



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

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 2013-16. The Directorate General Audit, District Governments, Punjab (North), Lahore conducted audit during 2016-17 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:

(Javaid Jehangir)

Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Punjab (North), Lahore is responsible to carry out the audit of all District Governments and Local Governments in Districts in Punjab (North) including 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 (5) District Governments i.e. Gujrat, Hafizabad, Narowal, Sialkot and Mandi Baha-ud-Din.

The Regional Directorate had a human resource of seventeen (17) officers and staff, total 4,760 man-days and the annual budget of Rs 25.20 million for the Financial Year 2016-17. 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 (10) Union Administrations of District Hafizabad for the Financial Year 2013-16.

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.

a. Scope of Audit

Total expenditure of Union Administrations of District Hafizabad for the Financial Year 2013-16, was Rs 47.69 million covering ten (10) PAOs and ten (10) formations. Out of this, RDA Gujranwala audited

expenditure of Rs 6.47 million which, in terms of percentage, was 14% of the total expenditure. Regional Director Audit planned and executed audit of ten (10) formations i.e. 100% achievement against the planned audit activities.

Total receipts of ten (10) UAs of District, Hafizabad for the Financial Year 2013-16 were Rs 38.01 million. RDA, Gujranwala audited receipts of Rs 5.15 million which was 14% of total receipts.

b. Recoveries at the Instance of Audit

Recovery of Rs 0.11 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

Internal controls mechanism of UAs of District Hafizabad was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds against the entitlement of employees. Negligence on the part of Union Administration authorities may be captioned as one of important reasons for weak Internal Controls.

f. Key Audit Findings

- i. Non-production of record of Rs 3.91 million was noted in one case.¹
- ii. Irregularity and non-compliance of Rules and Regulations of Rs 3.80 million was noted in two cases.²
- iii. Internal Control Weakness of Rs 1.40 million was noted in one case.³

Audit paras for the audit year 2016-17, 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. The PAO needs to take appropriate action for non-production of record.
- ii. Head of the Union Administrations needs to conduct physical stock taking of fixed and current assets.
- iii. The PAO needs to make efforts for expediting the realization of various Government receipts.

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 | No. | Budgeted Figure FY 2013-15 | | |
|---------|--|-----|----------------------------|----------|--------|
| | | | Expenditure | Receipts | Total |
| 1 | Total Entities (PAOs) under Audit Jurisdiction | 42 | 200.21 | 159.64 | 359.85 |
| 2 | Total Formations under Audit Jurisdiction | 42 | 200.21 | 159.64 | 359.85 |
| 3 | Total Entities (PAOs) Audited | 10 | 47.67 | 38.01 | 85.68 |
| 4 | Total Formations Audited | 10 | 47.67 | 38.01 | 85.68 |
| 5 | Audit & Inspection Reports | 10 | 47.67 | 38.01 | 85.68 |
| 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 | 1.40 |
| 3 | Weak internal control | 3.80 |
| 4 | Others | 3.91 |
| TOTAL | | 9.11 |

Table 3: Outcome Statistics

(Rs in million)

| Sr. No. | Description | Expenditure on Acquiring of Physical Assets (Procurement) | Civil Works | Receipts | Others | Total Current Year | Total Last Year |
|---------|---|---|-------------|----------|--------|--------------------|-----------------|
| 1 | Outlays Audited | 0 | 19.07 | 38.01 | 28.60 | 85.68* | 64.96 |
| 2 | Amount Placed Under Audit Observations / Irregularities | - | 3.80 | 1.40 | 3.91 | 9.11 | 10.38 |
| 3 | Recovery Pointed Out at the Instance of Audit | - | - | - | 0.11 | 0.11 | 1.65 |
| 4 | Recovery Accepted / Established | - | - | - | - | - | - |
| 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 47.67 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. | 3.80 |
| 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 | 1.40 |
| 5 | Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies | - |
| 6 | Non-production of record | 3.19 |
| 7 | Others, including cases of accidents, negligence, non-accountal of store etc. | - |
| Total | | 9.11 |

Table 5: Cost - Benefit Ratio

(Rs in millions)

| Sr. # | Description | Amount |
|--------------|--|---------------|
| 1 | Outlays Audited (Items 1 of Table 3) | 85.68 |
| 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

Each Union Administration of District Hafizabad consists of Union Nazim, Union Naib Nazim, Secretary and Administration. Each UA Hafizabad comprises one Drawing and Disbursing Officer i.e. Secretary. As per Section 76 of PLGO 2001 (now defunct), 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 wise 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 Councils
- 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 Councils to execute development projects.

1.1.2 Comments on Budget and Accounts (Variance Analysis) for the FY 2013-16

Original Budget of Rs 56.39 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 56.39 million. The total expenditure incurred by the UAs during 2013-16 was Rs 38.01 million as detailed below.

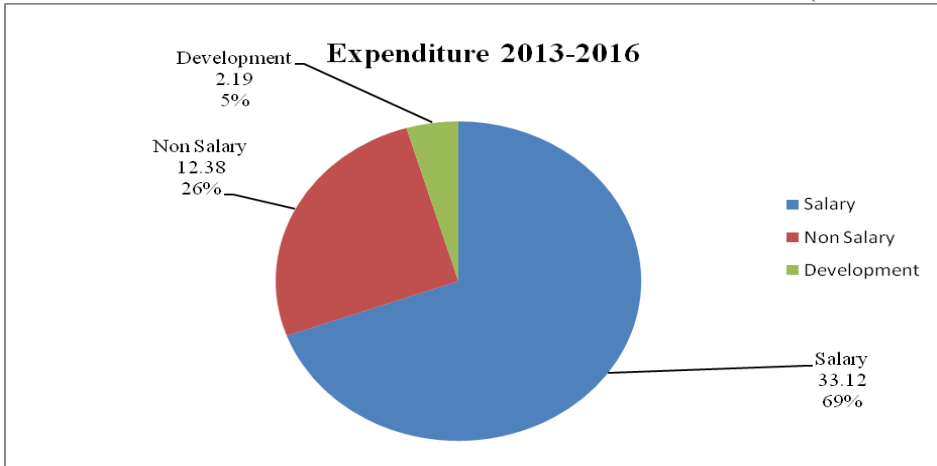
The variance analysis of the Final Grant and Actual Expenditure for the Financial Years 2013-16 depicted that there was a saving of Rs 8.49 million in non development and Rs 0.21 million in development component which will be used for following year budget estimates and determining the closing balances 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 | 38.92 | 33.12 | 5.80 | 15% |
| Non Salary | 15.07 | 12.38 | 2.69 | 18% |
| Development | 2.40 | 2.19 | 0.21 | 9% |
| TOTAL | 56.39 | 47.69 | 8.70 | 15% |

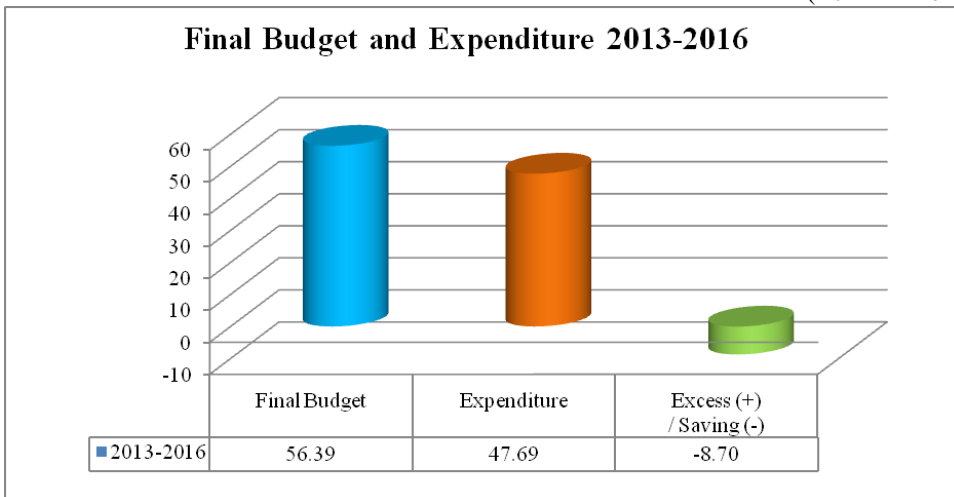
(Rs in million)



The detail of budget allocations, expenditures and savings of ten UAs in District Hafizabad for Financial Year 2013-16 is at Annexure-B.

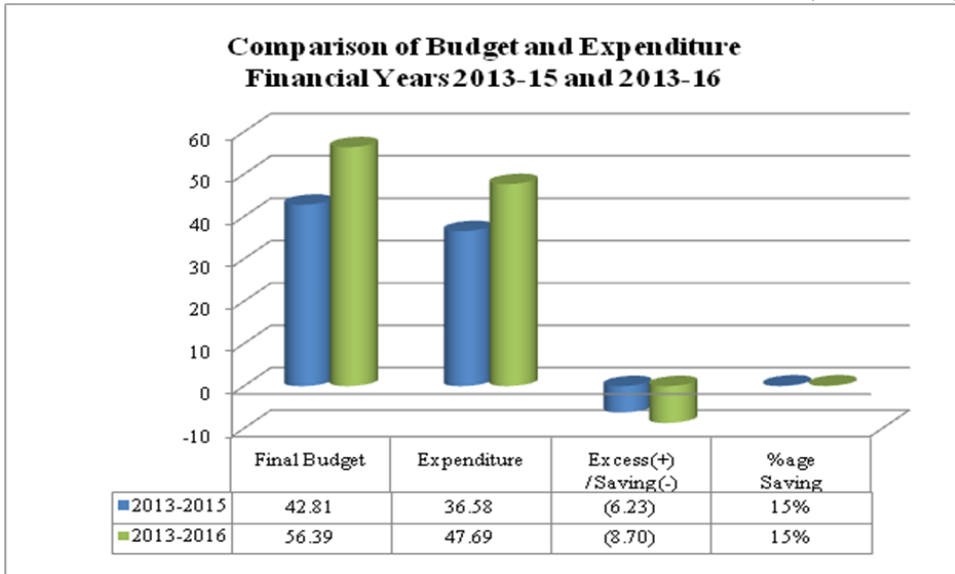
As per Budget Books for the years 2013-16 of UAs of District Hafizabad the original and final budget was Rs 56.39 million. Against the final budget total expenditure incurred by the UAs during 2013-16 was Rs 47.69 million. There was a saving of (-) Rs 8.70 million the reasons for which should be explained 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 | Saving (-) | %age of Saving |
|----------------|--------------|-------------|------------|----------------|
| 2013-15 | 42.81 | 36.58 | -6.23 | 16% |
| 2013-16 | 56.39 | 47.69 | -8.70 | 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 Adhoc Accounts Committee Directives

| Sr. No. | Audit Year | No. of Paras | Status of Adhoc Accounts Committee Meetings |
|---------|------------|--------------|---|
| 1. | 2008-11 | 05 | Nil |
| 2. | 2011-12 | 01 | Nil |
| 3 | 2012-13 | 06 | Nil |
| 4 | 2014-15 | 05 | Nil |
| 5 | 2015-16 | 04 | Nil |

As indicated in the above table, no Adhoc “Accounts Committee 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 3.91 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 Shah Jamal Distrcit Hafizabad received Government grant @ Rs 108,597 per month for three financial years 2013-16 amounting Rs 3.91 million but did not produce auditable record. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified.

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.

It resulted into un-authentic expenditure of Rs.3.91 million.

The matter was reported to the PAO in April, 2017. 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. 01]

1.2.2 Irregularity / Non-compliance

1.2.2.1 Non maintenance of development record Rs 2.29 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, according to clause 4.5 of B & R Code, payment of works should be made only after entry of the same in the measurement book.

Management of three (03) Union Administrations incurred an expenditure of Rs 2,286,237 for the financial year 2013-16 on development works without preparation of cost estimates, measurement book and security register etc. This resulted unauthorized expenditure of Rs 2.29 million as detailed below.

| Name of UC | Descriptions | Amount (Rs) |
|----------------------|--|--------------------|
| UA Dheeranky Lalkay | Technical Estimate, Measurement book & Security Register | 1,347,000 |
| UA Kolo Tarar | Technical Estimate, Measurement book & Security Register | 124,147 |
| UA Kot Said Muhammad | Technical Estimate, Measurement book & Security Register | 815,090 |
| TOTAL | | 2,286,237 |

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

It resulted into irregular expenditure of Rs. 2.286 million.

The matter was reported to the PAO in April, 2017. 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.08,07 &07]

1.2.2.2 Irregular provision of block allocation – Rs1.51 million

According to Section 58(5) of Budget Rule, 2003 notified by the LG & RD Department vide No.SOV (LG) 5-12/2003, dated 05.06.2003, no lump sum provision shall be made in the budget the details of which cannot be explained.

Union Administration Dheeranky Lalkay Hafizabad made lum sum allocation of Rs 1.51 million pertaining to financial years 2013-16 for different development programs but the scheme-wise details of the sub-head of development components were not reflected in the budget nor provided separately as detail below:-

| Financial Year | Amount (Rs) |
|-----------------------|--------------------|
| 2013-14 | 960,000 |
| 2014-15 | 450,000 |
| 2015-16 | 100,000 |
| Total | 1,510,000 |

Audit holds that due to weak internal controls of management, the budget rules and instructions of LG&RD Department did not followed.

This resulted into irregular utilization of development funds.

The matter was reported to the PAO in April, 2017. 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]

1.2.3 Internal Control Weakness

1.2.3.1 Non reconciliation of receipts with the NADRA authorities Rs 1.40 million

According to clause 4.3 of subsidiary treasury rules, every payment shall be supported by acknowledgement of receipt. According to clause 68(3) of Punjab Local Government Accounts Manual 201/18, reconciliation has to be made on monthly basis.

Managements of following Union Administrations of District Hafizabad did not get acknowledgement against the payments amounting to Rs 1.40 million to the NADRA on account of their share on different certificates issued in violation of above. Moreover, the reconciliation regarding receipts and security papers received from the NADRA authorities was also not available. Moreover, due to non availability of D&C register the receipts could not be verified as detail below:-

| Sr. No. | Name of UA | Financial Year | Amount (Rs) |
|--------------|-----------------------------------|----------------|------------------|
| 01 | UA No. 1/18 Hafizabad City | 2014-16 | 129,500 |
| 02 | UA No.02/19 Hafizabad City | 2014-16 | 89,650 |
| 03 | UA No.03/20 Hafizabad City | 2013-16 | 180,500 |
| 04 | UA No. Dheeranky Lalkay Hafizabad | 2013-16 | 388,350 |
| 05 | UA Kolo Tarar District Hafizabad | 2014-16 | 90,000 |
| 06 | UA Kot Ishaque Hafizabad | 2014-16 | 110,000 |
| 07 | UA Kot Said Muhammad Hafizabad | 2014-16 | 37,160 |
| 08 | UA Nahrianwala Hafizabad | 2013-16 | 230,000 |
| 09 | UA Ramkay Chatha Hafizabad | 2014-16 | 143,932 |
| Total | | | 1,399,092 |

Audit holds that due to weak financial management and internal control acknowledgment did not obtain and reconciliation could not made.

It resulted into irregular expenditure of Rs. 1.399 million.

The matter was reported to the PAO in April, 2017. 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.01,01,01,01,01,01,01,01 &01]

ANNEXURES

PART-I

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

| Sr. # | Name of UAs | AP # | Subject | Amount (Rs) | Nature of Para |
|-------|-------------------------------|------|---|----------------|-----------------------------|
| 1 | UA No. 1/18 Hafizabad City | 02 | Irregular expenditure on Sports/Festival events | 43,710 | Internal Control Weaknesses |
| 2 | | 03 | Non Deduction of GPF and Benevolent Fund from Pay | 15,780 | Non-Compliance |
| 3 | | 04 | Non-Reconciliation of Deposits of Receipts | 2.959 million | Non-Compliance |
| 4 | | 05 | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 5 | | 06 | Loss to government due to non auction of taxes | - | Internal Control Weaknesses |
| 6 | | 07 | Non maintenance of the record | - | Non-Compliance |
| 7 | | 08 | Non preparation of budget on prescribed format | 10.743 million | Non-Compliance |
| 8 | UA No.02/19 Hafizabad City | 02 | Irregular expenditure on Sports/Festival events | 34,400 | Internal Control Weaknesses |
| 9 | | 03 | Non Deduction of GPF and Benevolent Fund from Pay | 15,780 | Internal Control Weaknesses |
| 10 | | 04 | Non-Reconciliation of Deposits of Receipts | 2.553 million | Internal Control Weaknesses |
| 11 | | 05 | Non Preparation of Monthly Expenditure Statements | - | Internal Control Weaknesses |
| 12 | | 06 | Loss to government due to non auction of taxes | - | Internal Control Weaknesses |
| 14 | | 07 | Non maintenance of the record | - | Non-Compliance |
| 15 | UA No.03/20 Hafizabad City | 02 | Irregular expenditure on Sports/Festival events | 42,920 | Internal Control Weaknesses |
| 16 | | 03 | Non Deduction of GPF and Benevolent Fund from Pay | 15,780 | Non-Compliance |
| 17 | | 04 | Non-Reconciliation of Deposits of Receipts | 4.266 million | Non-Compliance |
| 18 | | 05 | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 19 | | 06 | Loss to government due to non auction of taxes | - | Internal Control Weaknesses |

| Sr. # | Name of UAs | AP # | Subject | Amount (Rs) | Nature of Para |
|-------|----------------------------|-------------------------------|---|---|-----------------------------|
| 20 | | 07 | Non maintenance of the record | - | Internal Control Weaknesses |
| 21 | | 08 | Non preparation of budget on prescribed format | - | Internal Control Weaknesses |
| 22 | Dheeranky Lalkay Hafizabad | 02 | Non Deduction of GPF and Benevolent Fund from Pay | 15,780 | Internal Control Weaknesses |
| 23 | | 03 | Non-Reconciliation of Deposits of Receipts | 4.150 million | Internal Control Weaknesses |
| 24 | | 04 | Non Preparation of Monthly Expenditure Statements | - | Internal Control Weaknesses |
| 25 | | 05 | Non maintenance of the record | - | Internal Control Weaknesses |
| 26 | | 06 | Non preparation of budget on prescribed format | 16.276 million | Internal Control Weaknesses |
| 27 | | Kolo Tarar District Hafizabad | 02 | Irregular expenditure on Sports/Festival events | 272,000 |
| 28 | 03 | | Non Deduction of GPF and Benevolent Fund from Pay | 15,780 | Non-Compliance |
| 29 | 04 | | Non-Reconciliation of Deposits of Receipts | 3.922 million | Non-Compliance |
| 30 | 05 | | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 31 | 06 | | Loss to government due to non auction of taxes | - | Internal Control Weaknesses |
| 32 | 08 | | Non preparation of budget on prescribed format | 11.243 million | Internal Control Weaknesses |
| 33 | Kot Ishaque Hafizabad | | 02 | Irregular expenditure on Sports/Festival events | 217,980 |
| 34 | | 03 | Non Deduction of GPF and Benevolent Fund from Pay Rs.15,780 | 15,780 | Non-Compliance |
| 35 | | 04 | Non-Reconciliation of Deposits of Receipts Rs4.082 million | 4.082 million | Non-Compliance |
| 36 | | 05 | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 37 | | 06 | Non maintenance of the record | - | Non-Compliance |
| 38 | | 07 | Non preparation of budget on prescribed format – Rs10.360 million | 10.360 million | Non-Compliance |

| Sr. # | Name of UAs | AP # | Subject | Amount (Rs) | Nature of Para |
|-------|-----------------------------|-----------------------|---|---|-----------------------------|
| 39 | | 08 | Irregular expenditure on "sanitation campaign | 184,450 | Internal Control Weaknesses |
| 40 | Kot Said Muhammad Hafizabad | 02 | Non Deduction of GPF and Benevolent Fund from Pay Rs.15,780 | 15,780 | Non-Compliance |
| 41 | | 03 | Non-Reconciliation of Deposits of Receipts | 3.860 million | Non-Compliance |
| 42 | | 04 | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 43 | | 05 | Non preparation of budget on prescribed format | 9.737 million | Non-Compliance |
| 44 | | 06 | Irregular expenditure on "sanitation campaign" | 139,385 | Internal Control Weaknesses |
| 45 | | 08 | Non accountal of store items | 849,000 | Internal Control Weaknesses |
| 46 | | Nahrianwala Hafizabad | 02 | Irregular expenditure on Sports/Festival events | 62,540 |
| 47 | 03 | | Non Deduction of GPF and Benevolent Fund from Pay | 15,780 | Non-Compliance |
| 48 | 04 | | Non-Reconciliation of Deposits of Receipts | 4.114 million | Non-Compliance |
| 49 | 05 | | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 50 | 07 | | Doubtful Expenditure on Repair Rs 25500 | 25,500 | Internal Control Weaknesses |
| 51 | 08 | | Doubtful expenditure on "sanitation campaign" | 25,000 | Non-Compliance |
| 52 | Ramkay Chatha Hafizabad | 02 | Irregular expenditure on Sports/Festival events | 122,350 | Non-Compliance |
| 53 | | 03 | Non Deduction of GPF and Benevolent Fund from Pay Rs.15,780 | 15,780 | Non-Compliance |
| 54 | | 04 | Non-Reconciliation of Deposits of Receipts | 3.910 million | Non-Compliance |
| 55 | | 05 | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 56 | | 06 | Loss to government due to non auction of taxes | - | Internal Control Weaknesses |
| 57 | | 07 | Non maintenance of the record | - | Non-Compliance |
| 58 | | 08 | Irregular expenditure on "sanitation campaign | 158,700 | Internal Control Weaknesses |

PART-II

**Memorandum for Departmental Accounts Committee
Paras Pertaining to previous Audit Year 2015-16**

| Sr. # | Name of UAs | AP # | 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 |

| Sr. # | Name of UAs | AP # | Subject | Amount (Rs) | Nature of Para |
|-------|---------------|------------------|---|---|-------------------------------|
| 21 | | 6 | Non preparation of budget on prescribed format | 6,404,168 | Non-Compliance |
| 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 |

| Sr. # | Name of UAs | AP # | Subject | Amount (Rs) | Nature of Para |
|-------|--------------|-------|---|---|-----------------------------|
| 42 | | 5 | Non Preparation of Monthly Expenditure Statements | - | Non-Compliance |
| 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 |

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 (Rs) | Expenditure (Rs) | Saving (-) (Rs) | %age Saving |
| Salary | 29,168,167 | 26,222,934 | -2,945,233 | 10 |
| Non Salary | 6,994,500 | 5,121,045 | -1,873,455 | 27 |
| Development | 6,654,600 | 5,237,187 | -1,417,413 | 21 |
| TOTAL | 42,817,267 | 36,581,166 | -6,236,101 | 15 |