



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

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
PREFACE	ii
EXECUTIVE SUMMARY	iii
SUMMARY OF TABLES AND CHARTS	vii
Table 1: Audit Work Statistics	vii
Table 2: Audit Observations Classified by Categories	vii
Table 3: Outcome Statistics	vii
Table 4: Irregularities Pointed Out	viii
Table 5: Cost - Benefit Ratio	viii
CHAPTER-1	1
1.1 UNION ADMINISTRATIONS, DISTRICT NAROWAL	1
1.1.1 INTRODUCTION	1
1.1.2 Comments on Budget and Accounts (Variance Analysis) for the financial years 2013-16.....	2
1.1.3 Comments on Budget and Accounts (Variance Analysis)	2
1.1.4 Brief Comments on the Status of Compliance with Adhoc Accounts Committee Directives	4
1.2 AUDIT PARAS	5
1.2.1 Irregularity and Non-compliance.....	6
1.2.2 Internal Control Weakness	9
ANNEXURES.....	10
Annexure-A	11
Annexure-B.....	19

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
D&C	Demand and Collection
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
TMA	Town/Tehsil Municipal Administration
TS	Technical Sanction
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 Narowal for the Financial Years 2013-2016. 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 regulatory framework besides instituting and strengthening internal controls to prevent recurrence of such violations and irregularities.

The observations included in this Report have been finalized without responses of the entities because concerned departments did not convene DAC meetings despite repeated reminders.

The Audit Report is submitted to 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 District Governments i.e. Gujrat, Hafizabad, Narowal, Sialkot and Mandi Bahaud-Din.

The Regional Directorate has a human resource of fourteen (17) officers and staff, total 4,233 man-days and the annual budget of Rs25.20 million for the Financial Year 2016-17. It has mandate to conduct Financial Attest Audit, Regularity Audit and Compliance with Authority and Performance Audit of entire expenditure including programmes / projects & receipts. Accordingly RDA Gujranwala carried out audit of accounts of ten (10) UAs out of (74) UAs of District Narowal for the Financial Years 2013-16.

Each Union Administration, in District Narowal 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 Punjab Local Government Ordinance, 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 UAs of District Narowal was carried out with a view to ascertain that the expenditure was incurred with proper authorization, in-conformity with laws / rules / regulations, economical procurement of assets and hiring of services etc.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with Laws and Rules.

a. Scope of Audit

Total development budget allocation for Financial Years 2013-16 was Rs 11.54 million, out of which total expenditure was Rs 3.38 million. Audit of the development expenditure of Rs 1.76 million was carried out which was 52% of total expenditure. Audit of Non-Development expenditure of Rs 28.38 million out of total expenditure of Rs 43.66 million for the year was conducted which is 65% of total expenditure. Total overall expenditure of the UAs of District Narowal for these years was Rs 47.04 million, out of which, overall expenditure of Rs 30.14 million was audited which is 64% of total expenditure. Therefore, there was 100% achievement against the planned audit activities.

Total receipts of the ten (10) Union Administrations of Narowal District for the Financial Years 2013-16, were Rs 49.02 million. Directorate General Audit Punjab (N), audited receipts of Rs 26.96 million which was 55% of total receipts.

b. Recoveries at the Instance of Audit

No recovery was pointed out during the audit of Financial Years 2013-16 and no recovery was effected till 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 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 Controls

Internal controls mechanism of UAs of District Narowal 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 of the report

- i. Non-compliance of rules for Rs 14.27 million was noted in three cases¹
- ii. Internal control weakness for Rs 3.57 million was noted in one case²

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).

¹Para 1.2.1.1, 1.2.1.2, 1.2.1.3

²Para 1.2.2.1

g. Recommendations

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

- i. Strengthening of internal controls
- ii. Compliance of relevant laws, rules, instructions and procedures, etc.
- iii. Realizing and reconciling of various receipts.

SUMMARY OF TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. No.	Description	Number	Budgeted Figures Financial Years 2013-16		
			Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	74	459.85	416.31	876.16
2	Total Formations in Audit Jurisdiction	74	459.85	416.31	876.16
3	Total Entities (PAOs) Audited	10	68.18	58.48	126.66
4	Total Formations Audited	10	68.18	58.48	126.66
5	Audit & Inspection Reports	10	68.18	58.48	126.66
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	-
2	Financial management	-
3	Internal controls	3.57
4	Violation of rules	14.27
5	Others	-
TOTAL		17.84

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	3.38	49.02	43.66	96.06*	56.18
2	Amount placed under Audit observation / Irregularities of Audit	0	14.27	3.57	0	17.84	8.74
3	Recoveries pointed out at the instance of Audit	0	0	0	0	0	0

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year	Total Last Year
4	Recoveries accepted / established at the instance of Audit	0	0	0	0	0	0
5	Recoveries realized at the instance of Audit	0	0	0	0	0	0

* The amount in serial No.1 column of "Total Current Year" is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 47.04 million.

Table 4: Irregularities Pointed Out

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of rules and regulations, principle of propriety and probity	14.27
2	Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public resources	---
3	Quantification of weaknesses of internal control systems	3.57
4	Recoveries, overpayments and loss to the government.	---
5	Non-production of record to Audit	---
6	Others, including cases of accidents, negligence etc.	---
7	Violation of rules and regulations, principle of propriety and probity	---
TOTAL		17.84

Table 5: Cost - Benefit Ratio

(Rs in million)

Sr. #	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	96.06
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 NAROWAL

1.1.1 INTRODUCTION

Each Union Administration of District Narowal consists of Union Nazim, Union Naib Nazim, Secretary and Administration. Each UA Narowal 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 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 financial years 2013-16

Original Budget of Rs 68.18 million was allocated to 10 UAs of District Narowal under various grants and no supplementary grants re-appropriations were provided. However, revised/final budget of these UAs was Rs 68.18 million. The total expenditure incurred by the 10 UAs during Financial Years 2013-16 was Rs 47.04 million as detailed above.

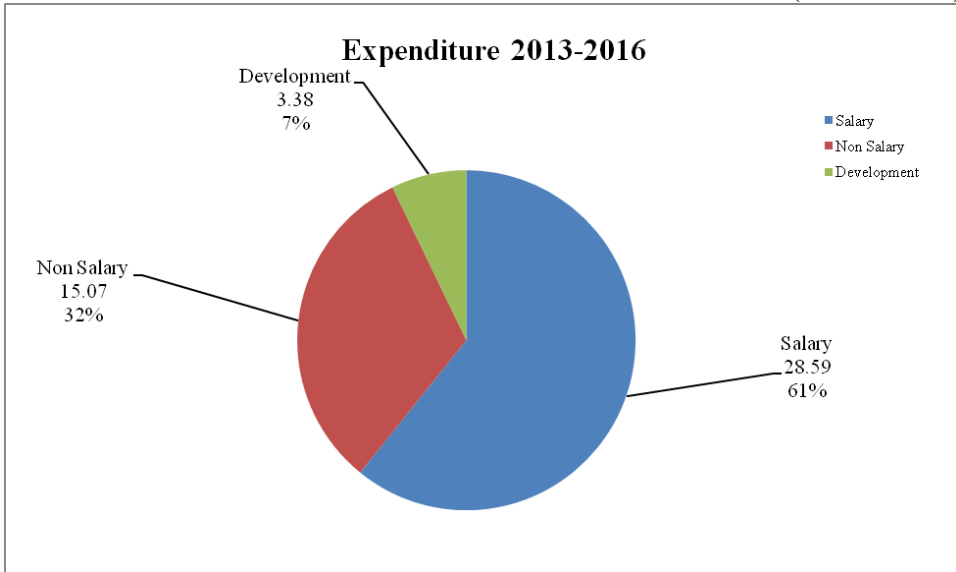
The variance analysis of the Final Grant and Actual expenditure for the Financial Years 2013-16 depicted that there was a saving of Rs21.14 million in non development and development which will be used for following year budget estimates and determining the closing balances of these UAs of District Narowal.

1.1.3 Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

Financial Years 2013-16	Budget (Rs)	Expenditure (Rs)	Saving (-) (Rs)	%age Saving
Salary	37.10	28.59	-8.51	23
Non Salary	19.54	15.07	-4.47	23
Development	11.54	3.38	-8.16	71
TOTAL	68.18	47.04	-21.14	31

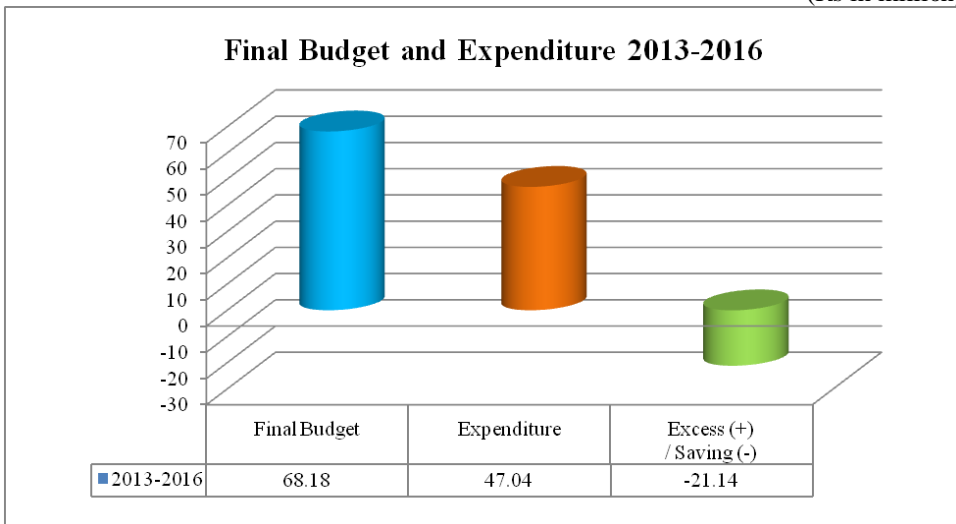
(Rs in million)



Details of budget allocations, expenditures and saving of ten (10) UAs in District Narowal for the Financial Year 2013-16, is at Annexure-B.

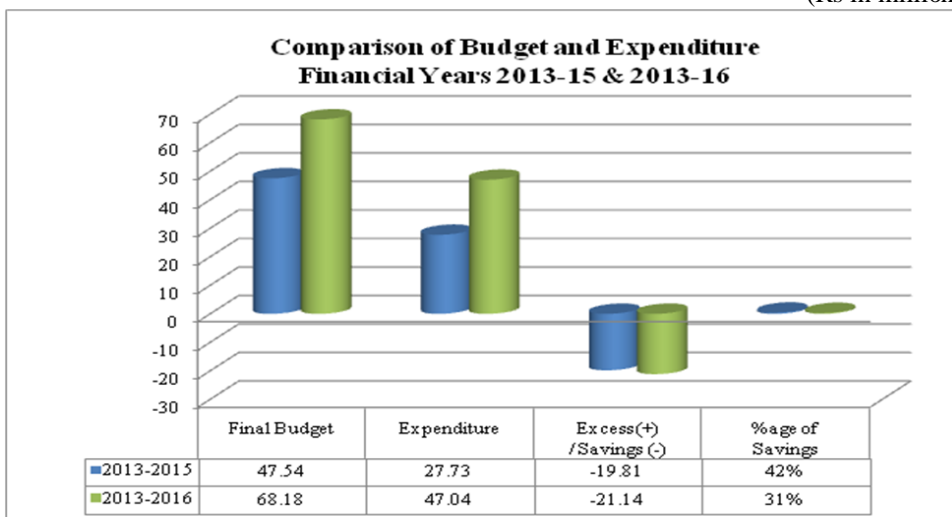
As per Budget Books for the Financial Year 2013-16 of 10 UAs of Narowal the original and the final budget was Rs 68.18 million. Against budget, total expenditure incurred by the ten (10) UAs during the Financial Year 2013-16 was Rs 47.04 million.

(Rs in million)



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

(Rs in million)



There were overall saving in the budget allocation of the Financial Year 2013-15 and 2013-16 as follows:

(Rs in million)

Financial Years	Budget	Expenditure	Saving	%age Saving
2013-15	47.54	27.73	-19.81	42
2013-16	68.08	47.04	-21.14	31

The justification of saving when the development schemes have remained incomplete is required to be explained by Principal Accounting Officer, Administrator and management of UAs.

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
1.	2008-11	8	Nil
2.	2011-12	2	Nil
3.	2013-14	6	Nil
4.	2015-16	3	Nil

As indicated in the above table, no Adhoc Accounts Committee meeting was convened to discuss the audit report of UAs of District Narowal.

1.2 AUDIT PARAS

1.2.1 Irregularity and Non-compliance

1.2.1.1 Irregular provision of block allocation - Rs 9.14 million

According to Section 58(5) of Budget Rules, 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.

Management of 06 Nos Union Administrations of District Narowal were allocated Rs 9,142,000 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. This shows that the Union councils had made block allocation as detailed below.

Sr. No.	Name of Union Adminsitration	Tehsil	Amount (Rs)	AIR Para #
1.	UA Nagwal # 3	Shakargarh	1,685,000	02
2.	UA Phalwari	Shakargarh	700,000	02
3.	UA Dara Pur # 65	Shakargarh	1,650,000	02
4.	Raiba Kalan	Shakargarh	1,400,000	02
5.	Sukhoo Chak	Shakargarh	1,857,000	02
6.	Ikhlas Pur # 45	Shakargarh	1,850,000	02
TOTAL			9,142,000	

Audit held that due to weak internal control scheme wise detail of development program was not maintained.

This resulted into irregular block allocation of Rs 9.14 million.

The matter was reported to the PAO in April, 2017. Neither reply was furnished by the Management nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person at fault for non-observing of rule and codal formalities under intimation to Audit.

1.2.1.2 Non-utilization of funds – Rs 4.15 million

According to Rule 64 (ii) of the TMA & Budget Rules, 2003, the resources of the Government should be utilized efficiently & effectively.

Secretary Union Administration Dara Pur Tehsil Shakargarh of District Narowal failed to utilize an amount of Rs 1.65 million during

Financial Years 2013-16 for the welfare of the public through development works.

Audit held that due to non compliance of rules and weak internal control, the community was deprived from the benefits of development projects.

This resulted in non-utilization of funds and the public money was retained.

The matter was reported to the PAO in April, 2017. Neither reply was furnished by the Management nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing of responsibility for non-compliance of budget rules under intimation to Audit.

[AIR Para No.01]

1.2.1.3 Doubtful expenditure on development works - Rs 981,000

According to rule 4(e) of Punjab union administration (works) rules 2002, the secretary of the project committee shall ensure the maintenance of the following record of each project; detail estimate, quotations and vouchers of all articles purchased, Muster roll for the payment of labour charges, Measurement Book, inspection register and completion report.

Contrary to above, Union Administration Raiba Kallan made payment of Rs 981,000 for development work in UA office Raiba Kallan Office without maintenance of TS estimate, measurement book, vouchers, labor charges and inspection register as detailed below:

Sr. #	Name of Works	Month of works	Amount (Rs)
1.	Development work in UA Office Building	07/2015	150,000
2.		08/2015	450,000
3.		09/2015	100,000
4.		10/2015	100,000
5.		12/2015	35,000
6.		02/2015	50,000
7.		04/2015	36,000
8.		05/2015	60,000
9.		06/2015	100,000
		Total	981,100

Audit held that due to non compliance of rules and weak internal control, the community was deprived from the benefits of development projects.

This resulted in non-utilization of funds and the public money was retained.

The matter was reported to the PAO in April, 2017. Neither reply was furnished by the Management nor DAC meeting was convened till finalization of this Report.

Audit recommends investigation of the matter and fixing of responsibility for non maintenance of record intimation to Audit.

[AIR Para No.01]

1.2.2 Internal Control Weakness

1.2.2.1 Non reconciliation of receipts with the NADRA authorities Rs 3.57 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 Narowal did not get acknowledgement against the payments amounting to Rs 3.57 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. Further, due to non availability of D&C register the receipts could not be verified as detail below:-

Sr. #	Name of UAs	Financial Year	Amount (Rs)	AIR Para #
01	Nagwal	2013-16	324,600	03
02	Sukho Chak	2013-16	479,710	03
03	Phagwari	2013-16	381,140	03
04	Dara Pur	2013-16	489,760	03
05	Ilkhlal Pur	2013-16	307,830	03
06	Rambri	2013-16	250,240	02
07	Raiba Kalan	2013-16	404,820	03
08	Ghoona	2013-16	311,160	02
09	Darman	2013-16	332,327	02
10	Lesser Kalan	2013-16	293,636	02
Total			3,575,223	

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

This resulted into irregular expenditure of Rs 3.575 million

The matter was reported to the PAO in April, 2017. Neither reply was furnished by the Management nor DAC meeting was convened till finalization of this Report.

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

ANNEXURES

Annexure-A

PART-I

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

Sr. #	Name of Formations	AP #	Subject	Amount (Rs)	Nature of Para
1	UA, Nagwal	01	Non reservation of 25% budget for CCB Fund	421,250	Irregularity / Non-compliance
3		04	No-Preparation of Expenditure Statement	5,310,546	Irregularity / Non-compliance
4		05	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Irregularity / Non-compliance
5		06	Non-Reconciliation of Deposits of Receipts	5,873,692	Irregularity / Non-compliance
6		07	Non maintenance of the record	-	Irregularity / Non-compliance
7	UA, Sukhoo Chak	01	Non deduction of Income Tax on Secretary Share	3,317	Irregularity / Non-compliance
9		04	No-Preparation of Expenditure Statement	4,378,501	Internal Control Weakness
10		05	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Internal Control Weakness
11		06	Non-Reconciliation of Deposits of Receipts	4,759,204	Internal Control Weakness
12		07	Non maintenance of the record	-	Internal Control Weakness
13	UA, Phalwari	01	Non deduction of Income Tax on Secretary Share	3,518	Internal Control Weakness
15		04	No-Preparation of Expenditure Statement	6,193,186	Internal Control Weakness
16		05	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Internal Control Weakness
17		06	Non-Reconciliation of Deposits of Receipts	4,923,841	Internal Control Weakness
18		07	Non maintenance of the record	-	Internal Control Weakness
20	UA, Dara Pur	04	No-Preparation of Expenditure Statement	4,554,630	Internal Control Weakness
21		05	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Internal Control Weakness
22		06	Non-Reconciliation of Deposits of Receipts	4,967,304	Internal Control Weakness
23		07	Non maintenance of the record	-	Internal Control Weakness
24	UA, Akhlas Pur	01	Non reservation of 25% budget for CCB fund	462,500	Irregularity / Non-compliance
26		04	No-Preparation of Expenditure Statement	4,215,236	Irregularity / Non-compliance

Sr. #	Name of Formations	AP #	Subject	Amount (Rs)	Nature of Para
27		05	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Irregularity / Non-compliance
28		06	Non-Reconciliation of Deposits of Receipts	4,840,833	Irregularity / Non-compliance
29		07	Non Deduction of Income Tax	2,874	Irregularity / Non-compliance
30		08	Non maintenance of the record	-	Irregularity / Non-compliance
31	UA, Rambri	01	Non deduction of Income Tax on Secretary Share	2289	Irregularity / Non-compliance
33		03	No-Preparation of Expenditure Statement	3,589,032	Irregularity / Non-compliance
34		04	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Irregularity / Non-compliance
35		05	Non-Reconciliation of Deposits of Receipts	2,696,203	Irregularity / Non-compliance
36		06	Non maintenance of the record	-	Irregularity / Non-compliance
38	UA, Raiba Kalan	04	No-Preparation of Expenditure Statement	4,060,643	Irregularity / Non-compliance
39		05	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Irregularity / Non-compliance
40		06	Non-Reconciliation of Deposits of Receipts	3,294,258	Irregularity / Non-compliance
41		07	Non deduction of Income Tax on Secretary Share	3,744	Irregularity / Non-compliance
42		08	Non maintenance of the record	-	Intrernal Control Weakness
43	UA, Ghoona	01	Non deduction of Income Tax on Secretary Share	2,879	Intrernal Control Weakness
45		03	No-Preparation of Expenditure Statement	4,855,023	Intrernal Control Weakness
46		4	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Intrernal Control Weakness
47		5	Non-Reconciliation of Deposits of Receipts	4,771,032	Intrernal Control Weakness
48		6	Irregular expenditure on sports festival	37,600	Intrernal Control Weakness
49		7	Non maintenance of the record	-	Intrernal Control Weakness
50	UA, Darman	01	Non deduction of Income Tax on Secretary Share	3,070	Intrernal Control Weakness
52		3	No-Preparation of Expenditure Statement	5,296,816	Irregularity / Non-compliance
53		4	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Irregularity / Non-compliance
54		5	Non-Reconciliation of Deposits of Receipts	4,819,342	Irregularity / Non-compliance
55		6	Non maintenance of the record	-	Irregularity / Non-compliance
56	UA, Lesser	01	Non deduction of Income Tax on Secretary Share	2,720	Irregularity /

Sr. #	Name of Formations	AP #	Subject	Amount (Rs)	Nature of Para
	Kalan				Non-compliance
58		3	No-Preparation of Expenditure Statement	2,606,308	Irregularity / Non-compliance
59		4	Non Deduction of GPF, Benevolent Fund and Group Insurance from Pay	15,780	Irregularity / Non-compliance
60		5	Non-Reconciliation of Deposits of Receipts	4,243,936	Irregularity / Non-compliance
61		6	Non maintenance of the record	-	Irregularity / Non-compliance

PART-II

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

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
1	UA No.1 City Narowal	2	Doubtful/Less deposit of Government receipts	74,520	Intrernal Control Weakness
2	UA Bathanwala	2	Doubtful/Less deposit of Government receipts	33,940	Intrernal Control Weakness
3	UA No.1 City Narowal	4	Doubtful expenditure on earthfilling	48,730	Irregularity / Non-compliance
4	UA Bathanwala	3	Doubtful expenditure on earthfilling	61,936	Irregularity / Non-compliance
5	UA No.02 Narowal City	6	Non entry of earth filling in the measurement book	109,900	Irregularity / Non-compliance
6	UA Bhennian Narowal	7	Unjustified Expenditure on Earth Filling	53,700	Irregularity / Non-compliance
7	UA Bhennian Narowal	9	Unjustified Expenditure on Earth Filling and Sanitation Work	49,912	Irregularity / Non-compliance
8	UA No.1 City Narowal	5	Non-deduction of Income tax	3,509	Intrernal Control Weakness
9	UA Bathanwala	4	Irregular payment of Income tax & Sales tax	28,587	Intrernal Control Weakness
10	UA No.02 Narowal City	8	Non deduction of Income Tax	9,900	Intrernal Control Weakness
11	UA Dharagmiana	9	Non deduction of income tax amounting	4,979	Intrernal Control Weakness
12	UA Dharagmiana	10	Non deduction of GST amounting	15,507	Intrernal Control Weakness
13	UA Giddian	8	Non deduction of income tax amounting	2,937	Intrernal Control Weakness
14	UA Giddian	9	Non deduction of GST amounting	36,968	Intrernal Control Weakness
15	UA No.1 City	6	Non maintenance of the record	-	Intrernal Control

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
	Narowal				Weakness
16	UA Bathanwala	7	Non maintenance of the record	-	Intrernal Control Weakness
17	UA No.03 Narowal City	9	Non maintenance of the record	-	Intrernal Control Weakness
18	UA No.04 Narowal City	7	Non maintenance of the record	-	Intrernal Control Weakness
19	UA No.02 Narowal City	10	Non Preparation of Monthly Expenditure Statements	-	Intrernal Control Weakness
20	UA Pejowali Narowal	3	Non-maintenance of Record	-	Intrernal Control Weakness
21	UA Bhennian Narowal	1	Non-maintenance of Record	-	Intrernal Control Weakness
22	UA No.1 City Narowal	7	Improper preparation of Budget	-	Intrernal Control Weakness
23	UA Bathanwala	8	Improper preparation of Budget	-	Intrernal Control Weakness
24	UC No.09 Baddomalhi	5	Non preparation of budget on prescribed format	5,736,762	Irregularity / Non-compliance
25	UA No.02 Narowal City	9	Non preparation of budget on prescribed format	5,612,360	Irregularity / Non-compliance
26	UA Bathanwala	5	Doubtful expenditure	68,303	Irregularity / Non-compliance
27	UA Bathanwala	6	Doubtful expenditure on street cleaning	48,000	Irregularity / Non-compliance
28	UA Pejowali Narowal	7	Doubtful Purchase of Various Items	81,808	Irregularity / Non-compliance
29	UA Pejowali Narowal	9	Doubtful Expenditure on Repair	66,680	Irregularity / Non-compliance
30	UA Bhennian Narowal	5	Doubtful Expenditure on TA/DA	102,620	Irregularity / Non-compliance
31	UA Bhennian Narowal	10	Doubtful Purchase of Various Items	134,546	Irregularity / Non-compliance

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
32	UA Bhennian Narowal	11	Doubtful Expenditure on Repair	99,075	Irregularity / Non-compliance
33	UA Dharagmiana	3	Doubtful expenditure on “sanitation campaign”	24,000	Irregularity / Non-compliance
34	UA Dharagmiana	4	Doubtful expenditure on repair of computer	20,300	Irregularity / Non-compliance
35	UA Dharagmiana	5	Doubtful purchase of table cloth and table glass	6,900	Irregularity / Non-compliance
36	UA Dharagmiana	6	Doubtful purchase stationery items	3,270	Irregularity / Non-compliance
37	UA Dharagmiana	8	Doubtful purchase of UPS Batteries	19,960	Irregularity / Non-compliance
38	UA Giddian	3	Doubtful expenditure on “sanitation campaign”	49,920	Irregularity / Non-compliance
39	UA Giddian	4	Doubtful expenditure on repair of computer	21,730	Irregularity / Non-compliance
40	UA Giddian	5	Doubtful purchase of crockery	10,374	Irregularity / Non-compliance
41	UA Giddian	6	Doubtful expenditure on UPS repair	2,480	Irregularity / Non-compliance
42	UA Giddian	7	Doubtful purchase of UPS Batteries	19,960	Irregularity / Non-compliance
43	UA No.03 Narowal City	2	Non reconciliation of receipts with the NADRA authorities	-	Intrnal Control Weakness
44	UA No.03 Narowal City	5	Non-Reconciliation of Deposits of Receipts	2,466,411	Intrnal Control Weakness
45	UA No.03 Narowal City	6	Non Preparation of Monthly Expenditure Statements	-	Intrnal Control Weakness
46	UA No.04 Narowal City	3	Non Verification of Deposit of Income tax deducted at source	14,725	Intrnal Control Weakness
47	UA No.04 Narowal City	5	Non-Reconciliation of Deposits of Receipts	3,020,811	Intrnal Control Weakness
48	UC No.09 Baddomalhi	3	Non reconciliation of receipts with the NADRA authorities	177,432	Intrnal Control

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
					Weakness
49	UC No.09 Baddomalhi	6	Non Preparation of Monthly Expenditure Statements	-	Intrernal Control Weakness
50	UA No.02 City	2	Non reconciliation of receipts with the NADRA authorities	179,610	Intrernal Control Weakness
51	UA Pejowali	4	Non-verification of Receipt	401,600	Intrernal Control Weakness
52	UA Bhennian Narowal	4	Non-verification of Receipt	439,450	Intrernal Control Weakness
53	UA No.03 Narowal City	3	Irregular expenditure on Sports/Festival events	95,342	Irregularity / Non-compliance
54	UA No.04 Narowal City	2	Irregular expenditure on Sports/Festival events	49,200	Irregularity / Non-compliance
55	UC No.09 Baddomalhi	1	Irregular and doubtful expenditure for payment to Daily Wages	48,000	Irregularity / Non-compliance
56	UC No.09 Baddomalhi	4	Unauthorized purchase from unregistered firms	19,600	Irregularity / Non-compliance
57	UA No.02 Narowal City	3	Expenditure incurred beyond the financial power	119,900	Irregularity / Non-compliance
58	UA No.02 Narowal City	4	Unauthorized purchase from unregistered firms	43,900	Irregularity / Non-compliance
59	UA No.02 Narowal City	5	Non accountal of store items	43,900	Irregularity / Non-compliance
60	UA No.02 Narowal City	7	Payment of office rent without the assessment by the Excise Department	132,000	Irregularity / Non-compliance
61	UA Pejowali Narowal	5	Irregular Payment on Previous Year Liability	42,530	Irregularity / Non-compliance
62	UA Pejowali Narowal	6	Doubtful Expenditure on TA/DA	11,850	Irregularity / Non-compliance
63	UA Bhennian Narowal	8	Irregular Expenditure on Sports Activities	31,895	Irregularity / Non-compliance
64	UA Dharagmiana	7	Excess payment made for photocopies	15,700	Intrernal Control Weakness

Sr. #	Name of Formations	AIR Para No.	Subject	Amount (Rs)	Nature of Para
65	UA No.03 Narowal City	3	Non Deduction of GPF, Benevolent Fund and Group Insurance from	15,780	Intrernal Control Weakness
66	UA No.04 Narowal City	4	Non Deduction of GPF, Benevolent Fund and Group Insurance from	15,780	Intrernal Control Weakness
67	UA No.03 Narowal City	8	Loss to government due to non auction of taxes	-	Intrernal Control Weakness
68	UA No.04 Narowal City	6	Loss to government due to non auction of taxes	-	Intrernal Control Weakness
69	UC No.09 Baddomalhi	2	Non Sale proceed of Old Newspapers	2000 (approx.)	Intrernal Control Weakness
70	UA No.02 Narowal City	1	Non Sale proceed of Old Newspapers	2000 (approx.)	Intrernal Control Weakness
71	UC No.09 Baddomalhi	7	Non-achievement of targets resulting in revenue loss	449,796	Intrernal Control Weakness
72	UC No.09 Baddomalhi	8	Non-production of Record	584,148	Intrernal Control Weakness

Annexure-B

UAs of Narowal District
Budget and Expenditure Statement
for Financial Years 2013-16
Ten - Union Administrations

10 Union Administrations				
Financial Years 2013-16				
(Rs. in millions)				
F.Y. 2013-15	Budget (Rs)	Expenditure (Rs)	Saving (-) (Rs)	%age Saving
Salary	37.10	28.59	-8.51	23
Non Salary	19.54	15.07	-4.47	23
Development	11.54	3.38	-8.16	71
TOTAL	68.18	47.04	-21.14	31