
Total	452108	54800	397308

UA No.03 Sagar Kalan

Year	budgeted estimate of receipts (Rs)	Actual Receipts (Rs)	Less realization of Receipts (Rs)
2013-14	132000	71900	60100
2014-15	215000	124713	90287
Total	347000	196613	150387