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OFFICE OF THE
DIRECTOR GENERAL AUDIT SINDH

1st Floor, Pakistan Audit & Accounts Complex, Gulshan-e-Iqbal, Block-11,
Main University Road, Karachi.
Ph: 021-99244751, Fax: 021-99244855

No.DGAS/PPC/B/04/2024-25/Briefing to HoFATs/ 234

Dated 05-12-2024

The Additional Auditor General (Ops),
O/o the Auditor General of Pakistan,
Constitution Avenue,
Islamabad.

Subject: BRIEFING TO THE FIELD AUDIT TEAM BEFORE START OF THE AUDIT EXECUTION

Ref: Letter No.SPS/Addl.AG(Ops)/2024 dated 27-09-2024 on subject cited above.

Kindly refer to your letter cited at reference, para-wise comments are as under:

- Para # 38 In compliance with AGP directives, this office regularly held pre-departure briefings with Field Audit Teams (FATs) and the contents of briefings and instructions are already reduced in written form.
- Para # 39 The instructions are communicated with Field Audit Team (FAT) for compliance.
- Para#40 Checklists of instructions "Things to do" are attached as annexure-I.


(Kamran Ali Hasmi)
Director General

2

Check List

1. **Adherence to Audit Manual:** Follow the provisions outlined in the relevant audit manual during the audit process.
2. **Audit Planning Memorandum:** Thoroughly review and understand the respective audit planning memorandums before initiating the audit.
3. **Risk Register Consultation:** Consult the entity's Risk Register to identify key risk areas and complaints. Direct any queries to the PPC Section or Supervisory Officer.
4. **Contact Information:** Share the contact address of the audited formation with the PPC Section and Supervisory Officer on the first day.
5. **Monitoring Documentation:** Properly document all monitoring and supervisory activities in line with the issued guidelines.
6. **Compliance with Tour Programme:** Strictly follow the Tour Programme and complete the audit within the scheduled timeline.
7. **Non-Production of Records:** Immediately notify the Head Office if auditable records are not provided. Follow the Standard Operating Procedure (SOP) for compliance.
8. **Audit Para Register:** Maintain a daily updated "Audit Para Register" with entries countersigned by the Supervisory Officer.
9. **Departmental Replies:** Incorporate departmental replies into the Audit Inspection Report (AIR) and submit within 10 working days after the audit's conclusion.
10. **Submission of Reports:** Submit AIRs and Preliminary Draft Paras (PDPs) to the Supervisory Officer for scrutiny within 10 working days.
11. **Report Scrutiny:** Supervisory Officers should review and forward scrutinized AIRs and PDPs to the Director General within 10 working days.
12. **Use of CCCCCR Model:** Prepare PDPs using the CCCCCR model, ensuring adherence to the latest audit report template.
13. **Supporting Documentation:** Maintain a separate file of PDPs with comprehensive supporting evidence of rules, regulations, or violations.
14. **AIR Components:** Ensure AIRs include office profiles, project details (if applicable), mandates, financial systems, audit period, methodology, and selected items.
15. **Financial Statement Audits:** Offer comments on Chartered Accountants' reports as per the Auditor General's instructions for entities following commercial accounting patterns.
16. **Handover of Records:** Senior Auditors proceeding for field audits must properly hand over records to colleagues in the office.
17. **Alternate Arrangements:** Inform the PPC and Admin Sections if no staff is left in a section to handle ongoing work.
18. **Material Audit Observations:** Frame observations focusing on significant financial impacts. Club minor issues as necessary.
19. **Sample Vouchers:** Replace sample vouchers if they do not adequately cover high-value risk areas, as recommended by the Deputy Director In-Charge.
20. **Cost Center List:** Collect and attach cost center lists from administrative departments with the AIR.
21. **Mandatory Information Collection:** Before starting the audit, gather necessary details like planning files, head of office contacts, cost centers, and reconciled statements.



OFFICE OF THE
DIRECTOR GENERAL AUDIT SINDH

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4

No.DGAS/PPC/B/04/2024-25/Briefing to HoFATs/ 234

Dated 05 -12-2024

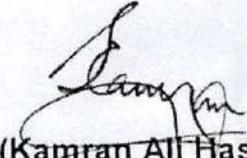
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Constitution Avenue,
Islamabad.

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(Kamran Ali Hasmi)
Director General

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20. **Cost Center List:** Collect and attach cost center lists from administrative departments with the AIR.
21. **Mandatory Information Collection:** Before starting the audit, gather necessary details like planning files, head of office contacts, cost centers, and reconciled statements.

22. **Non-Compliance Reporting:** Promptly report non-production of records to the Director General, including details of responsible persons.
23. **Compliance with Minutes of Meeting:** Obtain and adhere to the minutes of Audit Plan meetings for 2023-24 and 2024-25.
24. **Performance Audits:** Keep paras regarding performance-related aspects in Volume I of the report and compliance related issues in Volume II.
25. **Audit of Security Deposits:** Carefully audit security deposits, focusing on large payments and un-reconciled amounts.
26. **Citizen Impact:** Include audit observations with significant financial or non-financial impact on citizens in the monthly reports to the DGs of FAOs.
27. **Internal Audit Compliance:** Review and comment on compliance with internal audit reports or note non-functionality where applicable.
28. **Media Reports:** Incorporate relevant press clippings and media reports highlighting financial malpractices.
29. **Sample Selection:** Ensure audit samples include high-value transactions, statistical outliers, and highlighted issues from complaints or media.
30. **HR & FI Data:** Extract necessary HR and financial data from SAP/ECC before proceeding to the audit site.
31. **Materiality/Worth of audit observations reveals if it is based on:**
 - Fraud & embezzlement
 - Doubtful expenditure with sufficient evidence
 - Tax Evasion & Tax Avoidance (short-deduction/zero-deduction)
 - Recovery with sufficient evidence
 - Misuse of funds & delegated powers
 - Waste of funds by unnecessary expenditure
 - Excess payments/expenditure
 - Blockage of funds
 - Administrative failure of the management to achieve objectives of the entity
 - Failure of operational functions/objectives of the entity
 - Non-reconciliation of receipts & payments
 - Appointments & promotions
 - Any related aspect



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No. DGALGS/AP&CS/Monthly Certificate/2024-25/482

Dated: 29th October 2024

S.P.S to the Additional Auditor General (Ops)
O/o the Auditor General of Pakistan
Islamabad.

Handwritten signature and initials
4/11
As per

Sub: BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

Kindly refer to letter No. SPS/Addl.AG(Ops)2024 dated 27-09-2024 on the above subject.

2. In compliance to the directives received through the above-referenced letter it is submitted that this office has already provided written instructions to the Field Audit Teams (FATs) along with the verbal instruction. However, the instruction methodology has now been further refined in accordance with the latest directives, as detailed below:

I. Written instructions and checklists:

In line with your guidance, this office has further refined the process of issuing written instructions and structured checklists for distribution to field audit teams before their departure.

II. Incorporation of new areas for future audits:

This office will ensure that any newly investigated areas identified during audits, beyond the existing checklist scope, are documented and submitted by the auditors. These areas will be reviewed and, where relevant, incorporated into future audit checklists to provide comprehensive guidance for ongoing and future audits.

III. Compilation of a "Things to Do" checklist:

A checklist summarizing key instructions and a "Things to Do" section has been framed for field teams for reference during audit assignments. This checklist/" Things to do" is submitted herewith as desired.

Handwritten signature of Fauzia Saleem Khan
(Fauzia Saleem Khan)
Director General

Encl: As above

Additional Auditor General (Ops)
Date: 04-11-24 Diary No: 225
Time in: 2:40 PM Time out: _____

Things to do

1. **Review Budget Versus Expenditure**

Conduct a thorough analysis of the budget allocations compared to actual expenditures. Confirm that each expense has been sanctioned by the appropriate authority, verifying compliance with relevant approvals. Ensure that all expenditures align with the governing rules and regulations, confirming they adhere to established budgetary guidelines.

2. **Verification of Record Production**

Exhaust all measures to facilitate the production of required records from the auditee. Should any difficulty arise in obtaining records, escalate the issue to the Director General after issuing three formal reminders. This process will help ensure timely intervention from senior management.

3. **Property Inventory and Leasing Information**

Prepare a comprehensive inventory of the organization's properties, including details on properties that are rented out or leased. Verify lease agreements and assess their alignment with revenue expectations and management objectives.

4. **Revenue Generation Sources**

Identify all revenue sources, assess management's efforts in optimizing revenue generation, and compare the budgeted revenue to the actual revenue collected. Report any discrepancies, inefficiencies, or untapped revenue opportunities that could be improved.

5. **Development and Project Expenditures**

Collect and document expenditures related to development projects and other schemes. Confirm whether these expenditures meet approved project budgets and objectives, and note any variance or inefficiency.

6. **Government Tax Deductions and Depositions**

Examine all deductions related to government taxes, ensuring accurate calculation, deduction, and deposition into the relevant government accounts. Verify that taxes deducted are deposited in the correct heads promptly.

7. **Public Accounts Management**

Assess the handling of public accounts, including deductions, depositions, and their utilization. Any significant findings or unresolved issues related to public accounts should be included in audit paragraphs, along with observations on compliance.

8. Service Delivery Issues

Prioritize the review of areas that impact service delivery directly affecting citizens. Draft audit observations that highlight deficiencies or improvement opportunities in service delivery to ensure transparency and responsiveness to public needs.

9. Entity's Core Business and Operational Review

Focus on the core functions and business activities of the entity. Identify operational inefficiencies or compliance issues within the core functions, documenting these with supporting evidence.

10. Clear and Evidenced Audit Observations

Ensure all audit observations are detailed, clear, and well-supported with evidence. Cite relevant rules, policies, or documents that substantiate the observations made, ensuring that the sources directly apply to the findings.

11. Clarification on Unclear Observations

If audit observations reveal unclear issues requiring additional clarification, issue a follow-up requisition to the auditee. This step ensures thorough documentation and reduces the likelihood of ambiguities.

12. Detailed Annexures

Attach annexures that are directly relevant to audit observations, ensuring clarity and relevance. These should be systematically organized and referenced within the audit report for easy cross-referencing.

13. Inclusion of Governing Rules/Notifications

Attach copies of relevant rules, notifications, or official orders that relate to audit observations, providing a clear basis for findings and enhancing the report's legal grounding.

14. Desk Audit Preparation

Conduct a desk audit before initiating field activities, and submit all associated documentation. This preparation will provide a foundational understanding of potential audit areas, ensuring focused and efficient fieldwork.

15. Maintenance of Planning and Permanent Files

Update the planning and permanent files following procedural requirements. Upload all updated files on the AMIS system as per established protocols to ensure accessible and comprehensive records.

16. Uploading of Audit Inspection Reports (AIRs)

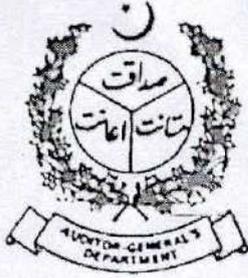
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Immediately upload Audit Inspection Reports (AIRs) to the AMIS system upon issuance. Compliance with AMIS guidelines is critical for maintaining consistent records and effective audit tracking.

17. Non-Production of Records

Notify the Director General or Director immediately if any required records remain unavailable. This timely notification will facilitate prompt escalation and resolution.

10



DEPARTMENT OF THE AUDITOR-GENERAL OF PAKISTAN

OFFICE OF THE
DIRECTOR GENERAL AUDIT WORKS
(PROVINCIAL), SINDH, KARACHI

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Main University Road, Karachi
Tel #. 021-99244952 Fax 021-34613360

No. DGAWPS/PPC/01-1002/383

Dated: -23/12/2024

✓ The Audit Officer (Coord),
Office of the Auditor General of Pakistan,
Constitution Avenue,
Islamabad

Subject: BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF
AUDIT EXECUTION.

Kindly refer to office of the Auditor General of Pakistan, Islamabad letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the above cited subject.

2. The checklist of instructions to Field Audit Teams for audit execution are enclosed for consideration.


(Altaf Ahmed Shaikh)
Director General

01

Checklist for Project Management

- i. Understanding the project's objectives, targets, milestones; and budget.
- ii. Understanding the responsibilities, regulations, policies and procedures relating to project management.
- iii. Ensuring that proper contracting procedures and practices are followed.
- iv. Focusing on public importance projects.
- v. Evaluating the appointment of key technical and financial officers.
- vi. Evaluating controls to ensure that all goods and services paid for under the project have been delivered to the project as specified.
- vii. Evaluating monitoring and reporting of progress i.e. the progress of the project, expenditures against budget, forecast of total completion cost and completion date, project difficulties and/or delays, and proposed corrective actions.
- viii. Assessing whether all substantial requirements and goals set out for the project have been met.

Checklist for Contract Process

- i. To ensure that proper contracting procedures are followed.
- ii. To ensure that SPPRA Rules are followed.
- iii. To ensure potential bidders are aware of contracting opportunities and given sufficient time to submit a bid.
- iv. To ensure that all bidders submit the required bid security when participating in the bidding process.
- v. To ensure that bids are opened publicly and all bids that arrive after closing date/time to be returned unopened to bidder.
- vi. To ensure that evaluation criteria and scoring methods are established before bids are opened and the bidders comply with the criteria.
- vii. To ensure that the evaluation of bids and selection process is properly documented and reported; and that the procurement process is properly justified.
- viii. To check that the procurement process has been completed with transparency.

Checklist for Audit Execution

- i. To check whether payments are made according to rules and regulations.
- ii. To check whether due government taxes are deducted from the vendors' bills.
- iii. Check the bills' calculations.
- iv. To select a high-value sample which provides materiality.
- v. To check the internal auditor's compliance.
- vi. Check adjustments to the recoverable amount from the vendors' bills.
- vii. To check that the measurement of work has been done before payment.
- viii. To check that quantities of work done are according to sanctioned estimates.
- ix. To check whether the expenditure exceeded the permissible limit of the sanctioned estimate and administrative approval and revise accordingly on time.

- x. To check all the recoveries are remitted to concerned quarters within time.
- xi. To evaluate the overall progress of the project.
- xii. Ensuring that the contractors working with government departments are registered with relevant tax agencies i.e., FBR, Sindh Revenue Board.

Checklist for Tax Management

- i. To check that all applicable taxes i.e., Income Tax, General Sales Tax, and Sindh Services Tax have been deducted at source on the prescribed rates.
- ii. To check that stamp duty has been collected against all the contract agreements.
- iii. To check that all previous recoveries of taxes have been made accordingly.

Checklist for Human Resources Management

- i. To check whether the employees are allowed only entitled pay and allowances.
- ii. To check whether the working strength of employees is according to sanctioned strength to avoid any excess payment.
- iv. To check whether a designated employee is working against the post.
- v. To check whether deductions are made from the salary of employees who avail of government facilities, i.e., official vehicles, government accommodation, etc.
- vi. To check whether due deductions are made from an employee's salary who is on leave for a long period.

Checklist for Recoveries.

- i. To ensure that water charges are recovered from the quarters concerned.
- ii. To check that recovery on account of Abiana has been recovered from the Farmers Organizations & Area Water Boards.
- iii. To check whether occupancy value and utility charges have been recovered.
- iv. To check that outstanding dues of rent from tenants have been recovered.
- v. To check external development charges have been recovered.
- vi. To check that outstanding dues against plot owners have been recovered.
- vii. To check the progress of recoveries against defaulters.
- viii. To check other miscellaneous recoveries.

13/c



Department of the Auditor-General of Pakistan
Office of the **DIRECTOR GENERAL**
Commercial Audit & Evaluation (South)
Pakistan Audit & Accounts Complex, Gulshan-e-Iqbal, Block-11, Karachi.
Phone No.021-99244753, Fax No.021-99244882

No. 427/CA&E/Brief/2024

Dated: 20-12-2024

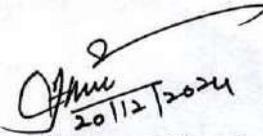
The Additional Auditor General (C&EA),
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Subject: Briefing To The Field Audit Teams Before Start Of Audit Execution

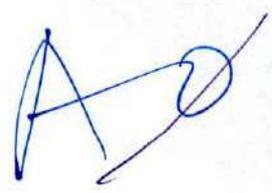
Kindly refer to your office letter No.SPS/Addl AG(Ops)/2024 dated 27-09-2024 on the subject cited above.

2. The requisite information is attached, as desired

Deputy Auditor General (C&EA)
Diary No: 1002
Date: 23-12-2024


(Nasira Parveen Khan)
Director General

Corporate Audit & Evaluation Wing
Diary No: 1456
Date: 24-12-2024




23/12/24


A024/12



SPS to Addl. AG(Ops)

Audit Checklist for Publicly Owned Enterprises

I. Introduction and Planning

- Review the audit terms of reference, ensuring alignment with statutory and contractual requirements.
- Understand the enterprise's mandate, audit objectives, scope, and timelines.
- Identify key stakeholders, including government representatives, board members, and management.
- Review prior audit reports, performance reviews, and external evaluations

II. Organizational Structure and Governance

- Assess governance frameworks, focusing on transparency, accountability, and public-sector specific requirements.
- Review the composition, independence, and effectiveness of the board of directors.
- Examine the roles of government-appointed directors or ex-officio members on the board.
- Assess risk management processes, ensuring alignment with both corporate and public interest mandates.

III. Financial Management and Performance

- Review audited financial statements for compliance with financial reporting systems and public financial management frameworks.
- Assess the enterprise's profitability, liquidity, solvency, and operational efficiency.
- Examine the adequacy and reliability of accounting systems and policies.
- Evaluate revenue streams, pricing mechanisms, and government subsidies, PSDP grants if applicable.
- Review budget performance, focusing on variance analysis and corrective measures.
- Assess dividend policies and remittances to government stakeholders.

IV. Compliance with Laws and Regulations

- Review adherence to sector-specific regulations
- Evaluate compliance with hiring laws, procurement rules.
- Assess tax compliance, including corporate taxes, and withholding tax obligations.
- Review compliance with public procurement rules and contracting procedures.
- Document non-compliance issues and assess financial or reputational risks.

V. Corporate Governance and Stakeholder Accountability

- Assess the effectiveness of the enterprise's corporate governance framework.
- Identify gaps in accountability mechanisms and recommend improvements.

VI. Risk Management and Internal Controls

- Assess the enterprise's strategic, operational, and financial risk management frameworks.
- Review internal control mechanisms over revenue, expenditures, and asset management.
- Evaluate controls over government-provided subsidies or special funds.
- Review fraud risk
- Identify internal control weaknesses

VII. Operational Performance

- Review operational efficiency in delivering goods or services.
- Evaluate the alignment of operations with government policy objectives.
- Assess the effectiveness of key performance indicators (KPIs)
- Review capital project management and implementation (e.g., delays, cost overruns).
- Identify operational roadblocks

VIII. Environmental, Social, and Governance (ESG) Compliance

- Evaluate the enterprise's compliance with environmental laws and sustainability practices.
- Review corporate social responsibility (CSR) initiatives and their alignment with community needs.
- Assess governance policies for addressing ESG risks.
- Identify deficiencies in ESG compliance and propose improvements.

IX. Follow-Up and Recommendations

- Document all audit findings, supported by evidence and analysis.
- Develop actionable recommendations and timelines for resolution.
- Engage with management to discuss findings and agree on corrective actions.
- Monitor the implementation of recommendations.
- Evaluate the effectiveness of changes implemented based on prior audit recommendations.

Instructions for Audit Teams

- Prepare by reviewing the enterprise's prior audits, industry regulations, and public mandates.
- Engage with management and government stakeholders for clarity on audit objectives.
- Ensure transparency by documenting findings clearly and maintaining a strong audit trail.
- Maintain independence and objectivity throughout the audit process.



19

17

OFFICE OF THE
DIRECTOR GENERAL AUDIT
INLAND REVENUE & CUSTOMS (SOUTH) KARACHI

No.CN/5-58/2024-25/ 357

October // , 2024

To

The Additional Auditor General (Ops)
Office of the Auditor General of Pakistan
Islamabad

Subject:

BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF THE AUDIT EXECUTION

Kindly refer to your office letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the above subject.

2. It is informed that the Field Audit Teams conduct all assignments in conformity with the prescribed Audit Manuals, Audit Code and relevant guidelines issued from time to time. However, formulating a checklist to this effect, for attaining the optimum objectives of the audit activity and profoundly fathoming the quality, would immensely contribute to a systematic evaluation of the reports produced.

3. In pursuance of the directives issued, this office would henceforth monitor the field audit activity based on the checklists embodying significant tasks concerning the Income Tax, Sales Tax, Federal Excise Duty and Customs audit.

4. The respective checklists against the various formations of the Federal Board of Revenue are enclosed for perusal as desired please.

Encl: As above.


(RASHEED AHMED KALWAR)
Director General

Additional Auditor General (Ops)
Date: 17/10/24 Diary No: 220
Time in: 24/10 Time out: _____

P1. SPK.
M. B. / x

By AG/SSA

INLAND REVENUE SERVICE (IRS)

INCOME TAX AUDIT CHECKLIST

- Computation of taxable income, giving effect to appeal orders and rectifications of orders in respect of cases related to audit.
- Assessments u/s 120, 120A, 143, 144 and 145 of the Ordinance.
- Revision of assessments u/s 122A & 122B of the Ordinance.
- Provisional assessments u/s 123 of the Ordinance.
- Best judgment assessment u/s 121 read with sub section (10) of section 177 of the Ordinance in respect of cases under audit.
- Imposition of penalty in respect of cases selected for audit, loss cases and set-aside cases, finalization of complaints of existing taxpayers and any other functions assigned to Audit Division.
- Timely compliance of filing statutory returns and statements, charge of tax on defaulting withholding agents, collection and deduction of tax at source and issuance of exemption certificates.
- Timely disposal of internal and external audit observations/objections/paras.
- Collection and recovery of taxes under Part-IV, Chapter-X of the Ordinance, and issuance of refund including refund adjustment, charge of additional tax and broadening of tax base.

SALES TAX AND FEDERAL EXCISE AUDIT CHECK LIST

- Accounting of tax receipts / tax collections.
- Review of maintenance of taxpayers' profile.
- Timely disposal of internal and external audit observations/objections/paras.
- Timely compliance of filing statutory returns.
- Identification of non/nil/short/null filers and appropriate action thereon.
- Charging of default surcharge and imposition of penalties, if required by law.
- Receipt and processing of returns, declaration, statements, profiles and issuance of various notices under the statutory provisions.
- Analysis and dissemination of information to taxpayers.
- Functioning of system soft-wares like STARR, STMS, ERS etc.
- Monitoring of collection and recoveries.
- Processing and issuance of refunds/rebates.
- Study / review of the cost of exemption/concession, their benefits to a specific sector / industries and their impact over the national economy.
- Any other function as may be assigned.

CUSTOMS AUDIT CHECKLIST

- To see that declaration of imported goods such as description of goods, brand, grade, specification, quality, quantity, and country of origin etc. are correct in light of examination report showing actual goods found.
- To see that imported goods are assessed according to section 25 of the Customs Act, 1969.
- To Identify cases of under valuation and under-invoicing.
- To see whether imported goods are correctly classified under proper PCT headings.
- To review the admissibility of exemptions/concessions in light of conditions of the respective SROs.
- To see that correct applicable rates of duty & taxes are applied as per law.
- To ensure the observance of Public Notices/Rulings of Classification Committee.
- To see that verification of genuineness of FTAs/PTAs certificates has been carried out remains un-attended/un-pursued by the MCCs in time.
- To check the authenticity of exemptions claimed in case of Sales Tax and exemptions granted in case of income tax.
- To check proper apportionment of adjustment of input tax in case of sales tax and tax liability in case of income tax.
- To see that goods are removed from bonded warehouses within stipulated period of time for manufacturing / export / local sales.
- Ensure whether warehousing surcharge is paid on assessed value at the time of in-bonding.
- To see that in manufacturing bonds, goods are imported, manufactured and exported according to analysis certificates.
- To review input output ratio determined by IOCO in comparison with other similar unit and industry norms/standards.
- To see that goods are manufactured / exported as per approved input output ratios and wastage is within permissible limit.
- To review the procedure of finalization of provisional assessment and reasons of provisional assessments.
- To see the observance of rules and laws by the Customs authorities.
- To see whether the correct differential amount has been secured through financial instruments or not.
- Ensure whether there exist any monitoring system for checking expiry of financial instrument and their re-validation.
- Ensure whether final assessment is made within stipulated time.
- Ensure the implementation of final assessment order issued by competent authority.
- To see that the recovery of dues after finalization of provisional assessment is made.
- Ensure that confiscated/ detained goods and uncleared IGM are auctioned timely and according to rules.
- Ensure that the reserved price is appraised as per rules and on genuine grounds and if revised, those are according to rules.
- Ensure that bids are accepted/rejected by the officers according to powers conferred by Customs Act, 1969.



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Office of the

Director General Audit Defence Services (South) Karachi.

252, Sirwar Shaheed Road, C.M.A Complex Saddar Karachi Ph# 021-99201661 Fax # 021-99201692

No. 1112 /A-6 /APC/Monthly Reports/DGADS(S)/2024-25

Dated 05-12-2024

To,

The Audit Officer (DSA),
O/o the Auditor General of Pakistan,
Constitution Avenue,
Islamabad.

Subject:

PROACTIVE ROLE OF DGs OF FAOs: BRIEFING TO THE FILED AUDIT TEAMS (FATS) BEFORE START OF AUDIT EXECUTION AND ENSURING QUALITY OF AIRS BEFORE ISSUANCE:

The undersigned is directed to refer to AGP office letter No F.55/DAG(DSA)/M.C/A.Y 2023-24/99 dated 13-09-2023 on the above-mentioned subject.

2. Monthly certificate of November, 2024 regarding the briefing by Director General to the Audit Teams (FATs) before proceeding for audit and discussion is enclosed as per prescribed format please.
3. This issue with the approved of Director General

JAVOID ALI TALPUR
Audit Officer (APC)

(Enclosed as above)

CERTIFICATE

(1) I held pre-departure discussion with the audit team leads who proceeded to audit the following entities/formations during 01-11-2024 to 30-11-2024. The permanent files of these entities/formations were also examined:

Regularity Audit				
S#.	Category of Audit	Formation	Date of discussion with field Audit teams	Remarks/ Instruction given to field audit teams
1	Regularity	MD Dockyard	08.11.2024	<ol style="list-style-type: none"> 1. Party heads instructed to conduct a comprehensive study of the core responsibilities of their respective units/formations. It is imperative that party heads possess a thorough understanding of the formation's functions prior to commencing the audit process. 2. Prior to initiating the audit process for a unit/formation, it is essential to review previous Audit Inspection Reports (AIRs) reports and examine the permanent files. This preliminary step ensures a well-informed approach to the audit. 3. A diligent collection of budget and expenditure records pertaining to each head of accounts operated by the unit/formation is required. This practice is essential for identifying potential areas of risk in terms of material expenditure. 4. Party heads are strongly advised to prioritize the quality of the audit over the quantity of AIR Paras. Attention to detail and accuracy is paramount. 5. Party head are requested to ensure the issuance of batch wise observations on day-to-day basis.

2) The AIRs of the following audits were issued after detailed discussion with the team leads during 01-11-2024 to 30-11-2024:

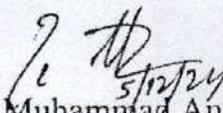
Regularity Audit/ certification Audit			
S#.	Formation	Date of discussion with field Audit teams	Remarks/ Instruction given to field audit teams
1	GE (Navy) Maint. Karsaz, Karachi	20.11.2024	1. Potential point of CTR were highlighted for Management Letter
2	GE (Navy) Central Const. Karachi	01.11.2024	
3	GE (A) Maint. Pano Aqil	01.11.2024	2. Each AIR item discussed, and direction given for specific rules/ criteria instead of quoting generalized rules in respective AIR.
4	AGE (A) Rahim Yar Khan	01.11.2024	
5	GE (Navy) Maint. Ormara	04.11.2024	
6	GE(Navy) Const Ormara I	04.11.2024	
7	GE (Navy) Const. Ormara II	06.11.2024	3. Evidence of each observation were checked, and missing evidence were asked to be attached accordingly
8	GE (Navy) East Karachi	06.11.2024	4. Major issues were highlighted and directed to be included in Part I of report.
9	GE (Navy) COMWEST Gwadar	06.11.2024	
10	HQ Army Air Defence Centre Malir	06.11.2024	5. Directives were given for change of rebuttal of management reply that should specifically be followed by the proper recommendation.
11	PN Peshawar	06.11.2024	
12	CMES ComCoast	11.11.2024	

Certificate before start of audit

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13	GE (A) Services Quetta	11.11.2024	6. directives were given for merging of similar nature of AIR items 7. All annexure/ details should be mentioned in the AIR. 8. Proposed Draft Paras (PDPs) were identified after thorough discussion with the head of the Audit team 9. AIR were further checked by the report section and referred back to Field Audit Team (FAT) for necessary amendments/ additions where necessary for earliest issuance.
14	GE (A) Services Pano Aqil	11.11.2024	
15	C.B Manora, Karachi	11.11.2024	
16	GE (A) Command & Staff College Quetta	12.11.2024	
17	Financial Attestation (CMA Karachi, CMA Quetta, CNA Karachi)	15.11.204	
18	AGE (Air) Mirpur Khas	18.11.2024	
19	CMES Comkar	18.11.2024	
20	CMH Malir, Karachi	18.11.2024	
21	GE (A)-II Malir, Karachi	28.11.2024	


(Agha Muhammad Ansar)
Director General



No.PP&FAP/Misc Correspondence/2023-24/1409

Dated: 07.10.2024

Office of the
Director General Audit Balochistan
1st Floor, Pakistan Audit and Accounts Academy, Zarghoon Road, Quetta
Ph: 081-9204973 Fax: 081-9204972

OFFICE CIRCULAR

BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

The Director General Audit has been pleased to direct all the FATs to comply with the following instructions for conducting the field work during execution phase of audit process for strict compliance in letter and spirit:

The Field Audit Teams (FATs) are responsible:

- i. To ensure that the Permanent and Planning Files are complete which provide evidence of the basis and extent of planning work performed by the audit team before proceeding for field-work;
- ii. To carry out comprehensive Risk Assessment and Desk Audit. They should also consult the Risk Assessment Proforma that has been developed. They are required to discuss the risk areas identified through Desk Audit with the Directorate General Audit before formally proceeding to field audit;
- iii. To conduct the optimum mix of tests (including compliance testing, detailed testing of transactions, testing the controls with a sample of transactions, and, substantive testing/ analysis, testing by analysis and other procedures);
- iv. To support all information presented in the audit reports with sufficient, relevant, reliable, and objective evidence in documentary, observational, physical, oral and analytical form.
- v. To perform the field audit work with due care, diligence, and proficiency;
- vi. To document Audit evidence in the working papers including work performed and findings reached (as per DAGP's Auditing Standards, Para 3.5.5).
- vii. To ensure the safe custody of the Working Papers File;
- viii. To apprise the Auditees / DDOs about the Audit Findings and AMIS and how can they respond to the initial observations / memos of FATs (in hard and through App specifically designed for them).
- ix. To report the results of the work, including individual errors, and other significant matters, to the Directorate General Audit Balochistan within the given timelines (See Annex-1 as To Do List for FATs; Annex-2 as checklist of planning file; Annex-3 as Checklist of Priority Areas; Annex-4 as Checklist of AQMF Requirements; and Annex-5 as Risk Assessment Proforma).

Additional Auditor General (Ops)

Date: 18/10/24 Diary No: 223

Time in: 10:00 Time out: _____

Director Audit Balochistan

To,

1. All Field Audit Teams (Local) of Civil and Works Audit Sides for implementation with immediate effect.

Copy forwarded for information, coordination and regular supervision to:

1. The Director Audit (Civil), O/O DG Audit Balochistan
2. The Director Audit (Works), Balochistan.
3. The Deputy Directors Audit (Civil/ Works) local.
4. All Sectional incharge officers (Local)
5. Master File.
6. Notice Board.

Copy forwarded for information to:

1. The Director, office of the Deputy Auditor General (South), Karachi.
2. The SPS to the Additional Auditor General (Operations), Office of the Auditor General of Pakistan, Islamabad with reference to their letter No. SPS/Addl. AG(Ops)/2024 dated 27.09.2024.

Enclosures: (As Below).


Director Audit Balochistan

ANNEXURE-1	TO DO LIST
	<ol style="list-style-type: none">i. Prepare the Permanent and Planning Filesii. Carry out comprehensive Risk Assessment and Desk Audit.iii. Conduct the optimum mix of testsiv. Support all information with proper evidencev. Document Audit evidence in the working papersvi. Ensure the safe custody of the Working Papers Filevii. Apprise the Auditees / DDOs about the Audit Findings and AMISviii. Report the results of the work to the Directorate General.ix. Follow DAGP Auditing Standards during field audit.x. Follow the Timelines strictly.xi. Discuss findings with DG and the Auditee before closure of Auditxii. Ensure supervision of the field work.
ANNEXURE-2	CHECKLIST ON PLANNING FILE
	<ul style="list-style-type: none">• Preparation of Planning File must contain the documentation of following forms/tools:<ul style="list-style-type: none">➤ Audit objectives and scope➤ Entity communication letter➤ Audit planning memorandum➤ Important dates➤ Tour program➤ Information requested from entity officials➤ Materiality assessment form➤ Expected aggregate error and planned precision form

	<ul style="list-style-type: none"> ➤ Audit risk assessment form ➤ Inherent risk assessment form ➤ Internal control questionnaire – control for overall environment ➤ Internal control questionnaire – general computer controls ➤ Internal control questionnaire – application controls ➤ Control risk assessment form ➤ Analytical procedures assurance form ➤ Source of audit assurance form ➤ List of applicable laws and regulations ➤ Sample selection checklist ➤ High value item selection form ➤ Key item selection form ➤ Sample sizing for tests of internal control ➤ Sample sizing for substantive tests of details ➤ Checklist of accounting estimates to be reviewed
ANNEXURE-3	CHECKLIST OF PRIORITY AREAS FOR AUDIT
	<ul style="list-style-type: none"> • Audit of Receipts • Audit of Expenditure related to Floods • Audit of Expenditure related to Public Accounts • Issues pertaining to Impact on General Public/Citizens/ Society. • Agriculture related Issues. • Critical Issues of Public Importance/ National Interest.
ANNEXURE-4	CHECKLIST OF AQMF REQUIREMENTS
	<ul style="list-style-type: none"> • Preparation of Planning File • Preparation of Permanent File: <ul style="list-style-type: none"> ➤ Form-1 Understanding Entity’s business- Status of Entity. ➤ Form-2 Understanding Entity’s business- Background Information. ➤ Form-3 Understanding Entity’s business- List of Auditable Locations. ➤ Form-4 Understanding Entity’s business- List of Bank Accounts. ➤ Form-5 Administrative & Financial Powers delegated. ➤ Form-6 External Factors ➤ Form-7 Accounting Records & Accounting System. ➤ Form-8 Key Contacts ➤ Form-9 Significant Audit areas ➤ Form-10 Significant Accounting Policies • Code of Conduct Declaration • Preparation of Execution File • Preparation of Reporting File • Quality Control Review of Execution File & Reporting File

Source:
(Federal Audit Guidelines /Financial Audit Manual/DAGP Auditing Standards/ AQMF Manual)

The following Risk Areas pointed out in the Compliance Audit Planning office of

S. No	Head of Expenditure	Budget	Expenditure	Risk/Check List	Risk (High, Medium, Low)	Applicable/ Not Applicable
1	Audit follow up			<ol style="list-style-type: none"> 1. Previous years AIRs Paras status and compliance of DAC decision 2. MFDAC Para's status 3. Non-production of record of the previous years. (DAC decision) 4. PAC Status and decisions 	Responsible	
2	Departmental Inquiries			<ol style="list-style-type: none"> 1. No. of inquiries initiated in the current year 2. No. of inquiries closed in the current year. 3. No. of inquiries pending in the current year and pervious years. 4. Compliance of inquiries decisions. 		
3	Internal Audit			<ol style="list-style-type: none"> 1. System of Internal Controls 2. Internal Audit Report 		
4	A01-Overall Employee Related Expenses			<ol style="list-style-type: none"> 1. Admissibility of Pay and Allowances as per rules arrears of pay 2. Delegation of Power 3. Supporting Voucher Documents 4. Advance M/Cycle, Car, HBA Adjustments 5. New Hiring 6. Vacant Position 7. Newspaper 8. Minutes of meeting 9. Sanctioned vs Hired 10. Vacant Position 		

211/C

				11. Sanctioned Strength 12. Working Strength 13. Senior Most 14. Rules of Promotion 15. Service Books 16. Departmental inquiries 17. ACRs 18. Promotions 19. Reconciliation		
5	A03805- Travelling Allowance			1. Delegation of Power, 2. Supporting Voucher Documents, 3. Tour Program 4. Advance TA Adjustments 5. Last FYs Liabilities Payments 6. Authorized person nominated for Tours		
6	A03806- Tarnportation of Goods			1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes		
7	A03807-P.O.L Charges			1. Detail/ Allotees of Vehicles to officials 2. Log Books/vehicle repair inventory register 3. Deductions 4. Conveyance allowance 5. Drawl of POL on Private Vehicles		
8	A03901- Stationery			1. Splitting to avoid tender 2. Stock Registers 3. issuance of stationery		
9	A03902- Printing and Publication			1. Delegation of Power, 2. Supporting Voucher Documents 3. NOC from Printing Press 4. Purpose of Printing		
10	A03905-Hire of Vehicles			1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes 4. Purpose of Hiring of Vehicle		

				5. Splitting to avoid tender		
11	A03918- Exhibition Fairs			1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes 4. Purpose of Exhibition 5. Splitting to avoid tender		
12	A0392-Others			1. Supporting Voucher Documents 2. Deduction of Taxes		
13	A03923- Security of VIP,s			1. Supporting Voucher Documents 2. Deduction of Taxes		
14	A04114- Special Grants			1. Delegation of Power, 2. Supporting Voucher Documents 3. Vouched Account of Grant 4. Purpose of Grant 5. Detail of Disbursement		
15	A05216- Financial Assistance			1. Delegation of Power, 2. Supporting Voucher Documents 3. Purpose of FA 4. Detail of Disbursement		
16	A05-Grants, Subsidies, Write offs Loans Advances/ Others			1. Delegation of Powers Relevancy, Purpose and Existence		
	A06-Transfers (Entertainment and Gifts)			1. Delegation of Powers, Existence 2. Tender system 3. Fixed Assets Statement		
17	A06301- Entertainments			1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes 4. Purpose of Entertainments Charges 5. Splitting to avoid tender		
18	A09- Expenditure on Acquiring of			1. Existence/ Recurrence Delegation of Powers 2. Tender System		

25/11

	Physical Assets			3. Subsidiary records (Stock Registers etc.) 4. Deduction of Taxes 5. Compliance with BPPRA, 2015		
19	A13-Repairs and Maintenance			1. Delegation of Powers Existence 2. Recurrence 3. Dismantled Parts 4. Compliance with BPPRA, 2015		
20	A13001-Transport			1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes 4. Purpose of Entertainments Charges 5. Splitting to avoid tender 6. Disposal of Dismantle Parts 7. NOC from the MMD Workshop 8. Compliance with BPPRA, 2015		
21	A13101-Machinery and Equipment			1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes 4. Purpose of Entertainments Charges 5. Splitting to avoid tender 6. Disposal of Dismantle Parts 7. Asset Register 8. Requisition		
22	A13201-Furniture and Fixture			1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes 4. Splitting to avoid tender 5. Disposal of Dismantle Parts 6. Asset Register 7. Requisition 8. Compliance with BPPRA, 2015		

23	A13301-Office Building			<ol style="list-style-type: none"> 1. Delegation of Power, 2. Supporting Voucher Documents 3. Deduction of Taxes 4. Splitting to avoid tender 5. Repair from the C&W department 6. Compliance with BPPRA, 2015 		
24	Illegal Bank Accounts/Single treasury accounts			<ol style="list-style-type: none"> 1. Detail of Bank to be checked and longtime balances in the account reported 		
25	Receipts			<ol style="list-style-type: none"> 1. Targets 2. Deposit in Government Treasury 3. Usher 4. Abiana 		
26	Investments			<ol style="list-style-type: none"> 1. Selection Criteria 2. Type of Investment 3. Approval Mechanism 4. Agreements 		
27	Payment through DDO			<ol style="list-style-type: none"> 1. Purpose/Nature 2. Acknowledgment Receipts 3. Interval of DDO draws 4. Open or Crossed Cheque (If crossed Susceptibility of Bank Account) 		
28	Non-surrendering of savings			<ol style="list-style-type: none"> 1. Accounting deficiencies Timely budget demand and surrenders 		
29	Excess expenditure			<ol style="list-style-type: none"> 1. Accounting deficiencies 2. Enrollment of excess staff 3. Budget demands 4. Promotions and transfers of employees 		
30	Illegal retention of public money/Grant in Aid			<ol style="list-style-type: none"> 1. Purpose of retention 2. Irregularities 3. Vouched account 4. Purpose of grant 		
31	PSDP			<ol style="list-style-type: none"> 1. Compare PSDP ongoing 		

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	Schemes: New & Ongoing Schemes			schemes with previous financial year ongoing schemes 2. Compliance of BPFM, 2019 3. Financial and Physical progress of on-going PSDP Schemes		
32	Inventory/Assets Management			1. Asset tagging/ record maintenance 2. Annual physical verification 3. Non registration of vehicles 4. Non disposal of machinery/equipment/ vehicles (not on use) 5. Vehicles is use by other offices		
33	Cash Book			1. Maintenance of Cash Book/ Budget Register 2. Reconciliation of accounts/ Departmental Figures with AG Office 3. Signature of authorized officials/officers 4. Maintenance of receipt in Cash Book		
34	Evidence in support of audit observations			1. Copies of all supporting documents 2. Reconciliation statement		
35	Tender documents of PSDP Schemes			1. Constitution of procurement committees 2. Methods of notification and advertisement 3. Response time 4. Pre-qualification of suppliers and contractors 5. Bid security 6. Bid validity 7. Evaluation criteria 8. Announcement of evaluation reports		

				<ul style="list-style-type: none"> 9. Performance security 10. Repeat orders 11. Liquidate damages 12. Integrity pact 13. Split up of schemes 		
36	Project/Scheme /Work implementation			<ul style="list-style-type: none"> 1. Feasibility study 2. PDWP/CDWP approval 3. Administrative approval 4. TS 5. PC IV 		
37	Taxes			<ul style="list-style-type: none"> 1. BSTS 2. IT 3. GST 4. Stamp duty 5. Security deposits 		
36	Construction of Building/roads schemes			<ul style="list-style-type: none"> 1. Payment of mobilization advance in accordance with standard bidding documents 2. Recovery of mobilization advance and review of bank guarantee 3. Time overrun and cost overrun 4. Review of yearly progress reports in light with PC I year-wise phasing 5. Review of consultants agreement 6. Advance payments 7. Rates of premium 8. Rate analysis 9. Comparison of market rates with CSR rates 10. Comparison of rates for supply items in different projects/schemes 11. Lab test reports 12. Comparison of quantities and rates with BOQs 13. Detailed drawings 14. Stock account of 		

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			valuable machinery 15. GST invoices of machinery		
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Note: This is a suggestive list and not exhaustive. Teams shall check the issues as well as point out other issues.

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081 -9203844-15
081 -9202987

Department of the Auditor General of Pakistan
Office of the Directorate of Audit (Local Governments),
2nd Floor Audit and Accounts Complex, Zarghoon
Road, Balochistan, Quetta

0300-3851857 A.

No. AIR/Monthly report/2024-25/361

Dated: December 05, 2024

To,

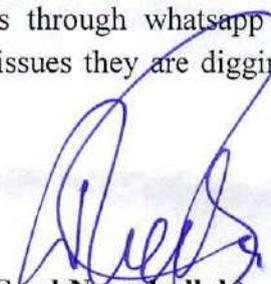
Additional Auditor General (Ops),
O/o Auditor General of Pakistan,
Audit House, Constitution Avenue,
Islamabad.

Subject:- BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT

Kindly refer to the office letter No SPS/Addl.AG (Ops)/2024 dated 27.09.2024 on the subject cited above.

2. It is submitted that currently this office provide pre-departure briefings for field audit teams.

- i. The current practice is to provide "risk assessment" of each audit entity and meeting with field audit teams prior to their audits.(Risk assessment are attached)
- ii. Risk assessment contains clear written instructions and checklists which are handed over to the audit teams.
- iii. Any new areas to be investigated by auditors beyond the checklists are communicated through "whatsup group" the aim of this group is to timely delivery the instructions to audit teams.
- iv. Various highlighted issues of public intrest and instructions/guidelines are communicated through this "whatsup group".
- v. During supervisory field visits, the undersigned check the audit process carried out by audit team and give feedback.
- vi. During execution, teams are contacted on a day to day basis through whatsapp to communicate issues that are being checked and any significant issues they are digging, along with the progress on the already identified risk areas.


(Syed Naseebullah)
Director Audit

Significant Risk Areas Municipal Committee Dera Murad Jamali

1. Employees related expenses:

- Miscalculation in determining gross/net salaries;
- Ignorance of Rules in payment of various allowances;
- Income tax calculation from salaries;
- Salaries of Contingent paid staff;
- Violation of sanctioned strength;
- Drawing of demolished/inadmissible allowances.

2. Receipts

- Collection of various taxes, fees, penalties and cattle mandi fees being a major portion of receipt area.
- Properties.
- Rent of shops, permanent property record.
- Encroachment of state land record.
- Enhancement of rents and fees at par with prevailing market rates.

3. Repair and maintenance

- Non-sanction/authorization of expenditure and non-compliance with General Financial Rules;
- Improper and incomplete supporting;
- Contract violations;
- Improper mode of payment;
- Improper (Over or under) payments.

4. Operating expenses

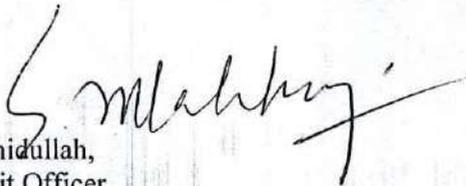
- Non-compliance with General Financial Rules;
- Irregular payments;
- Improper mode of payment;
- Improper allocation of expenses;
- Contract violations.

5. Sanitation

- Optimal use of human resources from for cleanliness and sanitation.
- Disposal of garbage.
- Disposal of solid wastes materials.
- Adaptation of Frame Work Order.

6. **Development expenditure**

- Non-compliance with Building and Roads Code, Public Works Account Code and other Standing Instructions;
- Contract violations (BPPRA rules 2014);
- Overpayments/excess payments
- Overpayment due to excess quantity then estimates;
- Overpayment due to allowing higher rates from approved estimates/CSR-2018;
- Compare the actual work done with the estimates/payments in MBs;
- Duplication of development schemes;
- Dual payment of already work done;
- Inadmissible/irrelevant item of work;
- Arithmetic errors;
- Sub-standard work;
- Non-adjustment of advances;
- Payments without work done;
- Improper and incomplete supporting;
- Physical inspection of selected development schemes;
- Identify the development Schemes which are impacting environments;
- Identify the development Schemes which are not pertaining to the domain of MC, Dera Murad Jamali ;
- Identify the change of scope of the schemes;
- Reasons for time over run/cost overrun of the schemes;
- Non/less-realization of government dues;


Shahidullah,
Audit Officer


Syed Naseebullah
Director Audit

Significant Risk Areas District Council Dera Murad Jamali

Employees related expenses:

- Miscalculation in determining gross/net salaries;
- Ignorance of Rules in payment of various allowances;
- Income tax calculation from salaries;
- Salaries of Contingent paid staff;
- Violation of sanctioned strength;
- Drawing of demolished/inadmissible allowances.

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Operating expenses

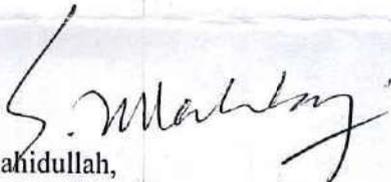
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- Improper allocation of expenses;
- Contract violations.

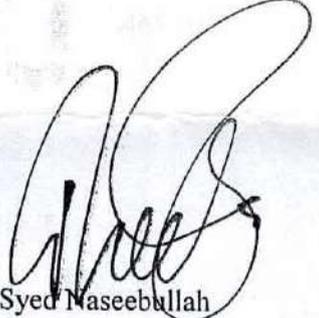
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Development expenditure

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- Payments without work done;
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- Physical inspection of selected development schemes;
- Identify the development Schemes which are impacting environments;
- Identify the development Schemes which are not pertaining to the domain of MC, Dera Murad Jamali ;
- Identify the change of scope of the schemes;
- Reasons for time over run/cost overrun of the schemes;
- Non/less-realization of government dues;


Shahidullah,
Audit Officer


Syed Naseebullah
Director Audit

Significant Risk Areas ADLG Dera Murad Jamali

Repair and maintenance

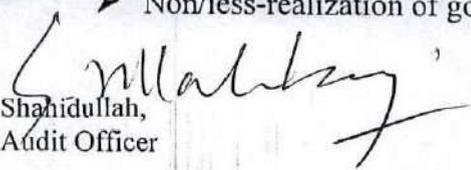
- Non-sanction/authorization of expenditure and non-compliance with General Financial Rules;
- Improper mode of payment;
- Improper (Over or under) payments.

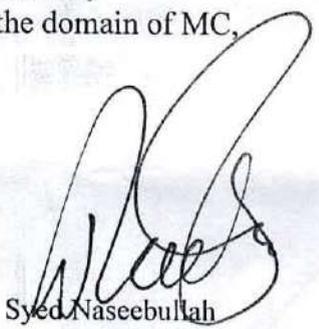
Operating expenses

- Non-compliance with General Financial Rules;
- Irregular payments;
- Improper mode of payment;
- Improper allocation of expenses;
- Contract violations.

Development expenditure

- Non-compliance with Building and Roads Code, Public Works Account Code and other Standing Instructions;
- Contract violations (BPPRA rules 2014);
- Overpayments/excess payments
- Overpayment due to excess quantity then estimates;
- Overpayment due to allowing higher rates from approved estimates/CSR-2018;
- Compare the actual work done with the estimates/payments in MBs;
- Duplication of development schemes;
- Dual payment of already work done;
- Inadmissible/irrelevant item of work;
- Arithmetic errors;
- Sub-standard work;
- Non-adjustment of advances;
- Payments without work done;
- Improper and incomplete supporting;
- Physical inspection of selected development schemes;
- Identify the development Schemes which are impacting environments;
- Identify the development Schemes which are not pertaining to the domain of MC, Dera Murad Jamali ;
- Identify the change of scope of the schemes;
- Reasons for time over run/cost overrun of the schemes;
- Non/less-realization of government dues;


Shahidullah,
Audit Officer


Syed Naseebullah
Director Audit

34-1



Office of the
Director General Audit (Punjab), Lahore
6th Floor, A.G. Office Complex, Turner Road, Lahore.
Ph # 042-9212476 Fax # 042-9210166

Ref. No. DGA/P&M/Misc.Corresp/2024-25/CD-229

Dated : 22-10-2024

To

The Additional Auditor General (Ops),
Office of the Auditor General of Pakistan,
Constitution Avenue, Islamabad.

Subject :

BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

Kindly refer to your office letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the captioned subject.

2. The "check list of Instructions" and "Things to do" has been prepared in compliance of directions contained in the above referred letter and accordingly circulated among field audit teams. The same is also enclosed with this letter as desired please.

Additional Auditor General (Ops)
Date: 25/10/24 Diary No: 257
Time in: 2:50 PM Time out: 09:45 AM

DIRECTOR GENERAL

Pl. compile all
as discussed.

briefings

AO. Coord.

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**“Check List of Instructions” / “Things to do”
for Field Audit Teams during pre-departure Briefing**

Sr. No.	Particulars	Remarks
1	Desk Audit will be performed by Audit Teams prior to field audit execution of the entities.	
2	In-depth analysis of financial data (collected from SAP and formation) by audit teams in Desk Audit before departure for audit.	
3	Inclusion of any issue / matter, highlighted on Internet, Print & Electronic Media during the period of audit in Desk Audit Report and checked accordingly during execution of audit.	
4	Analysis of previous year(s) audit Paras to check weak areas of auditee formation.	
5	Risk / Grey areas of auditee formation.	
6	Observance of relevant Rules and Regulations of the Government by the auditee formation.	
7	Observance of Austerity Measures Notifications by auditee formation.	
8	Observations duly supported with relevant evidences & record instead of assumptions.	
9	Verification of Revenue / Receipts of auditee formation.	
10	Prompt reporting of matter regarding non-production of record and/or non-cooperation by the management of auditee formation with audit team to the office for further proceedings as per SOP, already circulated.	
11	Timely intimation of any specific area / embezzlement, observed during execution of audit.	
12	Analysis of Key Performance Indicators (KPIs) / Functions of auditee formation.	
13	Linkage of previous years' affect / Paras in case of repetition of Para.	
14	In-time reporting of Critical Issues to the.	
15	Prompt intimation of Audit observation having direct impact on lives of citizens to the office.	
16	Highlighting of any audit para of low financial outlay but has long term consequences or strategic impact.	
17	Getting uptodate relevant rules from auditee formation before or during execution of audit.	
18	Strict observance of the timelines of audit and in case of requirement of extension / change in audit program then timely submission of request for any change / extension in audit program with solid reasons for prior approval.	
19	Ensure exit meetings with head of auditee formation upon closing of audit.	

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20	Ensure timely uploading of Observations / Paras on AMIS with reply of auditee formation.	
21	Prompt reporting of any area / aspect, observed during execution of audit, for inclusion in this Check List.	

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Department of
Auditor-General of Pakistan
Office of the
Director General Audit,
Local Governments, the Punjab (North),
Ground Floor, Audit Complex, Syed Mauj-e-Darya Bokhari Road,
Lahore.
Ph: 042-99210949 Fax: 042-99214704
e-mail: dgadisttgovtspb@yahoo.com

No. DGA/Local.Govts.(N)/PM&E/F-287/CD-95

Dated: 05.12.2024

To

Deputy Auditor General (Central),
Audit Complex, Mauj-e-Darya Road,
Lahore.

Subject: Proactive Role of DGs of FAOs: Briefing to the Field Audit Teams (FATs) Before Start of Audit Execution and Ensuring Quality of AIRs Before Issuance

Kindly refer to your office letter No. 466/ DAG(C)/Proactive Role/Vol-I/2023-24/372 dated 18.07.2023 on the subject cited above.

2. The requisite certificates for the month of November 2024 enclosed herewith as desired.

DIRECTOR (HQ)

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CERTIFICATE (1)

held pre-departure discussion with the audit team leads who proceeded to audit of the following entities/formations during the month of November 2024. The permanent files of these entities/formations were also examined:

S. No.	Name of Entity/ Formation	Type of Audit
NIL		

DIRECTOR (HQ)

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CERTIFICATE (2)

AIRs of the following audits were issued after detailed discussion with the team leads during the month of November 2024.

Sr No	Audit Plan Sr. No	AMIS ID	Name of Entity/Formation	Type of Audit
SARGODHA REGION				
1	98	2024-0000002342	DHQ Hospital Bhakkar	Compliance Audit
2	97	2024-0000002343	DO Health (PS) Bhakkar	Compliance Audit
3	100	2024-0000002344	THQ Hospital Kallur kot	Compliance Audit
4	101	2024-0000002345	CEO Health Khushab	Compliance Audit
5	96	2024-0000002346	CEO Health Bhakkar	Compliance Audit

DIRECTOR (HQ)



Office of
DIRECTOR GENERAL AUDIT
Local Governments Punjab (South) Multan

No. DGA-LGPS/P&C/CF-167/CD - 84

Dated: 09/10/2024

To,

The Additional Auditor General (Ops),
AGPs Chamber, office of Auditor General of Pakistan,
Islamabad.

Subject: BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

Kindly refer to your office letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024,
on the above cited subject.

2. Kindly find enclosed herewith checklist of instructions issued to field audit
teams as desired please.

Submitted please.

Encl: As above


(SHAHZAD AZIZ KHAN)
DIRECTOR GENERAL

Additional Auditor General (Ops)
Date: 10/10/24 Diary No: 198
Time in: 8:00 Time out: _____

M
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AAO (C)
11/10/24

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INSTRUCTIONS GUIDELINES FOR COMPLIANCE / CERTIFICATION AUDIT OF DISTRICT EDUCATION & HEALTH AUTHORITIES, THEMATIC AUDIT AND IMPACT AUDIT FOR THE AUDIT YEAR 2024-25

A General instructions

On the basis of scrutiny of previous year's reports, the field audit teams were sensitized about the following anomalies thereof:

- i. Names of audit formations must be same as per approved audit plan 2024-25.
- ii. Preparation and compliance of revised AQMF.
- iii. All Field Audit Teams (FATs) must ensure integrity and Code of Ethics during field audit execution.
- iv. To promptly submit cases of "Non-production of Record" during course of field audit. No such observation shall be accepted if submitted in AIR without following the notified procedure in this regard. In fact, such cases be treated as inefficiency on the part of FATs and RDAs,
- v. Specific and relevant criteria must be used in accordance with the "Condition paragraph" instead of general criteria.
- vi. Criteria must be attached with all observations. Irrelevant, vague, incomplete observations without any evidence or proper working shall not be accepted,
- vii. In case of procurement related observations, relevant contracts and evaluation reports must be attached as evidence. Proper justification must be provided in case of "splitting to avoid tender" observations,
- viii. Avoid using "names of employees" in main body of audit observations. The same may be written in annexures, where unavoidable. However, efforts must be made to use personal numbers instead. Also avoid unnecessary usage of words such as "Fraudulent" and "Embezzlement" etc. unless the same can be said with proper justification and evidence,
- ix. Uploading of audit observations on AMIS by all FATs on daily basis without fail along with complete supporting documents,
- x. Similar nature observations of an AIR must be properly clubbed during preparation of PDPs,
- xi. Due vigilance should be exercised while proposing observations as PDPs. Non significance / routine paras must not be proposed as PDPs,
- xii. CCCER model must be followed in drafting the PDPs.
- xiii. All FATs to ensure that primary focus be given to quality of observations rather than quantity. All FATs should ensure that at least 75% observations of each formation are converted to PDPs or at least 50% observations are considered worthy of Audit Report. The performance of FATs and RDAs shall be gauged accordingly,

B Financial Attest Audit

- i. Materiality amount will be 0.5% of the total population. In addition, five (05) **key-value** and seven (07) **high-value** items of each object head shall also be taken as sample.
- ii. FATs should develop an opinion regarding qualified / un-qualified report based on observations relating to accounting errors/misappropriation/ misclassification instead of mere compliance issues.
- iii. FATs to properly scrutinize and highlight:
 - a. utilization of deductions transferable to Public Account,

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- b. Tied Grants,
 - c. issues pertaining to utilization of budget,
 - d. quarterly budget releases by FD and
 - e. status of pending liabilities must be properly scrutinized and highlighted.
- iv. Payroll execution dates of June, 2024 to be considered while examining payments and pending liabilities.
- v. Strictly scrutinize all cash payments and payments of vendors / employees made through DDO cheques.
- vi. Specifically scrutinize arrears of pay & allowances and raise paras accordingly especially with reference to cases of promotions of staff.

C Compliance with Authority Audit

- i. To specifically scrutinize;
- a. Security Deposits retained by respective auditee formations,
 - b. Receipts collected, and
 - c. Internal Audit Reports where applicable during course of audit.
- ii. To analyze and highlight areas;
- a. which have direct financial or non-financial impact on the life of citizens, and
 - b. critical issues which need prompt action by management, during audit and shall submit separate reports of such audit observations to HQ for each audit.
- iii. Liabilities created during AY 2023-24 must be duly scrutinized and reported upon.
- iv. Targets based on actual data to be obtained during audit of DEAs and DHAs for Sectoral Analysis.
- v. Status of all machinery / equipment, MSDS check list of hospital be obtained from each head of office and physical verification be made accordingly to verify status.
- vi. Separate paras of pay and allowances be developed mentioning proper criteria's.
- vii. Complaints received during A.Y 2023-24 must be handed-over to FATs for scrutiny during field audit, FATs to submit annotated reply and raise para if deem fit.
- viii. Analyze cash payments and payments of vendors / employees made through DDO cheques.
- ix. All FATs must submit requisition, budget and expenditure statement and duly signed minutes of exit meeting with AIRs.
- x. RDAs to discuss all AIRs with FATs during Mid Audit Review Meetings.

D Thematic Audit

- i. Proper questionnaires must be designed and discussed prior to field audit execution in order to analyze key risk areas;

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- ii. The questionnaires must be got filled from a carefully determined number of centers as well as from mobilizers, children and the local population. Efforts must be made to ensure that an official of DEO (Literacy) must accompany FATs during their visit of centers;
- iii. RDA must consult relevant international reports and studies conducted on the subject as well as performance and special audit reports on the subject;
- iv. The statistics such as literacy, backwardness, population and out of school children etc. of the selected districts may be obtained from both Population Census of 2017 and latest Census from Pakistan Bureau of Statistics in order to analyze any improvements due to this project or otherwise.

E Impact Audit

- i. RDA Multan shall explore the rationale of establishment of Trauma Centre at DHQ Hospital, Khanewal vis-à-vis other nearby DHQ Hospitals;
- ii. RDA Multan to analyze difference between a normal emergency and Trauma Center;
- iii. Proper questionnaires must be designed and discussed prior to field audit execution in order to analyze key risk areas;
- iv. WHO guidelines for Trauma Centers may be consulted to gauge the adequacy of the selected Trauma Center;
- v. The aspects of specialized doctors for Trauma Centers must also be analyzed through the recruitments made for the purpose by scrutinizing the qualification and specialized training requirements etc.
- vi. The aspects of availability of medicines and equipment for the Trauma Center may also be explored.



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**DIRECTORATE GENERAL OF AUDIT WORKS (PROVINCIAL),
PLANNING MONITORING & EVALUATION CELL**
First Floor, A.G. Office Complex, Turner Road, Lahore
Phone:-042-99210154, PABX 042-99212175-78 Fax 042-99210175
E.mail: dgaudit_works@yahoo.com

No. DGAWPL/PM&E/Proactive Role/2024-25/168

Dated:05.12.2024

To

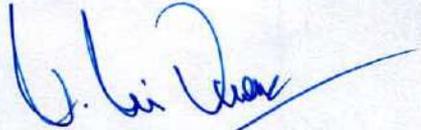
The Additional AGP (Operations),
O/o the Auditor-General of the Pakistan,
Audit House, Constitution Avenue,
Islamabad.

Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to your office letter No.SPS/Addl.A.G(Ops)/2024 dated 27.09.2024 on the subject cited above.

2. Checklist on Pre-Departure Briefings to Field Audit Teams as "Things to Do" during field audit is enclosed as desired for kind information and further guidance.

Additional Auditor General (Ops)
Date: 09-12-24 Diary No: 399
Time in: 2:30 PM Time out: 2:30 PM


(Muhammad Amir Usman)
Director General

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PRE-AUDIT BRIEFINGS

"THINGS TO DO" DURING FIELD AUDIT CHECKLIST

Sr. No.	Description
1	Compliance with Desk Audit Observations: The issue(s) highlighted in Desk Audit Report to be authenticated during audit execution of formation concerned and if established make part of AIR.
2	AQMF Proforma: Audit Quality Management Framework (AQMF) proforma be uploaded on AMIS by each member of FAT.
3	Planning Files/ Permanent Files: Planning and Permanent Files of the respective formation be uploaded on AMIS.
4	Auditing only approved sample: a) Only approved sample be audited b) Prior approval obtained in case of deviation.
5	Uploading of Findings on AMIS: Audit findings raised during field audit be uploaded on AMIS on day to day basis.
6	Physical Inspection: Physical or Site Inspection of the projects/schemes where identified in desk audit or where deemed necessary (with prior approval for DD) have been made during filed audit.
7	Time lines of AIR: AIR be submitted to main office within (7) seven days of the completion of audit of the formation.
8	Performance Audit: Performance Audit be conducted as per approved PSR.
9	Special Audit/Special Study: Special Audit/Special Study be conducted as per approved TORs.
10	Impact Audit: Impact Audit be conducted as per approved TORs.
11	Thematic Audit: Thematic Audit be conducted as per approved TORs.
12	Non-Production of Record: The case of non-production of record be timely reported to main office for further proceedings (five steps process) by the concerned section.
13	Specific Assignment: Special assignment, if any, given to FAT should be timely completed.
14	Traceability of Audit Trail: The schemes audited but no observation raised by FAT should be made part of opening para.
15	Audit of insurance coverage: Construction of contracts/projects be checked by FATs keeping in view the stipulations of National Insurance Company Limited.
16	Audit by Chartered Accountant Firm: Check that a Chartered Accountant Firm has conducted audit of the accounts/Financial Statements of the entity where required by governing rules/Acts and analyse the observations of the Auditor. (in case of Development Authorities).
17	Sectoral Guidelines: While conducting audit of an entity, a FAT is required to follow audit procedures laid down in Sectoral Guidelines issued by the OAGP in letter & spirit. Duly fill the audit checklist issued by this office. Further, following areas need to be given special attention: <ul style="list-style-type: none">- Audit of contingency (thorough)- Audit of all completed schemes.

- All final bills must be audited thoroughly.
- Detail of incomplete schemes are to be made part of audit observations.
- Sharing of risk areas.
- Audit of security deposits i.e. reconciliation of deposited securities, inward and outward flow of securities and premature release of securities.

18 HR/Employee related expenses:

A Field Audit Team must focus on the following areas while conducting audit of HR/employee related expenses:

- Check that proper particulars are entered in Audit Register for Gazetted Officer and in Scale Audit Register for Non-Gazetted Officer.
- Check that Office order or Establishment order for new appointment is issued by concerned head of department and amount is paid according to said order and entitlement in A.R.
- Check that Payroll Officer prepares Monthly Schedule of Employees latest by 26th of each month and Approved by Supervising Payroll Officer.
- Check that payment to employees is reconciled with concerned department.
- Check that proper personal files of all the officers with all necessary particulars are maintained.
- Check that Service Book are maintained for Non-Gazetted Officer and certified by DDO.
- Conduct a reconciliation (and/or check a batch of transactions) between {Direct Credit Advice /Payroll Advice/DDO monthly statement} and monthly schedule of Employees' Salaries and Compilation Sheet.
- Check that the deductions are correct (according to the GP Fund / the income Tax Ordinance, 2001 and as modified from time to time / other deductions in accordance with rules and regulations governing deductions such as rent deductions, loans and advances / etc.)
- Check that the amount of the first payment was correct according to the joining date of the new employees and according to their Payroll Register.
- Check that the amount of the last payment was correct according to the date of last day of employment in section and according to their Payroll Register – compare pay slips with Last Pay slip Certificate issued.
- Adhoc Relief Allowances
- Special Additional Allowance
- Special Allowance
- Special Relief Allowance
- Superannuation Age
- Annual Increments
- Dearness Allowance
- Entertainment Orderly and Senior Post Allowances

19 Audit of Receipt:

- All the revenue should have been realized in public ex-chequer through G10408 to ensure the proper deposit in relevant head of account.

- All the rules and procedures have been properly adopted that ensure feasible assessment, collection and allocation of revenue.
- Check that receipt vouchers are pre audited.
- Check that revenue receipts from different sources have been incorporated in the monthly accounts.
- Check that realization of all receipts as per contract which includes Sale of Plots, Toll collection, Sale of Tenders and Rent of Buildings etc.
- Check that due revenues are collected.

20 **Audit of Public Account:**

Audit of public accounts be carried out in addition to consolidated fund (where applicable).

- Check clearing heads i.e. G10113 and G10408 have been directly debited against cash.
- Check and compare Form-34 with PWD deposit register.
- Check the accuracy and completeness of the security deposit register by comparing its recorded/booked entries through SAP under respective partner profit center.
- Check and compare the vouchers, alongwith Form-II against the relevant expenditure data recorded in SAP.

Accounts Compilation

- Preparation of budget and its approval
- Preparation of financial statements of the projects
- Operation of Bank Accounts
- Accounting for foreign currency transactions and interest payments
- Accounts prepared on prescribed proforma
- Reconciliation with SAP

Cash Books

- Check that no page was missing
- Check that no page count certificate is properly recorded by the SDO/XEN.
- Check that all cheques were entered in the cash book.
- Check that all receipts were entered in the cash book.
- Check that no fluid / eraser was used
- Check that all cutting was attested by SDO/XENs
- Check that no page of cash book was left blank
- Check that cashbook was closed at the end of the month
- Check that calculation / total were correct
- Check that closing balances were correctly brought forwarded.

Cheque Books

- Check that no cheques were missing
- Check that all cheques were serial numbered

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- Check that counter foils were intact
- Check that amount of counterfoils tallies with the amount entered in the cash books and in bank scrolls
- Check that all cancelled cheques were available
- Check that entries of cancelled/lost/expired cheques were made on counterfoil
- Check that cheques issued in lieu of cancelled cheques

21 **Procurement:**
A Field Audit Team must focus on the following areas while conducting audit of Procurement:

- **Existence and Occurrence**
 - Documentation (purchase order/purchase authorization/invoice/delivery receipt and receiving documentations)
 - Entry in inventory register.
 - Payments for product/material enter into ledger for current year.
- **Completeness**
 - Reconcile total expenditures on product/material with the amount recorded in the ledger.
 - Check that all material recorded as acquired in the year are charged against that year.
- **Measurements**
 - Check that the measurements were made in proper document/measurement books.
 - Check that goods were received as per order and paid for what was received. Identify any short fall by comparing purchase order and good received note.
 - Check that the invoices and payments have applied proper prices and include correct freight charges if applicable.
 - Check that advance payments have been reflected in the invoice and correspondingly deducted from payment.
 - Check arithmetical accuracy.
 - Check applicable guarantees, service support.
 - Check that no payments were made for maintenance/replacement parts that were covered by warranties.
- **Regularity**
 - Check that the acquisition process and the size of the purchase is within the authority limit of the authorizing officer.
 - Check the expenditure was consistent with the nature of the appropriation to which it was charged.
 - Check that in all major respects, the laws, regulations, rules and policies to the acquisition are complied with.
- **Monitoring and Maintenance**
 - Examine the facilities for handling of equipment.
 - Check whether the maintenance of equipment records are sufficient to safeguarded the inventory.

22 **Planning and Contract Awarding:**
A Field Audit Team must focus on the following areas while conducting audit of Planning and Contract Awarding:

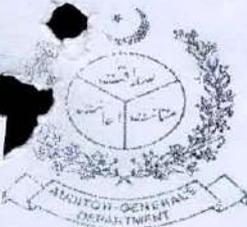
	<ul style="list-style-type: none">➤ Award of contract without availability of land/site of work➤ Award of work without approval of drawing/design & specifications➤ Award of contract without administrative approval/technical sanctioned estimate➤ Application of incorrect schedule rates and non-scheduled rates in TSE and without preparation and approval of non-standardized items➤ Tendering➤ Bid Evaluation➤ Non-transparency in tendering of works and appointment of consultant
23	<p>Work Charge Establishment:</p> <p>A Field Audit Team must focus on the following areas while conducting audit of work charge establishment:</p> <ul style="list-style-type: none">➤ Check that the press advertisement for appointment of work charge establishment/employees.➤ Check that the rates of pay approved by the Government for the classes of work charge establishment are not exceeded.➤ Check that employees under work charged establishment who are generally paid at monthly rates of pay should not to be paid as daily labours with a view to infringe the rules governing the pay of such establishment.➤ Check that the work charge employees/establishment is discontinued after specified time (89 days).➤ Check whether the engagement of work charge establishment has been discontinued or not after the completion of a work for which this establishment was enrolled.➤ Check that the work charge establishment has not been assigned the duties of permanent staff.➤ Check the payment is being made on muster roll to the work charge establishment with all codal formalities.➤ Check the execution work by work charge establishment according to their nature of duty.➤ Check that the expenditure is charged to proper head of account with correct amount in the relevant period.
24	<p>Contract Implementation/Execution:</p> <p>A Field Audit Team must focus on the following areas while conducting audit of Contract Implementation/Execution:</p> <ul style="list-style-type: none">➤ Execution<ul style="list-style-type: none">● Check that work was started within the time mentioned in acceptance letter.● Check that performance bonds were obtained within time period.● Check that the work was executed as per scope of approved work by the competent authority as provided in administrative approval/TSE.➤ Variation/change orders in original contract/work orders<ul style="list-style-type: none">● Check that the variations/deviation from approved scope was made as per requirements.

	<ul style="list-style-type: none">• Check variation was recommended by the engineer (nominated consultant) of the contract.• Check that the variation order is approved by the competent authority.➤ Measurement of works<ul style="list-style-type: none">• Check the measurement book and Check that the measurements were recorded in chronological order.• Identify the cases of excess measurement from the measurement book and check proper action has been taken against the responsible officers/officials.• Check that detail measurements were recorded in the M.B.➤ Undue benefit to the contractors<ul style="list-style-type: none">• Check contract agreement and compare it with measurements recorded in the measurement book and payment vouchers through which payment was made to the contractors.• In case of any deviation from the contract agreement, record the instances and probe into the matter.➤ Escalation claim of the contractors<ul style="list-style-type: none">• Check escalation provisions of the contract agreement/instructions of FD and compare with the payment escalation.• Check the current rate/base rates of materials provided in the agreement for escalation purpose.➤ Payments<ul style="list-style-type: none">• Check vouchers passed/payment made by SDO was pre- audited by DAO.• Check that necessary deductions were made from the contractor's payments.• Check that paid voucher amount or its part, in case placed in suspense head Misc. P.W. advances as recoverable from departmental officials was as per rules and its adjustment/recovery made within financial years as per budget manual.• Check that paid voucher for release of security deposit was prepared after the maturity period or amount released against bank guarantee as per agreement clause. Equal amount in deposit was available in P.W. Deposit.• Check that expenditure was within the budgetary allocations/funds released.• Check that paid vouchers entered in the cash book.• Payments made were acknowledged by the contractors.• Check secured advance payment against indenture bond, on the certificate of SDO and recovered with interest in case of contractors default.• Check voucher for advance payment of work done but not measured as per laid down instructions.• Check rates / quantity in vouchers correctly paid i.e. as per contract/ Market Rate System / Schedule of Rates.• Check muster roll/Casual labor rolls against proper appointment and against provision in TSE.• Check that Financial Statement on RTSE/Final or last bill prepared and recovery of imbalance rates made.• Check recovery of minus final/running bill made.• Check that payment charged to proper head of account.
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	<ul style="list-style-type: none">• Check that entries of temporary advance/imprest and their adjustment were correctly made.➤ Check the violation of contract specification/design.➤ Check the work schedule with actual progress of work.➤ Check delay in execution of contract.➤ In case of non compliance with the terms and condition of the contract Check the contractor was penalized in accordance with the provisions of the contract.➤ Check payment of advances, mobilization advance, secured advance.➤ Check recovery/adjustment of loans and advances to contractors/suppliers/ departments.➤ Check the authenticity of performance bonds/bank guarantees being submitted by the contractors/suppliers.➤ Check encashment of performance bonds/bank guarantee.➤ Check the maintenance of security deposits (reconciliation, inward & outward flow and premature release of securities)➤ Check the actual deduction of all government taxes.
25	<p>Contract Completion</p> <ul style="list-style-type: none">➤ Civil Works (Development Work/Repair and Maintenance)<ul style="list-style-type: none">• Check that PC-IV prepared and submitted to competent authority• Check that defect liability period has been successfully completed• Check that performance security and security deposit are released after the expiry of defect liability period• Check that no claim of the contractor is pending against the project• Check that accounts of the project have been finalized• Check completion certificate is issued by the concerned client department/engineer incharge• Check that TSE is according to yardstick of annual M&R for road and building and without provision of contingencies
26	<p>Assets Management</p> <p>A Field Audit Team must focus on the following areas while conducting audit of Assets of an entity:</p> <ul style="list-style-type: none">➤ Fixed Asset Register➤ Physical verification➤ Fixed Asset Addition➤ Fixed Asset Deletion (Disposal)➤ Depreciation Fixed Assets➤ Revaluation of Fixed Assets➤ Ownership of Fixed Assets➤ Land Acquisition➤ Reporting

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Department of the Auditor General of Pakistan
Office Of The
DIRECTOR GENERAL
AUDIT POSTAL & TELECOMMUNICATION SERVICES
(P&TS)

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No..F-Coord/Return/Proactive role of DGs of FAOs/2024-25/173 Dated: 07 .10.2024

To,
The Additional Auditor General (Ops),
O/o the Auditor General of Pakistan,
Constitution Avenue, Islamabad.

Handwritten notes: *copy No. CO-52*

Subject: **BRIEFING TO THE FILED AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to your office letter No.SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the above subject.

2. This office has developed an extensive checklist (entity wise) based on the audit risk identified/assessed during the course of the previous Audits and the planning of Audit 2024-25 (copy enclosed). Further, all inspecting officers are issued general instructions at the time of proceeding on audit in addition to the verbal briefings of the Director General. The general instructions are based on the directions of the office of the Auditor-General, request from the entities, public complaints and media reports (copy enclosed).

3. However, this office has noted the directions contained in the letter issued by the worthy Additional Auditor General, Operations for compliance.

Encl: As above

Additional Auditor General (Ops)
Date: 10/10/24 Diary No: 197
Time in: 3:00 Time out:

Handwritten signature: *SMS*
Handwritten signature: *[Signature]*
Director General

CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF PAKISTAN POST OFFICE DEPARTMENT (PPOD)

Audit procedures	Done By	WP Ref
<p><u>Preparation and approval of budget</u></p> <ul style="list-style-type: none">• Check that the budget has been prepared on the standard format and approved by the competent authority.• Examine the prudence of budgetary allocations according to requirement.• See that appropriations and re-appropriations have been made in accordance with rules and delegation of powers• Examine that expenditure in excess of the approved budget has been regularized through supplementary grant.• Check that expenditure under R&R Fund has been properly classified/charged and sanction of the competent authority is to incur expenditure is available.• Examine that no ineligible expenditure has been incurred.		
<p><u>Project Management</u></p> <ul style="list-style-type: none">• Check the need assessment of the project.• Check that feasibility study of the project was carried out.• Check that the project was approved by the competent forum.• See that funds were allocated and released to the project.• See that the funds were placed/released in the relevant bank account.• Examine that right human resource was hired for the right job at right time with right quality and quantity.• Examine that goods and services required for the project were procured prudently, transparently and in accordance with the procurement rules.• Check that stores were entered in the stock register and inventory management has been ensured.• Check the financial propriety in the procurement process.• Check that Contracts were awarded after due process.• See that terms and conditions of contract were clear, definite and abided by both the parties etc• Check that estimates prepared were accurate and execution of civil works was carried out as per Pak PWD Schedule of Rates, 2012.		

Audit procedures	Done By	WP Ref
<ul style="list-style-type: none"> • Check that expenditure on building works was charged to proper head of accounts i.e. Capital, R&R Fund and Repair & maintenance. • See that the physical assets were properly capitalized. • See that taxes were deducted according to the prescribed rules and rates. • See that the project was timely completed and no irregular extension of time was granted. • Examine that no unauthorized escalation was granted. • Examine that mobilization/secured advances were properly adjusted/recovered. • See that the work done in civil works was entered in MBs. • See that no excess quantities were executed and paid. • See that the concerned officials had certified the specification and completion of the works. • Examine that liquidated damages were imposed on the suppliers/contractors in case of delayed completion of works. 		
<p>Procurements</p>		
<ul style="list-style-type: none"> • Examine that goods and services have been procured prudently, transparently and in accordance with the procurement rules. • Check that stores have been entered in the stock register and inventory management has been ensured. • Check the financial propriety in the procurement process. • Contracts have been awarded after due process. • See that terms and conditions of contract are clear, definite and have been abided by both the parties etc • Check that procurements were made as per available budget. • Examine the procurements of mail bags, uniforms, IT Equipment and physical assets through PPF & others. • Examine that medicines were purchased on the basis of generic names instead of brand names. • The purchase of medicines was evaluated by a specified committee of Doctors and Pharmacists etc. • Ascertain that no undue advantage was granted to a particular brand or supplier through clauses in the bidding documents. 		
<ul style="list-style-type: none"> • See the adequate availability of cold medicine storage. • See that medicines were purchased from DRAP-approved 		

Audit procedures	Done By	WP Ref
<p>pharmaceutical companies</p> <ul style="list-style-type: none">• Examine and ensure that the medicines purchased had an expiry period of more than one year. <p>Cash management and payment vouchers</p> <ul style="list-style-type: none">• Check that operations of Agency functions of PPOD after new cash management regime were as per procedures, rules & regulations specified by the Finance Division.• See that the existing accounting policies and procedures were updated and revised as required by the new cash management regime and reconciliation with respective quarters was carried out in a timely manner.• See that funds withdrawal through the old system of Letter of Credit was discontinued.• Check that the treasurer's cash book /pass book were properly maintained and signed by the authorizing officer on daily basis.• Examine that the payment/receipt vouchers were prepared and signed by the authorized officer and were accompanied by specific approval of the competent authority and supported by the relevant documents.• See that all payment/receipt vouchers were entered in the relevant registers/ledgers.• Check that all cheques received stood entered in the cheques register and cleared in a timely manner.• Examine that all payments to contractors/suppliers were made through cheques.• Ascertain that no un-authorized payments were made on paper chits.• See that stamps balance were made part of the cash balance at the end of the day. <p>Remittances</p> <ul style="list-style-type: none">• Check that remittance of stamps was prepared by Post Master of a GPO against another GPO.• Check that complete details and amounts are given in the remittance advices.		

Audit procedures	Done By	WP Ref
<ul style="list-style-type: none"> • Examine that a copy of remittance advice is sent to Director Accounts, PPO with monthly cash account. • See that remittance advice is accepted by the receiving officer and signed with office seal. • Check that information regarding accepted remittances was sent to Director Accounts, PPO with monthly cash account. • Examine that remittance acknowledged was checked and pasted with the counterfoil in the remitting office. • See that the acknowledged remittance was duly signed by the Post Master after verification and amount acknowledged was the source of debit raised. • Check that all the remittance advices were acknowledged before the closure of accounts on 30th June. • Ensure that justification of unacknowledged remittances after the end of the year was obtained. • Check that remittances made/received (acknowledged) were properly shown in cash account concerned. 		
<p>Compilation of Accounts</p> <ul style="list-style-type: none"> • Check that compilation of accounts was made in accordance with Chart of Accounts (COA) adapted from NAM & Financial Statements were prepared in accordance with the applicable laws and accounting standards. • Examine that all postal receipts (postage, commission & others) were compiled in AB&Z statement. • See that the receipts and budgeted expenditures were pre-audited by the AGPR/DAPPO. • Ensure that proper reconciliation of receipts and expenditure was made with concerned quarters on monthly basis. 		
<p>Operation of bank accounts</p> <ul style="list-style-type: none"> • Check that the bank accounts were opened with the prior approval of Finance Division and were operated in accordance with the prevailing government policies. • Examine that accounts were opened only with State Bank / 		

Audit procedures	Done By	WP Ref
<p>National Bank of Pakistan.</p> <ul style="list-style-type: none">• See that monthly bank reconciliation statement was prepared and differences were identified.		
<p>Human Resources</p> <ul style="list-style-type: none">• See that approved sanctioned was notified.• Examine that no recruitment excess than sanctioned strength was made.• Check that recruitments were made as per approved rules.• See that no inadmissible allowances were paid to the postal employees.• Examine that no irregular promotions were made.• Check that the manpower held was according to requirement and was utilized efficiently. <p>Performance Evaluation</p> <ul style="list-style-type: none">• Check the targets and their achievement.• Check the initiatives of PPOD to explore alternate avenues of revenue and its outcome. <p>Embezzlement, overpayments, misappropriation and misuse of funds</p> <ul style="list-style-type: none">• Check that cases of losses and frauds were properly reported and maintained in a separate register.• See that statement of loss & fraud cases submitted to the circle office and the DA PPO periodically.• See that FIRs were registered in cases where recoveries had not been made. Check that any fraud/loss occurred during the period had been immediately reported to the DG Audit/DA PPO and circle office.• Check that requisite inquiries had been initiated against the accused and reports had been submitted to the concerned authorities.• Check that all losses and frauds had been posted in the objection		

Audit procedures	Done By	WP Ref
<p>book to watch recoveries.</p> <ul style="list-style-type: none"> • Check that recoveries made in this regard had been posted and the register updated accordingly. • Check that sub-judice matters were being pursued vigorously in the courts of law. <p>Media Reports & Complaints</p> <ul style="list-style-type: none"> • Check the issues highlighted in the media. • Check that complaints received through PM Portal or any other medium were disposed of properly. 		
<p>Working/Operating Expenses</p> <ul style="list-style-type: none"> • Check budget allotment and observe that no excess expenditure was incurred without allotment. • Check sanction of unit officer as per delegation of powers. • Check that the expenditure was properly classified. • Check that payments were made to correct payees and acknowledgment of payees were received. • Check that contingent charges were paid from the budget grant of the same year. • Check that the expenditure was sanctioned by the competent authority. • Check recording in contingent register with all particulars of bill, sanction authority & amount date Sl.No and name of officer. • Check progressive total of each entry of sanctioned expenditure. • Check that the sanction of the PMG was obtained for payment of rent of buildings. • Check that payments were duly entered in the treasurer cash book. • Check that invoice/bill was available in the sanction/payment file. • Check that invoices/bills were defaced properly to prevent double/fraudulent payment. 		

Audit procedures	Done By	WP Ref
<ul style="list-style-type: none"> • Check that rejected claims/payments were highlighted in the contingent registers and were duly recovered. 		
Advances		
<p>TA/DA advance</p> <ul style="list-style-type: none"> • Check that proper sanction for the grant of advance was accorded as per rules. • Check that copy of tour programme approved by competent authority was available in the record. • Check that adjustment was made against TA bills submitted by the officers/officials concerned on completion of journey. • Check that no previous TA/DA advance was outstanding against the officers/officials. • Check that TA advance was shown in the LPC in case of transfer of the officers/officials. • Check that TA advances were adjusted/recovered before the close of the financial year. • Check that the amount of advance was entered in the TA/DA advance register and in case of adjustment/ recovery, full particulars were recorded. • Check that every adjustment/recovery was verified by the authorized officer. <p>Emergent Advance</p> <ul style="list-style-type: none"> • Check that the advance was sanctioned by the head of the circle. • Check that the advance was sanctioned for the specific work allowed in rules. • Check that the adjustment was made before the close of the financial year. • Check that no previous advance was outstanding against the officer. • Check that advance was issued against the head of the unit. 		

Audit procedures	Done By	WP Ref
<ul style="list-style-type: none"> • Check that advance was adjusted against the bill. • Check that the amount of advance was entered in the emergent advance register and in case of adjustment/ recovery, full particulars were recorded. • Check that every adjustment/recovery was verified by authorized officer. 		
<p>GPF advance</p> <ul style="list-style-type: none"> • Check that application for the grant of advance was available in the file. • Check that balance slip was issued by the DA PPO Lahore. • Check that balance slip of the class IV was properly maintained by the head of the office. • Check that the payment was not made beyond 80% of the available balance under the age limit of 50. • Check that advance was sanctioned by the competent authority. • Check that payment was made to the concerned officer/ official. • Check that proper receipt was obtained at the time of payment. • Check that in case of GPF advance refundable, a control record was maintained to watch the recovery as per sanctioned authority. • Check that in case of non-refundable advance, zakat was deducted at the prescribed rate and in case of exemption of Zakat, declaration to this effect was available. • Check that interest on the refundable advance was calculated and deducted. 		
<p>House Building/Motorcar/Motorcycle advance</p> <ul style="list-style-type: none"> • Check that the application for the grant of advance was available in the file and seniority register was maintained. • Check that sufficient budget was available in the proper head of account. 		

Audit procedures	Done By	WP Ref
<ul style="list-style-type: none">• Check that advance was given after the completion of prescribed length of service.• Check that the advance was adjusted before the retirement.• Check that full amount of advance was granted at one time instead of in piecemeal manner.• Check that the mortgage deed was executed.• Check that the 2nd advance was not admissible before the clearance of 1st advance.• Check that the advance was not sanctioned beyond the prescribed limit.• Check that advance was sanctioned by the competent authority.• Check that payment was made to the concerned officer/ official.• Check that proper receipt was obtained at the time of payment.• Check that recovery and retrenchment registers were maintained to watch the recovery as per sanctioned authority.• Check that interest was calculated at the prescribed rate on completion of the recovery.• Check that the interest was recovered regularly.• Check that interest recovery was classified under proper Head of Account.• Check that in case of transfer, the outstanding amount was recorded in the LPC and copy was endorsed to DA PPO, Lahore.		
Postal Receipts		
Sale of Postage Stamps <ul style="list-style-type: none">• Check that sufficient balance of Postage Stamps of all kind of denominations was available in stock.• Check that the indent for supply of stamps was sent in time.• Check that the stamps received were according to requisition and		

Audit procedures	Done By	WP Ref
<p>nominations from the zonal offices were entered in stock register as well as balance enhanced in head office summary.</p> <ul style="list-style-type: none"> • Check that the sale of stamps was properly recorded in the stock register and balance was reduced accordingly. • Check that the balance of stamps was available within the stipulated minimum and maximum limits. • Check that the daily balance was verified by authorized officer. • Check that Franking machines receipts were entered under head of PRC. • Observe that Franking machines issued were properly recorded and log books of all franking machines were maintained by the GPO and the firm. Balances were compared periodically and updated regularly. • Observe that franking machines were inspected periodically. • Check that franking machines were filled on the demand of firm after receipt of the cash. • Check that the inspection report of the franking machines issued to firms was made properly. • Check that stamps sent to sub offices were properly noted in the respective register. • Check that daily sale of sub office was included in daily cash account and head office summary/sub office summary. • See that Stamps received from other offices were included in stock register. • Check that stamps demanded from other offices were properly justified. • Check that the booking receipt issued against postage realized in cash on account of postage, parcel etc. was in accordance with the article booked. • Check that PRC on account of bulk post of other departments/banks /PTCL etc. were deposited in treasury and entered in the cash book/head office summary/SO summary. • Check that PRC on account of parcel fee charges etc. were 		

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Audit procedures	Done By	WP Ref
<p>deposited into treasury and entered in the cash book/head office summary /SO summary.</p> <ul style="list-style-type: none">• Check that cheques received against PRC were entered in the cheques register/cashbook/HO summary/SO summary.• Check that dishonored cheques of PRC were reversed in the receipts and returned to the authority for claim of credit. <p>Money orders</p> <ul style="list-style-type: none">• Check that record of booking of money orders was properly maintained.• Check that commission on booking of money orders was charged as per prescribed rates.• Check that the booked money orders were issued to the concerned quarters well in time.• Check that the value and commission of money orders were correctly shown in the daily schedules and taken into daily accounts.• Check that sufficient balance of money order forms was available in stock.• Check that the charges of urgent money orders were properly calculated.• Check that urgent money orders were issued immediately.• Check that staff for booking of money orders was available on the counters.• Check that the commission and fee were properly recorded in the accounts.• Check that the facility of fax money orders was available and working properly.• Check that fax money orders were issued on the same day.• Check that the commission on fax money orders was calculated at prescribed rates.		

Audit procedures	Done By	WP Ref
<p>Digital Franchised Post Offices</p> <ul style="list-style-type: none"> • Check the operation of Digital Franchise Post Offices as per terms and conditions of the agreement <p>Other receipts</p> <ul style="list-style-type: none"> • Check that the record of other receipts was properly maintained. • Check that the recoveries were properly shown in the recovery registers and schedules. • Check that all receipts shown in AB&Z statement are properly documented. 		
<p>Pakistan Postal Order/Postal Draft Service</p> <p>Sale</p> <ul style="list-style-type: none"> • Check that all postal orders were in serial and books were in series. • Check that stock register on form MO 60 was maintained for receipt & issuance of PPO. • Check that Stock register of PPO was checked by the PM daily. • Check that a clear impression of stamp for date and year was ensured. • Check that the face value and commission was recovered from the purchaser of PPO. • Check that list of sold PPO bearing total number, value and commission of each denomination was entered and supplied to DA PPO. • Check that in case of lost/theft, the value and commission was recovered from the person held responsible under intimation to DA PPO. <p>Payment</p> <ul style="list-style-type: none"> • Check that PPO was presented for payment along with its counterfoil. • Check that PPO was made payable at the office at which it was presented. 		

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Audit procedures	Done By	WP Ref
<ul style="list-style-type: none">• Check that payee or agent was known to PM/PO staff• Check that PPO was genuine and did not bear alternative of date/amount or defaced/cut by any mean.• Check that PPO was bearing round MO stamp and sign of PM of issuing post office.• Check that PPO was presented for payment within six months of issue date.• Check that second commission was charged on PPO remitted after six months and before due year of issue date.• Check that PPO was forfeited after issuance of one year and PPO of Defence Services after two years.• Check that a journal was prepared for paid PPOs bearing value of PPO, Nos of AASS duly verified/signed by PM and submitted to DA PPO Lahore.		
Refund of Miscellaneous Charges <ul style="list-style-type: none">• Check refund of receipts/postage/compensation for losses fires, insured articles etc.• Check that refund was on demand and to the authorized claimant.• Check that proper sanction was obtained from authorized office.• Check that amount refunded after lapse of the financial year was authorized by the audit office.• Check that the amount refunded was actually received and deposited in the accounts.• Check that every claim/application for refund was affixed with a prescribed stamp.		
Consolidated treasury receipts		
<ul style="list-style-type: none">• Check that Form ACG 9 and 10 were prepared and available.• Check that all cheques/cash deposited in treasury were entered in CTR Form ACG 9.• Check that treasury officer had returned CTR after verification by the 10th of each month.		

Audit procedures	Done By	WP Ref
<ul style="list-style-type: none"> • Check that verified CTR was submitted to DA PPO Lahore for each month. • Check that DA PPO Lahore received verified CTR from GPOs and matched the same with inward account received through civil account offices (6 AGPRs). • Observe that outstanding amounts in the CTR not verified in a certain month were verified in the next month. • Check that figures of CTR were agreed with figures of cash account of that month. • Check that treasury pass book was maintained properly and figures of CTR forms agreed with the treasury pass book figures. 		
Agency Functions		
<p>Military Pension Payment</p> <ul style="list-style-type: none"> • Check that all Pension Payment Orders (PPOs) were available against which pension was drawn. • Check that Pension Payment Order was issued by the competent authority. • Check that Pension Payment Order was verified by the issuing authority. • Check that increases were allowed according to the notification of Finance Division. • Check that increases were verified by authorized officials. • Check that Pension payment was made to the pensioner after necessary verification. • Check that in case of death, family pension cases were approved by the competent authority. • Check that in case of overpayment, recovery was made properly. • Check that PSB 7/8 was signed / witnessed properly by the pensioner while drawing pension. • Check that pension payment especially in GPOs was not audited in the last 5 years. • Check the progress on conversion of military pensioners to Direct Credit System (DCS). <p>Provincial taxes (<i>Driving and Arms licenses, motor vehicle registration, motor vehicle fitness certificates and route permit stamps</i>)</p>		

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Audit procedures	Done By	WP Ref
<ul style="list-style-type: none">• Check that licenses were renewed on prescribed basis.• Check that a defaulter list was prepared and sent to the concerned quarters.• Check that fee/tax collected was levied according to prescribed rates.• Check that income tax was deducted and remitted to concerned authorities.• Check that PT stamps were exchanged properly at the close of calendar year.• Check that service charges were deducted on the remittances and deposited to FBR.• Check that in case of collection of token tax, fee and income tax of the motor vehicles, the receipt in proper form was issued to the owner of the vehicle and recorded in the ledgers.• Check that the ledgers were maintained properly.• Check that the penalty in case of late renewal was recovered.• Check that the collected amount was transferred to concerned provincial departments after deduction of service charges.• Check that PT stamps were purchased according to requirement.• Check that the renewal was made in prescribed period and in case of delay, proper approval of competent authority was obtained.• Check that the service charges were deducted and shown in the schedules.• Check that the proper internal control was effectively applied at the time of issuance of PT stamps to sub offices.• Check that the daily balance was shown in the head office summary.		
Collection of utility bills <ul style="list-style-type: none">• Check that the amount and due date was checked by the collecting clerk.		

Audit procedures	Done By	WP Ref
<ul style="list-style-type: none"> • Check that utility bill was date stamped with cash receipt. • Check that B & C stubs were detached from the bill and duly stamped stub A was returned to the depositor. • Check that procedure circulated by the DG PPO for collection and accounting of utility bills collection was followed properly. • Check that daily collection was entered in treasurer cash book, HO/SO summary and cash receipt journal. • Check that commercial/industrial utility bills were not accepted after due date. • Check that collection of utility bills of electricity, telephone, sui gas and WASA were classified correctly. • Check that Commission calculated was compared in the monthly returns submitted to the DAPPO and controlling GPO. • Check that the collected amount was deposited to the concerned company and reconciled. 		
<p>Chief Controller of Stamps</p> <ul style="list-style-type: none"> • Check that the establishment of Chief Controller of Stamps was approved by the competent authority. • Check that the working strength was according to the sanctioned strength. • Check that the indents for printing of non-postal stamps and judicial papers were received from the Federal/Provincial departments in time and printing was made according to the requirements. • Check that the printing was made from the Pakistan Security Printing Press, Karachi. • Check that the debit bills were raised to all the departments after the close of financial year. • Check that the service/printing charges were recovered from the concerned departments. • Check that non postal stamps were deposited in the treasury. 		

CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF POSTAL LIFE INSURANCE COMPANY LIMITED (PLICL)

POSTAL LIFE INSURANCE COMPANY LIMITED (PLICL)

Financial Management

- Check the valuation of liabilities.
- Check the transfer of assets and liabilities of the company from PPOD to PLICL.
- Check the transfer of pension contribution & other dues to concerned authorities.
- Check that contract agreements & financial sanctions of the competent forum were duly attached with the payment vouchers.
- Check that financial concurrence was given by the competent authority.

Receivables Management

- Check that proper monitoring of outstanding amounts and amounts realized was carried out.
- Check that proper monitoring of the reconciliation process was carried out.
- Check that the group insurance premium was properly realized.
- Check that administrative expenses were realized.

HR Issues

- Check the finalization of HR Manual and its approval from competent forum.
- Check that recruitments were made as per approved rules.
- Check that policies relating to promotions of officers / officials were complied with.

Procurements and Civil Works

- Examine that goods and services have been procured prudently, transparently and in accordance with the procurement rules.
- Check that stores have been entered in the stock register and inventory management has been ensured.
- Check the financial propriety in the procurement process.
- Contracts have been awarded after due process.
- See that terms and conditions of contract are clear, definite and have been abided by both the parties etc
- Check that procurements were made as per available budget.
- Check that estimates were adequately accurate and execution of civil works was carried out as per Pak PWD Schedule of Rates, 2012.
- Check that expenditure on building works was charged to proper head of accounts.
- Check that taxes were deducted according to prescribed rates from contractors and deposited to concerned authorities.

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Audit procedures	Done By	WP Ref
<ul style="list-style-type: none">• Check that the postal stamps were printed according to requirements of PPO Department and transferred to the zonal offices.• Check that the receipts of stamps were acknowledged by the zonal offices.• Check that stock register for all kinds of stamps was maintained properly.• Check that proper security was available.• Check that the stock of postage and other valuables was maintained properly to save from loss.• Check that the postal and non postal stamps were not printed other than by PSPC.• Check that the printing charges were paid to PSPC on actual basis as per rate fixed by the Finance Division.		

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Internal controls, compliance, procedures, fraud and Misappropriations

- Check that adequate internal control system existed
- Check that rules & regulations of Government as well as of company were followed in true spirit.
- See that cases pending with courts, NAB, FIA and Police were properly pursued.
- See that vigilance cell was created.

Service Delivery

- Check that complaints were attended timely without delay.
- Check that the plans for improvement of service delivery was executed.

Media Reports & Complaints

- Check the issues highlighted in the media.
- Check that complaints received through PM Portal or any other medium disposed of properly

Issuance of policies

- Check that policies were issued not below the age of 18 and above 60 years and means of regular income were ensured as per rule 3 of POIF Rules.
- Check that policies were issued on production of valid age proof i.e CNIC, matriculation certificate, birth certificate and service certificate etc.
- Check that requisite certificates on the prescribed form were obtained from the proposer.
- Check that certificate was obtained from the proposer that he/she was not suffering from disease if the value of policy was not above Rs 200,000.
- Check that policy was issued on receipt of due amount of first installment of premium in the treasury.
- Check that policy was issued after necessary scrutiny in the GM office as per rule 8 of POIF Rules.

Medical examination

- Check that proposer was medically examined by the authorized medical officer if the value of policy was over Rs 200,000 as per rule 28 of POIF Rules.
- Check that medical fee was paid as per approved rate and laboratories tests were carried out from the authorized laboratories. Further, cost of similar nature of test was not reimbursed at different rates.

Conversion of Policies

- Check that policy was not converted or type of policy was changed before two years by the GM as per rule 23 of POIF Rules 2001.
- Check that in case of conversion from high value into lower value, the excess amount paid to the canvassing was recovered as per standing orders.
- Check that converted/paid up policy was not allowed to surrender till completion of further two years after its conversion/ paid up.

Rebate to the policy holders

- Check that rebate to policy holders on advance payment was allowed at approved rates vide rule 10(7) of POIF Rules.

PLI Receipts

Realization against fresh business targets

- Check that monthly and annually fresh business target in respect of each field office was fixed by the respective GM.
- Check that monthly fresh business target were achieved by each Assistant Director and Assistant Superintendent (field)
- Check that monthly fresh business target in respect of Canvassing Agents was achieved.

Premium receipts against on-going policies

- Check that ledgers were completed and realization of premium was upto date.
- Check that in case of default of premium payment, notices were issued to all the policy holders.

Premium receipts against death of policy holders

- Check that in case of death of the policy holder, the premium was recovered at the month of death.
- Check that advance premium realized from the deceased policy holders was adjusted/ refunded.

Examination of receipts accounts

- Check that monthly fresh business reports were prepared on the approved format and figures reported in the report tally with the figures of monthly cash accounts.
- Check that ledger cards in respect of each policy were prepared and premium amount was depicted therein.

- Check that fresh business register was prepared and total of monthly premium tally with the monthly report.
- Check that recovery of loan was classified under head repayment of loan and not included under PLI premium receipts.

Payments to Canvassing Agents

Payment of honorarium against fresh policies

- Check that honorarium of the premium realized in the first year was paid to the canvassing agents as per SECP regulations
- Check that payment was made against acceptance memos of policies issued by the GM/Regional office.
- Check that withholding tax was deducted from the payment.

Payment of commission against ongoing policies

- Check that commission on on-going policies was paid as per prescribed rates.
- Check that withholding tax was deducted from the payment.

Payment against Postal policies

- Check that in case of Life insurance of postal employees by Postal Life, the premium was reduced by the amount equal to commission payable to the canvassers and no commission was paid to the canvassers.

Examination of record maintained for payment of honorarium / commission.

- Check that sanction registers for payment of honorarium and commission to canvassing agents were maintained.
- Check that monthly report for payment of honorarium and commission to canvassing agents were maintained on the approved format and there was no difference between the reports prepared by field office and compiled by GM office.
- Check that Canvassers were approved and proper record was maintained.
- Check that with- holding tax was transferred to the Income Tax department in the same month.
- Check that no honorarium/ commission had been paid to the canvassing agents if policy had not been continued for two years

Payments to policy holders

Payment against forfeited /lapsed policies

- Check that policies lapsed and forfeited as per rule 13 & 14 of POIF Rules were revived by the GM after receipt of arrear along-with interest @ 12%.
- Check that policies lapsed and forfeited upto 5 years as per rule 13 & 14 of POIF Rules were revived by the GM
- Check that no honorarium/ commission had been paid to the canvassing agents without revival of policies.

Payment on account of surrender value

- Check that no payment was made on account of surrender value of policy if the premium had not been paid for 24 months.
- Check that surrender value of the policy was paid on the request of the policy holder supporting with original policy document and Premium Receipt book
- Check that amount of surrender value was calculated as prescribed rates and payment claim was duly audited by Internal Audit cell of PLI.
- Check that Zakat was deducted @ 2.5% or Zakat Declaration was obtained before one month from the valuation date as per Zakat rules.

Payment on maturity

- Check that original Premium Receipt books and policy documents were deposited by the claimant
- Check that payment claim was pre-audited and payable amount including bonus was calculated at prescribed rates.
- Check that on maturity of policy the payment was made to the actual policy holder or his/her nominee as per policy document.
- Check that no amount of premium or loan was outstanding against and recoverable amount was deducted before making payment.
- Check that Zakat was deducted @ 2.5% or Zakat Declaration was obtained before one month from the valuation date as per Zakat rules.

Payment against death claim

- Check that application in the prescribed form along-with original death certificate, policy documents and Premium Receipt books were submitted by the widow or his/her legal heir.
- Check that in case of less than three years, the confidential inquiry was conducted by departmental officers.

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- Check that payment claim was pre-audited and payable amount including bonus was calculated at prescribed rates
- Check that no payment was made to the claimant violating the recommendations of the inquiry officer.
- Check that payment vouchers duly signed by the claimant and concerned postmaster were retained in the record as per rule.

Grant of loans to policy holders

- Check that loans were granted on the request of policy holder along- with production of original policy and premium receipt book.
- Check that 2nd loan was not granted until the previous loan together with interest was fully repaid.
- Check that approved loan was not over 80% of the surrender value of the policy.
- Check that on grant of loan, the original policy was pledged and not returned till the repayment of loan along with interest.
- Check that loans was granted by the GM PLI against active policies exceeding Rs 200,000 as per rule 21 of POIF Rules 2001.
- Check that principal amount of loans along with interest accrued thereon was repaid before the maturity.
- Check that interest was charged as such rate laid down from time to time on monthly balance of the outstanding amount on the first day of the month.
- Check that Loan Ledgers were maintained. The amount deposited on account of repayment of loans through monthly cash accounts was duly accounted for in the ledgers.
- Check that loans were pre-audited by Internal Audit cell of the PLI and original Premium Receipt book was returned to the policy holder.

**CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF PAKISTAN
TELECOMMUNICATION AUTHORITY (PTA)**

Audit Procedure	Done By	WP Ref.
Revenue & Receivables		
<ul style="list-style-type: none"> • Check that the fees on mobile and telecom operators were levied in accordance with the Telecommunication Rules. • Check that the demand notices were issued well in time and as per the specified licensing conditions. • Check that in case of any delay in issuance of demand notices, proper justification was recorded duly vetted by the supervising officers. • Check outstanding dues in the ledgers of finance wing and find out the reasons for non-recovery. • Check that following fees were recovered in time: <ul style="list-style-type: none"> (i) Spectrum Auction fee. (ii) Initial License Fee. (iii) Annual License Fee. (iv) Annual Renewal Fee. (v) Annual Spectrum Fee. (vi) Spectrum Administrative Fee. (vii) Numbering Charges. (viii) Other Miscellaneous Fees. • Check that in case of delayed payments by the operators, late payment charges were levied as per schedule of charges. • Obtain detail of operators along with Call Data Recording (CDRs), traffic monitoring reports and Annual Accounts of the operators and check that the following levies were correctly accounted for: <ul style="list-style-type: none"> (i) Access Promotion Contribution (APC). (ii) APC for USF. (iii) Research & Development (R&D). (iv) Universal Service Fund (USF). • Check that the operators had deposited the above fees to the PTA regularly. • Check that in case of delay/non-recovery, penalty at the prescribed rates was imposed on the defaulting operators. 		

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Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none">• Check that the operators were depositing the above fees directly to the USF Company under MoIT.• Check the mechanism adopted by the PTA for reconciliation of these outstanding dues.• Check whether the instructions issued by the Finance Division in respect of revenue and receivables were followed by the PTA management as well as MoIT.• Check whether the Authority had deposited all the above sums to the Ministry of Finance regularly.• Check party wise receivable ledgers and reconcile the same with billing during the period.• Check that outstanding amounts were timely recovered.• Obtain ageing of receivables in all categories and check that long outstanding amounts were followed up properly.		
Licensing and enforcement		
<ul style="list-style-type: none">• Check that all formalities regarding award of licenses were met.• Check that mobile and telecom operators were complying with the conditions of licenses issued to them.• Check that the operators had submitted their annual accounts to the Authority well in time in accordance with license conditions or otherwise.• Check that in case of non-compliance, actions were taken by the enforcement wing.• Check that show-cause notices were issued timely to the operators or otherwise.• Check that bills were regularly issued according to the tariff rates by the commercial affair wing.• Check that the demand notices issued by the commercial affair wing had been properly entered in the ledgers of receivables of Finance Wing.• Check the reconciliation of billing and receivable ledger and ensure that in case of any difference reconciliations were carried out or not.		

Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none"> • Check that raids were conducted in collaboration with FIA and other agencies and pursued regularly or no action was taken against the defaulters. • Check the recovery process on account of loss found due to grey traffic and review the progress reports of grey traffic monitoring equipment. • Check that the tariff introduced by the mobile and telecom operators was approved by the Authority or otherwise. • Check that no illegal spectrum was allowed or used by private and government organizations. 		
<p>Service regulations and human resource management</p> <ul style="list-style-type: none"> • Check that the service regulations were approved by the competent forums i.e Establishment Division for service matters and Finance Division for financial matters. • Check that amendments in the regulations by the Authority were after approval of the competent forums. • Check that appointments / promotions were made in accordance with the approved regulations or otherwise. • Check that no inadmissible service benefits or allowances were made to employees. 		
<p>Civil Works</p>		
<p>General</p> <ul style="list-style-type: none"> • Check the need assessment of the project. • Check that feasibility study of the project was carried out. • Check that the project was approved by the competent forum. • Check administrative and technical approvals. • See that funds were allocated and released to the project. • See that the funds were placed/released in the relevant bank account in case of PSDP project. • Examine that right human resource was hired for the right job at right time with right quality and quantity for the project. • Examine that goods and services required for the project were procured prudently, transparently and in accordance with the procurement rules. 		

Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none">• Check that advertisement was given in newspapers for the execution of works and selection of firms.• Check that stores were entered in the stock register and inventory management was ensured.• Check the financial propriety in the procurement process.• Check that Contracts were awarded after due process.• See that terms and conditions of contract were clear, definite and abided by both the parties etc• Check that estimates prepared were accurate and execution of civil works was carried out as per Pak PWD prevailing Schedule of Rates.• Check that expenditure on building works was charged to proper head of accounts i.e. Capital and Repair & maintenance.• See that the physical assets were properly capitalized.• See that taxes were deducted according to the prescribed rules and rates.• See that the project was timely completed and no irregular extension of time was granted.• Examine that no unauthorized escalation was granted.• Examine that mobilization/secured advances were properly adjusted/recovered.• See that the work done in civil works was entered in MBs.• See that no excess quantities were executed and paid.• See that the concerned officials had certified the specification and completion of the works.• Examine that liquidated damages were imposed on the suppliers/contractors in case of delayed completion of works.• Check that variations/deviations from approved scope were made on account of valid requirements.• Check that the variation order was approved by the competent authority and recommended by the engineer (consultant).• Check that the cost of variation order was prepared in accordance with the terms and conditions of the contract agreement or prevailing market rates.		

Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none"> • Check that in case of deviation from the contract agreement, reasons / justification were recorded • Check that escalation payment was calculated on the the current rate / base rates of materials provided in the agreement for escalation purpose. <p>Measurement of works</p> <ul style="list-style-type: none"> • Check that detail measurements were recorded in the M.B. • Check the arithmetic accuracy of the calculations booked in the measurement book. • Check that the aggregate measurements didn't exceed estimated quantities as mentioned in the bill of quantities (BOQ). 		
<p>Payments</p> <ul style="list-style-type: none"> • Check that necessary deductions were made from the contractor's payments. • Check that security deposit was released after the maturity period. • Check that amount released against bank guarantee was as per agreement clause. • Check that the paid vouchers for mobilisation advances were against irrevocable bank guarantees issued by the scheduled banks. • Check that recovery of minus amounts was made from final / running bill. • Check that entries of temporary advance / imprest were correctly made. • Check that security deposits registers / allied records was maintained. • Check that security deposits on satisfactory completion of defect liability period were refunded. 		
<p>PTA Court Cases</p> <ul style="list-style-type: none"> • Check that why operators challenged the calculations, regulations and the decision of the Authority. 		

Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none">• Check that PTA took actions against the defaulters according to the provisions contained in the Telecom Act.• Check the performance of law wing of PTA regarding pursuance of the court cases.• Examine whether the operators filed the writ petitions directly against PTA or MoIT&T <p>Programme / Project Management</p> <ul style="list-style-type: none">• Check whether grant of permissions for 4G / LTE services was on technology neutral basis or otherwise.• Check that Telecommunication Policy and other directives issued by the Government (MOIT&T) were implemented.• Check un-lawful permissions granted by PTA for 3G/4G / LT• Check non-implementation network roll obligations. <p>Risk Areas highlighted by Ministry</p> <ul style="list-style-type: none">• Check the recovery petitions (RPs) due to which Rs 100 billion was stuck up.• Examine the reasons for the increasing trend of litigation and prolonged stay orders.• Check the discretionary use of power by Chairman PTA under clause 7(3) of PESR 200• Check the slackness of Finance Department of PTA regarding timely billing from operators and its pursuance.• Check extra ordinary delay in making complaints to NAB.• Check the non-deposit of surplus funds into FCF.• Check illegal/irregular appointment/recruitment.• Check the transfer of licenses under Technology Neutrality. <p>Media Reports & Complaints</p> <ul style="list-style-type: none">• Check the issues highlighted in the media• Check that complaints received through PM Portal or any other medium disposed of properly.		

**CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF FREQUENCY
ALLOCATION BOARD (FAB)**

Audit Procedure		
Allocation and monitoring of frequencies		
<ul style="list-style-type: none"> • Check that proper procedure as laid down in the Act, is followed. • Check that frequencies are allocated in the bands which apply to the operators. • Check that detection of illegal users of frequencies for putting them under law as per Act. 		
Observance of rules & regulation		
<ul style="list-style-type: none"> • Check that rules & regulation of GoP as well as authority are followed in letter and spirit. • Check that policies are approved by competent forum. • Check that pay package of FAB employees is approved by the Federal Government • Check that Appointments & Promotions are made as approved rules. 		
Internal accounting procedures / regulations of FAB		
<ul style="list-style-type: none"> • Check that internal accounting procedures and regulations were approved from competent forum. • Check that internal accounting procedures/regulations are being applied or otherwise. 		
Risk Areas highlighted by CF&AO (Cabinet)		
<ul style="list-style-type: none"> • Check the in-efficient allocation of spectrum / misuse of spectrum • Doubt in framing of Service Regulations 		
Media Reports & Complaints		
<ul style="list-style-type: none"> • Check the issues highlighted in the media • Check that complaints received through PM Portal or any other medium disposed off properly 		

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CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF NATIONAL TELECOMMUNICATION CORPORATION (NTC)

Audit procedure	Done by	WP Ref.
Revenue		
<ul style="list-style-type: none">• Check the tariff regime regarding telephone dues, DSL, PABXs, co-location charges and space tower rent.• Check that bills were issued to designated subscribers in accordance with the tariff regime.• Check billing system of DSL in the light of tariff regime and subsequent adjustments.• Check that DSL charges are separately disclosed in the bills issued.• Check issuance of royalty bills to the PABX subscribers.• Check whether co-location charges and space tower rent were identified in accordance with the interconnect agreements.• Obtain bill register, recovery posting register, defaulter ledger, register of other charges, casual telephone connection register and recovery resolution policy.• Check that the dues are recovered within the prescribed time frame as per the policy.• Check that in case of any delayed payments, late payment charges were levied as per policy.• Check that "other charges" have been properly identified and posted in the ledger/bill register.• Obtain the "recovery statements deferred through bill" and check that the recovery has been realised by the revenue officer in the succeeding month's bill.• Check court cases appearing in the defaulter register and observe pursuance for recovery.• Check Call Data Recordings (CDR) and traffic monitoring reports.• Carry out reconciliations of traffic in the light of interconnect agreements made with the telecom operators.		

Audit Procedure	Done By	WP Ref.
<p>HR Issues</p> <ul style="list-style-type: none"> • Check that HR policies are approved by the competent authority • Check that hiring and firing of employees is as per approved policies • Check that end service benefits are paid on time • Check the working strength as compared to sanctioned strength • Check that appointments on contracts, additional charges and current charges made after observing codal formalities <p>Media Reports & Complaints</p> <ul style="list-style-type: none"> • Check the issues highlighted in the media • Check that complaints received through PM Portal or any other medium disposed off properly 		

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Audit procedure	Done by	WP Ref.
<ul style="list-style-type: none">• To check that appropriate policies exist to deter Fraud and misappropriation <p>Contract Management</p> <ul style="list-style-type: none">• Transparency in tendering process as per PPRs• Award of contracts after due processing• Identify delays between approval of tenders and award of contracts• Terms and conditions of contract are clear and abided by both the parties <p>Financial Management</p> <ul style="list-style-type: none">• To check the approval of budget from competent forum• To check that proper procedures for payments are followed• To check that contract agreements & financial sanctions from the competent forum are duly attached to the payment voucher• To check that financial concurrence is given by the competent authority <p>Project Management</p> <ul style="list-style-type: none">• To check that proper scrutiny of projects was made before awarding of contract• To check the complete documentation as per planning commission format• To check the approval of PC I from the competent forum• To check the progress achieved and finalization of completion report (PC IV & V)• To check the Cost and Time over-run.• To check that change in Scope of Work without approval from Competent Authority• To check the delay in finalization of Tender and non execution of contracts• To check realization of revenue from NTC Data Centre• To check expenditure against Annual Development Plans (ADPs)		

Audit procedure	Done by	WP Ref.
<p>Investments</p> <ul style="list-style-type: none"> • To check that the funds were invested in secure Government investment schemes • To check that selection of banks/investment institutions were made after competitive rates • To check that Investment policy and committees were found as per guidelines of the Finance Division • To check that profit on investment is either recovered timely or reinvested <p>Service Delivery</p> <ul style="list-style-type: none"> • To check that complaints are attended timely and there is no undue delay • To check the plans for improvement of service delivery <p>Write-off of Non-Collectables</p> <ul style="list-style-type: none"> • Examine what policies exist for the management of overdue accounts of monies owing the Government • Check if there is a regular report of write-offs of uncollectible monies owing the Government during the period. • In particular, determine whether any write-offs of monies owing (especially large ones), were inconsistent with policies or appeared to favour certain debtors. 		
<p>Service regulations and human resource management</p> <ul style="list-style-type: none"> • Check that the service regulations have got approved from the competent forums i.e Establishment Division for service matters and Finance Division for financial matters. • Check that the changes made in the regulations by the Corporation were made after approval of the competent forums. • The appointments / promotions are made in accordance with the approved regulations. 		

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Audit procedure	Done by	WP Ref.
<p>Inventory Stores spares and loose tools</p> <ul style="list-style-type: none">• Check store/stock register (ACE-8) has been maintained properly in accordance with the prescribed rules.• Check whether necessary invoices of store / stock procured have been obtained and stock taking was made accordingly.• Check that entries of inventory / stock registers have been attested / authenticated by the in charge concerned.• Obtain the requisitions and check that stores were issued according to the indents / requisitions.• Check that necessary orders / approval of the competent authority to issue stores to the indenters have been obtained.• Inventory / stock registers are being regularly reviewed by the officer in-charge on periodical basis.• Check that proper Store / Stock declared unserviceable has been disposed off through auction and sale proceed thereof have been credited to proper head of account.• Check that Stores/stock were not purchased/procured in excess of actual/rational estimated demand/utilization. <p>Implementation of PAC/DAC directives</p> <ul style="list-style-type: none">• Compliance of PAC/DAC directives• Proper follow up procedure devised by NTC <p>Media Reports & Complaints</p> <ul style="list-style-type: none">• Check the issues highlighted in the media• Check that complaints received through PM Portal or any other medium disposed off properly		

CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF NATIONAL RADIO & TELECOMMUNICATION CORPORATION (NRTC)

Audit Procedure	Done By	WP Ref.
Revenue & Receivables		
<ul style="list-style-type: none"> • Obtain local and export sales ledgers to ascertain the sales figure reported in the Financial Statements. • Obtain work order register and files of individual work orders. • Check proper agreement/MOU has been entered into with the customer. • Check work order is as per agreement/MOU. • Check a sample of work orders and observe that details entered into the work order register is as per the specifications in the work order. • Check supply of Goods has been made according to the specification and within the time frame prescribed in the work order. • Check whether any liquidated damage charges have been levied by the customer on account of delay in supply. • If so, check the reasons for delay were justified and have been duly verified by the Management Board. • Obtain cheque register and observe that the amount of cheques received is as per the percentage specified in the Work Order. • In case of export sales obtain files of export work orders. • Check that the terms and conditions of exchange rate fluctuation of foreign currency have been included in the agreement/work order. • Check that terms and conditions as mentioned in the work order have been complied with in all respects. • Obtain party wise ledgers of receivables. • Check recovery from the parties is being made in a timely manner as per the agreement. 		

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Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none">• Obtain aging of receivables in all categories and check recoveries.• In case of delay check that recovery is being pursued rigorously.		
Stock/Stores and spares		
<ul style="list-style-type: none">• Check that store / stock register have been maintained in accordance with the prescribed rules.• Check whether necessary invoices of store / stock procured have been obtained and stock taking was made accordingly.• Check that entries of inventory / stock registers have been attested / authenticated by the in charge concerned.• Check whether store / stores were issued after obtaining proper indents / requisitions.• Check that necessary orders / approval of the competent authority to issue stores to the indenters have been obtained.• Inventory / stock registers are being reviewed by the officer incharge on periodical basis.• Check that proper Store / Stock declared unserviceable has been disposed off through auction and sale proceeds thereof have been credited to proper head of account.		
Financial Management <ul style="list-style-type: none">• Check that proper procedures for payments are followed• Check that contract agreements & financial sanctions from the competent forum are duly attached to the payment voucher• Check that financial concurrence is given by the competent authority• Check the delay in releases of Bank Guarantees• Check the Pay & Allowances and financial benefits• Check receipt of sale proceeds against delivered goods• Check the recovery of exchange rate fluctuation charges• Check the payment of Liquidated Damages (LDs) due to late delivery of goods		

Audit Procedure	Done By	WP Ref.
<p>Financial Reporting</p> <ul style="list-style-type: none"> • Check that financial and administrative policies / procedures have been approved by Competent Forum or otherwise. • Check that appropriate policies exist to deter Fraud and misappropriations. <p>Contract Management</p> <ul style="list-style-type: none"> • Check that transparency in tendering process as per PPRs • Check the award of contracts after due processing • Terms and conditions of contract are clear and abided by both the parties • Check the cash Purchases • Check the procurement of Physical Assets (Including vehicles and IT equipments) • Check the procurements on the basis of exemption being secret nature items <p>HR Issues</p> <ul style="list-style-type: none"> • HR policies are approved by the competent authority • Hiring and firing of employees is as per approved policies • End service benefits are paid on time • Appointments/hiring of consultants in accordance with the Rules / Procedure or not • Appointments above the requirements <p>Investments</p> <ul style="list-style-type: none"> • Check that funds were invested in the safe and sound Govt. investment scheme • Check that the selection of banks / investment institutions was through tendering process to achieve competitive profit rates • Check that investment policy and committees were found as per guidelines of Finance Division • Physical verification of investment instruments and accounting entry 		

Audit Procedure	Done By	WP Ref.
Media Reports & Complaints <ul style="list-style-type: none">• Check the issues highlighted in the media• Check that complaints received through PM Portal or any other medium disposed off properly		

**CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF TELEPHONE
INDUSTRIES OF PAKISTAN (TIP)**

Audit Procedure	Done By	WP Ref.
<p>Financial Management</p> <ul style="list-style-type: none"> • Check that proper procedures for payments are followed • Check that contract agreements & financial sanctions from the competent forum are duly attached to the payment voucher • Check that financial concurrence is given by the competent authority <p>Financial Reporting</p> <ul style="list-style-type: none"> • Check that financial and administrative policies / procedures have been approved by Competent Forum or otherwise. • Check that appropriate policies exist to deter Fraud and misappropriations. <p>Contract Management</p> <ul style="list-style-type: none"> • Check that transparency in tendering process as per PPRs • Check the award of contracts after due processing • Terms and conditions of contract are clear and abided by both the parties • Procurement of physical assets <p>Receivables Management</p> <ul style="list-style-type: none"> • Revenue / receivables are recovered as per policy / rules. • Overdue amounts of receivables are collected from the customers. • Aging of receivables is regularly prepared and matters regarding outstanding receivables are taken up with debtors. • Surcharge on overdue amounts of receivables is recovered and accounted for in Financial Statements. • Receivables have not been written off inappropriately 		

Audit Procedure	Done By	WP Ref.
<p>HR Issues</p> <ul style="list-style-type: none">• HR policies are approved by the competent authority• Hiring and firing of employees is as per approved policies• End service benefits are paid on time <p>Colony board issues</p> <ul style="list-style-type: none">• Check that ratio fixed for colony board share observed• Check revision in colony board share ratios <p>R&D Issues</p> <ul style="list-style-type: none">• Establishment and progress achieved by R&D wing <p>Media Reports & Complaints</p> <ul style="list-style-type: none">• Check the issues highlighted in the media• Check that complaints received through PM Portal or any other medium disposed off properly		

**CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF SPECIAL
COMMUNICATION ORGANIZATION (SCO)**

Audit Procedure	Done By	WP Ref.
<p>Examination of subsidiary record of receipts</p> <ul style="list-style-type: none"> • Check that monthly telephones bills are being issued regularly and delivered to the subscribers in a timely manner. • Check that monthly summary of the billings has been maintained. • Check for abnormal arrears in the billing summary. • Check that record of new connections (installation charges), arrear payments and departmental /extra departmental PCOs has been maintained. • Check that monthly report for each category of receipts has been prepared. 		
<p>Receipts through GPOs</p> <ul style="list-style-type: none"> • Check that amount realised through GPOs as per para 34 of FBA&A procedure has been depicted in the monthly cash account of the GPO. • Check that there is no difference between the reported figures and collected amount shown in the monthly report of the Accounts Officer telephone Revenue. • Check that daily statement of collected amount on account of paid telephone bills has been prepared .The counterfoils of the paid bills have been received from the concerned GPO and duly compared by the concerned branch. 		
<p>Receipts through scheduled banks</p> <ul style="list-style-type: none"> • Check that contract agreements for collection of telephone bills have been executed with the banks duly approved by the SCO Management Board. • Check that agreements have been executed to safeguard the interests of the organisation and adequate provisions have been included for timely transfer of collected amount to GPOs/designated account/ Government treasury. 		

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Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none">• Check that monthly bank statements are being received regularly.• Check that amounts realised on account of telephone bills collected by different banks during a month as per bank statements have been transferred to the respective GPO as per provisions of the contract agreements. Any delay in transfer of collected amounts needs to be pointed out.• Check that there is nil closing balance of cash as on 30th June of each financial year.• Obtain justification for amounts retained beyond this date.• Check that quarterly reconciliation was made with DA PPO, Lahore• Check that all collections were transferred to DA PPO, Lahore through GPOs• Check that revenue collected in SCO Headquarter was transferred to DA PPO, Lahore by cheque• Check that SCO Headquarter received its share from PTCL and other Telecom operators• Check that proper reconciliation was made with PTCL and other Telecom operators• Check that GST & WHT deducted was transferred to Government of AJK in a timely manner		
Establishment Charges		
Pay and allowances of regular establishment <ul style="list-style-type: none">• Check that pay bill has been prepared as per approved sanctioned strength (TO&E) and pre-audited by the Unit Accountant CMA (FWO) before payment. No amount has been drawn in excess over the approved strength.• Check that amount drawn is according to the entitlement of relevant scale and allowances have been duly approved by the SCO Board/ Finance Division.• Check that necessary deductions have been made.• Check that pay & allowances of the transferred employees		

Audit Procedure	Done By	WP Ref.
<p>have been drawn according to their LPC.</p> <ul style="list-style-type: none"> • Check that in case of new appointments, the medical certificate from the authorised medical officer has been obtained. • Check that deduction from conveyance allowance has been made in respect of the official/officer who has been granted leave. • Check that staff of CMA (FWO) entrusted with the accounting work of SCO has been duly authorised from the SCO Project Board. 		
<p>Pay and allowances of temporary establishment</p> <ul style="list-style-type: none"> • Check that appointments of temporary establishment (work charged) BPS-1 to BPS-16 against approved projects has been approved by the DG SCO as per Sl No.10 to Annex. A of FBA&A procedure. • Check that no official has been retained after completion of the project. • Check that expenditure incurred against work charged establishment does not exceed the amount approved in the project. • Check that expenditure has been debited to the project against which appointments had been made. 		
<p>Pay and allowances of contract staff</p> <ul style="list-style-type: none"> • Check that contract appointments have been made in accordance with the standing orders of the Establishment Division. • Check that posts exist against which appointment on contract has been made. • Check that no contract official/officer has been retained after expiry of the contract period. 		
<p>Procurement of stores</p> <ul style="list-style-type: none"> • Check that provision of Public Procurement Rules 2004 and of FBA&A Procedure for procurement of project store, equipments, vehicles and other store have been followed 		

Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none">• Check that procurements have been made against approved projects and in accordance with the provisions of the PC-1.• Check that store ledgers have been properly maintained.• Expense & issue vouchers have been maintained in the relevant files.• Check that demands for procurement of equipment/ vehicles and store etc have been made as per para 53& 54 to FBA&A procedure.• Check that procurements have been made in accordance with the financial powers vide Annexure A&B to FBA&A Procedure for procurement of different types of store.• Check that stores procured were used in the same financial year <p>Local purchase of store</p> <ul style="list-style-type: none">• Check that procedure of limited tenders for local purchase of store has been adopted only if fulfils the requirements of para 48 to FBA&A Procedure.• Check that expenditure has been sanctioned as per delegated powers.• Check that expenditure does not exceed the budget provisions and cannons of financial propriety have been observed.• Check that propriety certificate has been obtained if competitive rates have not been obtained through tendering procedure or through sealed quotations.		
<p>Expenditure against project works</p> <ul style="list-style-type: none">• Check that work has been got approved as per financial powers delegated vide Annexures A&B to FBA&A Procedure.• Check that Public Procurement Rules 2004 have been followed while awarding the works.• Check that procurements have been made against approved projects and in accordance with the provisions of the PC-1.		

Audit Procedure	Done By	WP Ref.
<ul style="list-style-type: none"> • Check that provisions of para 43 to 47 of FBA&A Procedure for procurement of Medical, ASC supplies, Ordinance and T&T store regarding indenting, receipt, issue and accounting have been followed. • Check that procurements have been made in accordance with the financial powers vide Annexure A&B to FBA&A Procedure for procurement of different types of store. • Check that demands for procurement of equipment/ vehicles and store etc have been made as per para 53& 54 to FBA&A procedure. 		
<p>Media Reports & Complaints</p> <ul style="list-style-type: none"> • Check the issues highlighted in the media • Check that complaints received through PM Portal or any other medium disposed off properly 		

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CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF ELECTRONIC CERTIFICATION ACCREDITATION COUNCIL (ECAC)

Audit Procedure	Done By	WP Ref.
<p>HR Issues</p> <ul style="list-style-type: none">• Check that recruitment against sanctioned posts finalized• Check that payment of honorarium as per rules <p>Performance as Regulator</p> <ul style="list-style-type: none">• Check the grant and renew accreditation certificates to certification service providers.• Monitor and ensure compliance by accredited certification service providers with the terms of their accreditation <p>Financial Management</p> <ul style="list-style-type: none">• Check that proper procedures for payments are followed• Check that contract agreements & financial sanctions from the competent forum are duly attached to the payment voucher• Check that financial concurrence is given by the competent authority• Check the payment on account of rent of office building• Check the payment of honorarium to the Chairman of Council and its members at excessive rates• Check the non-surrender of savings• Check the procurement of stores• Check the utilization of receipts <p>Contract Management</p> <ul style="list-style-type: none">• Transparency in tendering process as per PPRs• Award of contracts after due processing• Terms and conditions of contract are clear and abided by both the parties• Procurement of Physical Assets• Procurement of IT equipment and other misc items		

Audit Procedure	Done By	WP Ref.
<p>Programme / Project Management</p> <ul style="list-style-type: none"> • Non- finalization of contract for legal consultancy • Operation of Project Establishment of Certification Authority with Public Key Infrastructure (PKI) and Repository <p>Media Reports & Complaints</p> <ul style="list-style-type: none"> • Check the issues highlighted in the media • Check that complaints received through PM Portal or any other medium disposed off properly 		

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CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF UNIVERSAL SERVICE FUND COMPANY (USF)

Audit Procedure	Done By	WP Ref.
<p>Receivables</p> <ul style="list-style-type: none">• To check that outstanding USF dues recovered within stipulated time• To check the imposition of Late Payment Additional Fee (LPAF) on late receipt of USF dues• Recovery of LD charges / penalty on account of delayed completion of project• Award of contract without financial projection and fixing reserve price / limit of maximum subsidy to be awarded <p>Human Resources</p> <ul style="list-style-type: none">• To check foreign TA/DA of officers / officials for participation in different events and training• To check irregularities in appointment & promotion of staff• To check the contract appointments, termination of contract and resignations• To check the hiring consultants as per rules and regulations• To check the deputation in USF Company in accordance with of the approved Policy <p>Financial Reporting</p> <ul style="list-style-type: none">• Financial and administrative policies / procedures have been got approved by Competent Forum.• Appropriate policies exist to deter Fraud and misappropriations. <p>Programme / Project Management</p> <ul style="list-style-type: none">• Un-authorized award of contract in violation of the USF Policy Manual• Non-completion of milestones of various projects• Issues in Technical Audit of the project• Non-obtaining of insurance guarantees from the operators against the Project / Contracts• Launch of new projects in un-served and underserved areas without proper area prioritization• Un-authorized expenditure on IT infrastructure		

Audit Procedure	Done By	WP Ref.
<p>USF subsidies to Telecoms</p> <ul style="list-style-type: none"> • Whether subsidies were allowed in accordance with USF rules • Whether subsidy amounts are rational with capital cost of the project <p>Criteria for Subsidies</p> <ul style="list-style-type: none"> • Whether any base price before auction of any lot of USF fixed • Auction of lots as per PPRs <p>Selection of un-served areas</p> <ul style="list-style-type: none"> • To examine the criteria for un-served/under-served area • To check the scope of penetration of telecom services in the area • To check the cost benefit ratio <p>Investments</p> <ul style="list-style-type: none"> • The funds were invested in secure Government investment scheme • The selection of banks /investment institutions were selected as per PPRs • Investment policy and committees were found as per guidelines of the Finance Division • Physical verification of investment instruments and accounting entry <p>Achievement of goals</p> <ul style="list-style-type: none"> • Whether the contract assigned is completed in given time line <p>Media Reports & Complaints</p> <ul style="list-style-type: none"> • Check the issues highlighted in the media • Check that complaints received through PM Portal or any other medium disposed off properly 		

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CHECKLIST FOR AUDIT TEAMS CONDUCTING AUDIT OF IGNITE NATIONAL TECHNOLOGY FUND

Audit Procedure	Done By	WP Ref.
<p>Financial Management / Reporting</p> <ul style="list-style-type: none">• To check that financial and administrative policies / procedures have been got approved by Competent Forum.• Appropriate policies exist to deter Fraud and misappropriations• To check that pay & allowances and financial benefits paid as per rules and regulations• Non-accountal and non-repossession of assets against technical R&D projects• To check the recovery of R&D contributions• Un-lawful operation of PLS Bank Accounts and retention of balance <p>Programme / Project Management</p> <ul style="list-style-type: none">• Mechanism for evaluation of R&D projects awarded to industry/academia• Proper scrutiny of projects before the award• Non-development of Intellectual Property Rights (IPRs) mechanism/ policy resulting in non-commercialization of project• Timely and proper internal and external evaluation of the proposals received before funding to the project• Establishment of incubation centres <p>Procurement</p> <ul style="list-style-type: none">• To check the procurement of physical assets• Procurement of equipment against the projects by the PIOs as well as by the Company• Procurement of stationery and other items• Violation of PPRs and LDs, if any• Irregular expenditure against un-solicited technical R&D projects		

Audit Procedure	Done By	WP Ref.
<p>Selection of R&D Projects</p> <ul style="list-style-type: none"> • Whether the projects were widely published before selection • Projects were result oriented and beneficial for the academia and industry. <p>Scholarships to Universities</p> <ul style="list-style-type: none"> • Contract agreements with universities were not in favour of universities • Whether scholarships were recommended by HEC • Contract agreement with students in proper shape • Monitoring of release of scholarship amount to foreign universities • Whether the students returned to Pakistan after completion of studies or otherwise? • Mechanism of monitoring of scholarship awarded <p>Media Reports & Complaints</p> <ul style="list-style-type: none"> • Check the issues highlighted in the media • Check that complaints received through PM Portal or any other medium disposed off properly 		

CHECK LIST FOR AUDIT TEAMS CONDUCTING AUDIT OF TELECOM FOUNDATION (TF)

Audit Procedure	Done By	WP Ref.
<p>Financial Management</p> <ul style="list-style-type: none">• Check the realization of rent in accordance with agreements• Check the renting out of vacant land/plots• Check payment of pay & allowances and financial benefits• Check that proper procedures for payments are followed• Check that contract agreements & financial sanctions from the competent forum are duly attached to the payment voucher• Check that financial concurrence is given by the competent authority <p>Programme / Project Management</p> <ul style="list-style-type: none">• To check the operational activities• To check the achievement of access network and other works targets• Proper scrutiny of projects before awarding of contract• Check the documentation as per planning commission format• Approval of PC I from the competent forum• Progress achieved and finalization of completion report (PC IV & V)• Check the cost and time over-run <p>Receivables Management</p> <ul style="list-style-type: none">• Check that revenue / receivables are recovered as per policy / rules.• Check that overdue amounts of receivables are collected from the customers.• Check that aging of receivables is regularly prepared and matters regarding outstanding receivables are taken up with debtors.• Check that surcharge on overdue amounts of receivables is recovered and accounted for in Financial Statements.• Check that receivables have not been written off inappropriately		

Audit Procedure	Done By	WP Ref.
<p>HR Issues</p> <ul style="list-style-type: none"> • Check that HR policies are approved by the competent authority • Check that hiring and firing of employees is as per approved policies • Check that end service benefits are paid on time • Check the working strength as compared to sanctioned strength • Check that appointments on contracts, additional charges and current charges made after observing codal formalities <p>Media Reports & Complaints</p> <ul style="list-style-type: none"> • Check the issues highlighted in the media • Check that complaints received through PM Portal or any other medium disposed off properly 		



Department of the Auditor General of Pakistan
Office Of The
**DIRECTOR GENERAL AUDIT POSTAL &
TELECOMMUNICATION SERVICES (P&TS)**
Audit Complex, Mauj-e-Darya Road, Lahore
Phone No. 042-99210934, Fax No. 042-99210933
E-Mail: dgpttaudit@gmail.com

No.11.F-Coord/Inst/IOs/2023-24/Vol-I/133

Dated: 11.07.2024

To,

All Inspecting Officers,
(Postal & Telecom Sectors),
P&TS Lahore and Karachi.

Instructions to Audit Teams for Audit Year 2024-25 (Financial Year 2023-24)

Following instructions need to be adhered to before and during the course of Compliance with Authority/Thematic Audit/Special Studies/Performance Audit of Postal and Telecom Sectors for the Audit Year 2024-25 (FY 2023-24):

PRE-AUDIT INSTRUCTIONS

1. Ensure completion of planning files and examination of Permanent files prior to proceeding on audit. The planning and permanent files would also be uploaded on AMIS by the IOs.
2. Pre-departure discussion/briefing with the audit teams would be held by DG in compliance of the directives of AGP office conveyed vide letter dated 17.07.2023.
3. In view of budgetary constraints, prior air travel permissions should be sought from competent authority.
4. Copies of instructions, circulars, guidelines, letters, regulations etc. received from AGP office and other forums circulated by the FAM Section during last financial year may be obtained from FAM Section and complied with during field audit execution.
5. Meeting with CF&AO of the Ministry/ Division before commencement of audit be ensured.

INSTRUCTIONS FOR COMPLIANCE DURING AUDIT

1. Inspecting officers are required to issue the letter for requisition of record to the entity concerned without specifying the type of audit i.e. Certification/Compliance/Impact/Thematic and Performance audit or Special Study etc. to avoid confusion. It should simply contain the period of audit and the auditable record to be furnished by entity.

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2. Inspecting officers must document all audit activities and keep a record of total population/expenditure of the entity/formation under each head of account appearing in the expenditure statement and correspond it to the number of files/areas scrutinized/audited as sample size.
3. Requisition of Record shall be forwarded to formations concerned soon after the tour program is approved by the competent authority in order to adopt proactive approach.
4. The issue of Non-Production of Record needs to be immediately reported for taking up the matter at the higher level. The procedure circulated vide AGP office letter dated 02.08.2022 regarding non-production of record shall be followed.
5. Audit parties would be monitored by the Director General/Director/Deputy Directors for their valuable input at the initial stage of audit observations to make supervision effective.
6. In case of any proposal, change in schedule or any untoward situation, Headquarter P&TS shall be taken on board formally and well in time.
7. The quality of audit must be ensured and in case of any hurdle/problem due to conduct of any member of audit party, the Inspecting Officer must promptly report to headquarter for immediate action.
8. Procurements and works expenditure should be covered 100% during audit. Procurement of consultancy services both **in postal & telecom sector** need to be examined in accordance with Procurement of Consultancy Services Regulations, 2010 and Guidelines for procurement of Consultancy Services.
9. During course of audit, the security deposits retained by respective departments be carefully examined, checking inwards as well as outwards flow. Any un-reconciled amount must be reported in AIRs.
10. If the field audit team comes across any audit observation of significant nature like fraud, embezzlement or any serious violation that can lead to grave/far-reaching implications, the same be immediately reported to DGA (FAO) along with a copy to DAG C&EA.
11. Inspecting officers have to raise audit observations which result into direct impact on the life of citizens. The IR(T) & (P) sections will intimate such observations to Coord section on monthly basis for onward submission to DAG (C&EA).
12. Audit teams should examine compliance by management of internal audit reports of Chief Internal Auditor (CIA) wherever posted. Comments on the status of compliance of

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internal audit observations be reported in the audit report. If no internal audit report is generated, Para regarding non-functionality of CIA be added in AIRs.

13. Violations of PPRs by audit entities communicated by the AGP office may be examined in detail and observations be developed and included in AIRs, if any. (Copies enclosed)
14. The audit teams will not only carry out audit of the Federal Consolidated Fund (FCF) and Public Account but also regulatory functions during field execution for the financial year 2023-24.
15. The audit teams will examine and ensure that rotation in postings/transfers of officers at same post/station is being carried out after every three years in compliance of directions of PAC communicated vide AGP letter dated 03.04.2023.
16. The audit teams will give a certificate to the effect that they have checked the receipts of entity, if any, during the conduct of audit and incorporated in the AIRs. The Paras related to receipts may be segregated and listed under head receipt in the Scrutiny Sheets.
17. The AQMF proformas circulated by the AMIS Section will be completed and uploaded on AMIS by the concerned IOs.
18. The Inspecting Officers of Postal Sector must consult the Desk Audit Section for any significant observations/issue highlighted during desk audit and look into the matter during field audit activity for FY 2023-24.
19. In order to ensure transparency and rigorous monitoring of Audit Parties, the IOs will intimate the progress of work on daily basis to Director Audit.

POSTAL SECTOR

20. Following areas need not to be objected at formation/circle level to avoid duplication in outcome statistics. These areas should be objected at the entity's headquarter level.
 - Excess over budget allotment
 - Appointment of Contingent Paid Staff
 - Expenditure on un-approved allowances
21. Observations relating to following issues in PPO Department need not to be developed as PDPs and will be clubbed issue-wise.

Sl. No.	Broad Areas for Consolidated PDPs
(i)	Losses and Frauds are to be objected at Circle level (separate observations should be prepared for the cases of theft, dacoity and embezzlement)

(ii)	Withdrawal of cash on paper chits
(iii)	Non-recovery of Postal Dues
(iv)	Non-recovery of standard rent from unauthorized occupants
(v)	Non-recovery of overpayment to Military Pensioners
(vi)	Non-recovery of commission / service charges
(vii)	Non-deduction / transfer of withholding tax
(viii)	Non / short recovery of Income Tax on salaries, franchised post offices and contractors etc.
(ix)	Non-verification of CTRs
(x)	Loss on account of un-remunerative Post Office
(xi)	Non-deduction of Zakat
(xii)	Outstanding TA Advances
Sl. #.	Areas for Items of AIR
(i)	Non-achievement of revenue targets etc. (to be objected at Circle level)
(ii)	Expenditure on temporary posts without retention
	Plus any other item not covered in (i) to (xiii)

22. Paras relating to outstanding printing and establishment charges may be developed at CCS, Karachi instead of against DG PPOD, whereas Para about outstanding postal dues from Provincial Government Departments should be developed at PMGs level.
23. The Inspecting officers conducting audit of Headquarters of PPOD and PLICL will also collect data for Sectoral Analysis and updation of Permanent Files. They will also collect last/current annual reports of the entity concerned and submit to Report, FAM and Coordination Sections.

TELECOM SECTOR

24. Observations of identical nature relating to Receivables should be proposed as clubbed PDPs and their issuance at headquarters level.
25. Inspecting officers conducting audit of telecom sector entities (Headquarters) will also collect data for Sectoral Analysis and updation of Permanent Files. They will also collect last/current annual report of the entity concerned for submission to the Co-ordination Section.
26. During audit of Telecom Sector Companies/Corporations, following areas must be taken into considerations for developing audit observations:
 - Memorandum and Article of Associations
 - Board Compositions
 - Minutes of the meetings of the Boards
 - Implementation of the decisions of the Board
 - Review of financial statements / accounts / transactions

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27. Outstanding dues/receivables of previous years should not be objected.
 28. Duplication/amount already objected in previous audit reports should be avoided.
 29. The audit team conducting audit of NTC HQs, Islamabad would examine the issues highlighted in anonymous complaints received in this office on regular basis.
 30. Terms of References (TORs) should be followed during Impact Audit / Special Studies of Telecom Sector entities.

Pakistan Telecommunication Authority

31. The Audit Team conducting audit of PTA HQs will also examine the complete record of Capex and Opex of the project titled "*Consolidation and Up-gradation of existing server rooms/data centers*" amounting to Rs. 197.867 million. The matter has also been highlighted in PDP No. 45-2024 (MFDAC).
32. In compliance of DAC directives dated 24.04.2024 on Audit Para 1.4.1 of Audit Report 2019-20 regarding Non-Production of Record and in pursuance of request of PTA management dated 29.05.2024, the audit team deputed at PTA HQs will also conduct the audit of HR files and litigations previously not provided to Audit.

REPORTING INSTRUCTIONS

33. Audit observations developed during audit would be uploaded on AMIS by the Inspecting Officers on regular basis. In case of any problem regarding login ID, Mr Mushtaq Hussain, AAO may be consulted (being focal person).
34. All Inspecting Officers (Postal & Telecom Sector) will complete and submit the following proformas along with AIR. These proformas should be completed with due care and should be supported by necessary documentary evidence.
 - (i) Index
 - (ii) Internal Control Deviations Summary/Scrutiny Sheet
 - (iii) Outcome Statistics Proforma
 - (iv) Financial Position of Audit
 - (v) Preamble / Incumbency Chart
 - (vi) Audit Checklist
 - (vii) Minutes of Meetings
 - (viii) Recovery Statement
 - (ix) Section-I (Part-I)
 - (x) Section-II (Part-II)
 - (xi) Requisition
 - (xii) Para settled during discussion (if any)
35. PDPs / Draft Para files should be submitted to the headquarters complete in all respects by the Inspecting Officers invariably containing following necessary documents;

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- (i) Observation Memos
- (ii) Items
- (iii) Annex (if any)
- (iv) Copy of Rule/Criteria
- (v) Documentary Evidence
- (vi) Preamble
- (vii) Reply of Unit (if any)
- (viii) Forwarding letter

- 36. Paras involving substantial amount should be proposed as PDPs. However, Paras indicating fraud, embezzlement, misappropriation and mala fide intention should be proposed as PDPs irrespective of the amount involved. Paras based on assumption, feeling or suspicion may not be proposed as PDPs.
- 37. PDPs without complete documentary evidence in support of the observation shall not be accepted. A separate file for each PDP should be prepared.
- 38. PDPs must be completed in all respects and in accordance with CCCECR (Criteria, Condition, Cause, Effect, Conclusion and Recommendation). PDPs developed without observing CCCECR would be returned to the Inspecting Officers for requisite rectification.
- 39. Cases for non-approval of Accounting Procedures by the Auditor General of Pakistan in respect of any auditee organization should be developed as PDP.
- 40. Scrutiny sheet and covering sheet must be prepared by the respective Inspecting Officer along with identification of PDPs and Items.
- 41. Outcome Statistics proforma should be filled in completely.
- 42. The Inspecting Officers would issue the Inspection Reports after the completion of audit of a formation and submit AIR along-with PDPs to headquarter within ten (10) days.
- 43. Soft copy of Audit Inspection Report (AIR) along with scrutiny sheet & PDPs must be emailed by all Inspecting Officers at irpostal2022@gmail.com & irtelecom506@gmail.com within stipulated time.
- 44. It has been noticed that Inspecting Officers develop audit observations, based on tabulated figures, without any documentary evidences. The tables should have complete documentary evidences which are required at the time of verification process.

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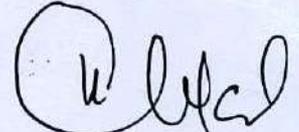
INSTRUCTIONS FOR THEMATIC/IMPACT/PERFORMANCE AUDITS & SPECIAL STUDY

45. The following thematic/impact/performance audits and special studies have been approved in the Audit Plan 2024-25:
- i. Thematic Audit on Implementation of New Cash Management Regime in PPOD (Postal Sector)
 - ii. Impact Audit of National Data Centre of NTC
 - iii. Performance Audit of National Incubation Centers (NICs) Karachi and Peshawar
 - iv. Performance Audit of SCO's project "Construction of Cross Border Optical Fibre Cable (OFC) System between China and Pakistan for International Connectivity of Voice/Data"
 - v. Special Study on Military Pension Payments by PPO Department
 - vi. Special study on selection of USF lots/areas and auction for award of USF Projects
46. The execution of thematic/impact audits would be carried out during field audit of postal and telecom sector within given time period as per TORs. The Audit Teams conducting audit of PPOD HQs, USF Company, Ignite National Technology Fund Company and Special Communications Organization would collect data relating to above mentioned Special Studies & Performance Audits for preparation of ToRs & PSRs.
46. The thematic audit on Implementation of New Cash Management Regime in PPOD (Postal Sector) would be carried out at Headquarter level and GPOs level where applicable as per ToRs. If any observation relating to Thematic Audit is found at PPO Circle level, the same may also be highlighted in respective AIR. The copy of significant areas for thematic audit is enclosed.
47. The thematic audit on Implementation of New Cash Management Regime in PPOD (Postal Sector) would be made part of AIRs by inserting a separate Section titled "Thematic Audit Observations" at the end of AIR to be submitted to DG Audit P&TS, Lahore. It may however be noted for strict compliance that the terminology of thematic audit would not be mentioned in the observations being issued to the formation/entity.
48. The impact audit should not contain observations of regularity framework and should focus on the impact of the program/project.
49. The issues related to Special Study on Military Pension Payments by PPO Department would be explored at PPOD Headquarter, Circles and GPOs where applicable as per ToRs. The data regarding special study on selection of USF lots/areas and auction for award of USF Projects would be collected at USF Company. The observations (OMs) of

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special study would not be issued to the formation and will not be made part of AIR. A separate file titled, special study data, would be prepared along with observations and complete documentary evidences would be placed in the file. The observations of special study would not be uploaded on AMIS.

50. The Impact Audit of National Data Centre of NTC would be carried out at NTC Headquarter, Islamabad. A separate file would be prepared along with observations and complete documentary evidences would be placed in this file.



Director General

CC to:

APS to the Director General and PA to Director.



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Office of the
Director General Audit
Inland Revenue & Customs
Audit Complex, Old PT&T Audit Building, Lahore

Phone # 042-99211930 Fax # 042-99211932 email: dgirnhr@agp.gov.pk

No. 257-/DGAIR&C/15-2012

Dated: 11.10.2024

To,

Additional Auditor General (Ops),
O/o Auditor General of Pakistan,
Constitution Avenue, Islamabad.

we must consolidate
all these field AGs
briefing to field audit
teams in one place.
AO/co-ord. 18/10

Subject:

BRIEFING TO FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

Kindly refer to your office letter No.SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject cited above.

2. It is submitted that as per your kind guidance and directions, written instructions have been issued to field audit teams, so that briefings are more structured and amenable to monitoring.

3. "Briefing/instructions to field audit teams/ things to do during field audit" in respect of this office are enclosed as **Annexure-A to E** for information and record.

4. This office has also directed the field auditors to inform main office about any new areas investigated during current audits so that these could be made part of checklist and shared with all other field audit teams also.

5. Further, during supervisory field visits, said checklists and instructions will also be referred to monitor the progress and quality of field audit work as per your directions.

Additional Auditor General (Ops)

Date: 18/10/24 Diary No: 222

Time in: 10:00 Time out: _____


Director General

INSTRUCTIONS/ CHECKLIST FOR COMPLIANCE WITH AUTHORITY AUDIT**Assessment of Taxes****a) Direct Taxes**

- Non-filing of tax returns;
- Short-payment of tax due to miscalculation of income;
- Non-completion of Audit selected u/s 177 & 214 of ITO, 2001;
- Short-comings in orders passed u/s 121, 122(1), 122(5A) and 221 of the;
- Non-finalization of cases that have been remanded back by Appellate Authorities;
- Incomplete returns as required under section 114(2) of the;
- Mismatch of revenue figures in sales tax return and income tax return;
- The accounting depreciation not added to profit;
- Tax depreciation not claimed as per Income Tax Ordinance, 2001;
- Inadmissible deduction/provisions claimed in return; and
- Non-proration of income between normal and final regime.

b) Indirect Tax

- Payment of sales tax less than due liability;
- Non-registration of potential taxpayers;
- Non-blacklisting/suspension of registration of persons involved in fake invoicing or tax frauds;
- Non-completion of Audit selected u/s 25, 38 and 72-B of the Sales Tax Act, 1990;
- Claim of input tax paid on raw material which was not used for taxable supplies;
- Taxpayer making both taxable and exempt supplies but not making apportionment of input tax;
- Registered persons adjusting input tax in excess of ninety per cent of the output tax for a tax period; and
- Registered persons claiming input tax on the invoices issued by the blacklisted registered persons.

2. Collection of taxes**a) Direct Taxes**

- Non-payment of tax liability and non-payment of default surcharge/penalty;
- Collection as per CPR challans not traceable in the E-portal system of FBR; and
- Delay in recovery of demand created by assessment orders made under Income tax Ordinance, 2001.

b) Indirect Taxes

- Non-payment of tax liability and non-payment of default surcharge/penalty;

- Non-collection of tax whether standard or reduced rate of tax on supplies;
- Non-collection of further tax on supplies made to unregistered persons; and
- Delay in recovery of demand created by assessment orders made under Sales Tax Act, 1990.

3. Withholding Tax deducted at source

a) Direct Taxes

- Reconciliation of withholding Income Tax deduction under section 148 of ITO, 2001 at import stage with Income Tax return of corresponding tax year;
- Shortcomings in orders passed u/s 161/205 of ITO, 2001;
- Non-monitoring of the withholding statements filed u/s 165 of the;
- Claim of inadmissible tax exemptions, credits and allowances
- Tax deducted at source at incorrect rate on auction of plots by developing authorities;
- Tax deducted but not deposited or deposited late into the government exchequer by the withholding agents;
- Non-finalization of legal proceedings against the defaulters; and
- Nonpayment of Advance Tax liable on taxpayer under section 147 to the Income Tax Ordinance, 2001.

b) Indirect Taxes

- Tax not deducted by specified withholding agents as provided in Eleventh Schedule of the Sales Tax Act, 1990;
- Remaining 4/5th amount not accounted for and deposited in government exchequer; and
- Non-availability of list of withholding agents.
- Standard rate of sales tax enhanced from 17 to 18 percent.
- Sales tax at the rate of 25% on luxury items vide Supplementary Finance Act, 2023

4. Tax Exemptions

a) Direct Taxes

- Tax exemptions to Non Profit-making Organizations (Nepos) which are not fulfilling the requirements of various laws applicable on it,
- Wrong issuance/claim of income tax exemptions; and
- Non-compliance of provisions contained in Second Schedule of the Income Tax Ordinance, 2001.

b) Indirect Taxes

- Non-compliance of provisions contained in 6th Schedule of the Sales Tax Act, 1990; and
- Wrong claim of sales tax exemptions on import of medical items/equipment as specified in the SRO 237(1)/2020 dated 20 March 2020.

5. Issues pertaining to sections 38 & 40B of Sales Tax Act, 1990 and Track and Trace System

- Non-revision of sales tax returns in case of difference of stocks;
- Non-submission of inquiry report of stock-taking; and
- Non-revision of income tax returns and deposit of tax in cases where evasion of sales/stocks by the taxpayers is established.

6. Charging/Payment of sales tax at increased rates than standard / zero-rated

Zero rating facility of the export-oriented sectors i.e. Textile, Leather, Surgical, Carpets & Sports has been withdrawn by the Federal Government vide SRO 694 (I)/2019 dated 29.06.2019. Therefore, from 1st July 2019, standard rate of sales tax is applicable on all taxable activities of the textile sector.

7. Refund

- Wrong determination of refund due to miscalculation;
- Wrong adjustment of refund allowed by the department;
- Outstanding demand of the taxpayer not adjusted from refund;
- Refund created without verification of the tax payments;
- Tax deducted as final tax claimed as adjustable;
- Excess claim of previous years refund;
- Double adjustment of refund;
- Delay in processing of refund claims and monitoring by FBR;
- Non-carrying out of post-refund audit of sales tax refund by field formations;
- No verifications made from the DPC, DPU or the Treasury in case of a single challans of tax or an identifiable multiple challans of tax;
- Late submission of refund application; and
- Non-compliance of law regarding payment through banking channels.

Customs

1. Assessment and valuation of imported goods

a) Mis-declaration of imported goods

- Improper recording of actual description in disregard of invoice, packing list, bill of lading; and
- Short-assessment of duty and taxes.

b) Under-valuation of imported goods

- Non-application of valuation rulings and provisions of Section 25 of the Customs Act 1969;
- Determination of lesser assessed value; and

- Short-assessment of duty and taxes.
- c) Misclassification of imported goods**
 - Classification of goods under PCTs other than specific PCT headings; and
 - Lower rates of duty and taxes applied.
- d) Inadmissible exemptions**
 - Misinterpretation of conditions of SROs/Notifications; and
 - Lesser duty and taxes are charged.

2. Bonded warehouses (Public, Private bonds And Diplomatic bonds)

- a) Improper inbonding**
 - Entering of less quantities in bond registers; and
 - Illegal removal of bonded goods to evade duties and taxes.
- b) Non-removal of goods within stipulated period of time**
 - Undue benefit to licensees;
 - Blockage of Government revenue; and
 - Non-recovery of warehousing surcharge.
- c) Assessment of Bonded Goods**
 - Short-assessment of bonded goods; and
 - Short-realization of duty and taxes.

3. Auction of confiscated goods

- a) Non-transparent auction process**
 - Improper determination/revision of reserve price;
 - Non-forfeiture of earnest money; and
 - Blockage due to use of vehicles for operational purposes.

4. Manufacturing bonds

- a) Import/procurement of unapproved input/output goods**
 - Non-provision of valid analysis certificates;
 - Violations of approved Input Output Ratios;
 - Non-conduct of stock-taking and mandatory audits; and
 - Delayed disposal of unconsumed quantity/wastage.

5. Duty & Tax Remission for Exports (DTRE)

- b) Import/procurement of unapproved input/output goods**
 - Non-provision of valid analysis certificate;
 - Violations of approved Input Output Ratios IORs;
 - Non-submission of reconciliation statements; and
 - Disposal of unconsumed quantity/wastage is delayed.

6. Preventive Function

a) Record keeping- risk areas

- Non/delayed entry of detained goods in DA register; and
- Non/less entry of weight/quantity of detained goods.

b) Disposal of confiscated goods

- Short-realization of duty and taxes due to improper assessment;
- Release of confiscated goods against mismatching import documents; and
- Non-filing of appeals against defective adjudication orders.

7. Baggage

Grant of excess allowances

- Duration of passenger's stay abroad miscalculated;
- Dutiable goods also cleared under the garb of duty free allowances; and
- Concession given where goods are dispatched from one country but passenger arrives from another country.

8. Rebate/ Duty Drawback

Excess/inadmissible payment of duty drawback

- Entertainment of time-barred rebate claims;
- Condonation of delay in time barred cases on superficial reasons by the exporters;
- Application of incorrect rates;
- Payment of rebate against defective export documents;
- Payment of rebate on goods manufactured with duty free input goods; and
- Payment of rebate at full rate where input goods are used partially in manufacturing of exported goods.

Expenditure –Significant Risk Areas and Audit Objectives

1. Employee-related expenses

- Irregular payment of Special (IJP) allowance;
- Incorrect fixation of pay and allowances;
- Overpayment of TA/DA, hired accommodation, conveyance allowance, medical claims; and
- Repayment of Loan and advances and interest.

2. Procurement

- Non-observance of PPRA rules and canons of financial propriety;
- In August 2023 Collectorate of Customs, Customs House published 5 tenders notices out which 1 contained violation of PPRA Rules, 2004

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- Non-observance of Delegation of Powers;
- Non-maintenance of Inventory and Asset Record; and
- Non-performance of Stock-Taking and Physical Verification

3. Contingency payments

- Irregular sanctions;
- Non-maintenance of cash book; and
- Undue or overpayments and bogus expenditure.

4. Unlawful use of Luxury Vehicles

- Unlawful Use of confiscated Vehicles causing inordinate delay in their disposal/auction;
- Unlawful use of POL in government vehicles; and
- Unlawful sale of luxury vehicles to individuals on token price.

Impact Audit of "Income Tax Credit Allowed through increase of Share Capital"

During the Audit of Income Tax Credit allowed through increase of share capital under section 65E of the Income Tax Ordinance 2001, FATs will check that:

- How many tax credit claims filed under Section 65E.
- Total amount of tax credits claimed under Section 65E.
- Total amount of investment made in industrial undertakings.
- Percentage of tax credits utilized against tax liability.
- How many new projects setup by industrial undertakings.
- Number of jobs created in industrial undertakings.
- Whether any positive Impact has been created by tax credits on tax revenue collection.
- Percentage of taxpayers who comply with Section 65E regulations.
- Number of tax credit disputes resolved.
- What is average tax credit claimed per industrial undertaking.
- Breakdown of investment and tax credits by industry/sector. Especially, how many dairy farming companies have availed the tax credit and increase in production of overall milk production. Which industry has obtained major portion of this benefit and the impact of that industry in overall economy of the country.
- Province region-wise distribution of investment and tax credits.
- How many old limited companies have availed the tax credit (listed and non-listed) and their impact in capital market. Compare with how many new limited companies have been incorporated after insertion of the said provision of the law and their impact in share market. How much share capital have been placed in the share market and their impact on corporate sector.
- How many companies became dormant after completion of five years period of availing the tax credit.
- In respect of balancing, modernization, replacement of plant and machinery of old companies, whether any efficiency have been noticed in respect of reduction in electricity consumption leading to increase in taxable income or otherwise.
- In respect of the listed public companies, how much dividend has been distributed to the shareholders.
- How many export-oriented companies have been incorporated to avail such benefit and to what extent overall exports have been increased.

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Annexure-C

SECTORAL AUDIT OF "INCOME TAX REFUNDS AND EXEMPTION CERTIFICATES ISSUED TO EXPORT ORIENTED SECTORS"

During the Audit of Income Tax Refunds and Exemption Certificates Issued to Export Oriented Sectors, FATs will:

- Check total amount of refund sanctioned during 2023-24.
- Collect the list of taxpayer to whom refund sanctioned
- Check whether refund application was submitted within prescribed period of 03 years by the taxpayers or otherwise.
- Examine timely verifications made from concerned DPC/DPU or treasury of tax challans or verification of tax deduction certificate from issuing office and fulfillment statutory requirements.
- Assess whether Tax verification process completed within 30 days of receipt of refund application or not.
- Also check accuracy refund order issued within 60 days of submission of refund application.
- Examine processing and issuing of refund claims directly to the taxpayers account on the basis of credit verifications by Board's computerized system.
- Examine whether processing under circular No. 05/2003 is observed or not.
- Examine whether adjustment of refund of various years was allowed after proper verification or not.
- Examine whether adjustment allowed was properly entered in IRIS software or not.
- Check whether applications for issuance of exemption certificate received from taxpayers or not.
- Evaluate whether order of grant or refusal of exemption certificate are issued timely or not
- Examine the reasons for delay in processing/issuance of refund/exemption certificate.
- Compare controls on cash refund and non-cash adjustment are same or not.
- Evaluate presence of a proper monitoring mechanism by FBR and effective controls and monitoring system.
- Did the automation in the department led to improve the efficiency system of issuance of refund claims and exemption certificates.
- During the process of issuance of exemption certificate due tax recovery is ensured or not under all relevant heads.
- Examine time period taken by the FBR authorities for processing of refund and exemption certificate for various taxpayers within five exports oriented sectors.
- Is the processing time is same for export oriented taxpayers and non-export oriented sectors/taxpayers.
- Assess whether extra facility available / granted for exports oriented sectors or not, for the processing of refund or issuance of exemption certificate that create extra facilitation of these sectors.

**SPECIAL STUDY ON DUTY FREE IMPORT OF PAPER FOR PUBLICATION OF
HOLY QURAN AND PRINTING OF NEWS-PAPERS**

During the Audit of Special Study on Duty Free Import of Paper For Publication Of Holy Quran And Printing Of News-Papers. FATs will:

A. Publication of Holy Quran

- (i) Examine quantity imported should not more than the quantity approved by the IOCO;
- (ii) Examine that the quantity of paper imported do not differ from the specifications and PCT headings provided in the 5th Schedule to the Customs Act, 1969 and the Sales Tax Act, 1990;
- (iii) Examine no vendor import in his name in case of outsourcing;
- (iv) Examine the quantity presented in IOCO and the quantity in the sales tax returns is same; and
- (v) Examine compliance of contractual terms and conditions regarding supply of paper, printing of Quran, Supply of printed Quran and release of securities after NOC by the IOCO etc.

B. Publication of Newspaper

- (i) Examine that paper is imported only by newspaper or periodical publishers certified by the All-Pakistan Newspaper Society (APNS);
- (ii) Examine whether paper imported is of specifications classifiable under PCT heading 4801.0000 only; and
- (iii) Examine whether newsprint imported was used for printing of newspaper and not printing of brochures, leaflets and directories.

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Annexure-E

Performance Audit of "Selection and Disposal of Income Tax Audit Cases"

During Performance Audit of "Selection and Disposal of Income Tax Audit Cases" the field audit teams will obtain MPR for the month of June of the respective financial year (for last five tax years) and will accumulate data in respect of: -

- Opening balance of the cases selected for audit,
- Cases selected for audit during the currency of the financial year
- Cases where audit completed during the financial year
- Number of cases along-with amount of tax where the taxpayers preferred appeal
- Cases and amount of tax confirmed by appellate authorities
- Cases and amount of tax remanded back by the appellate authorities
- Cases and amount of tax where the appellate authorities deleted the tax charged by the department



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Department of the Auditor-General of Pakistan
Office of the

**DIRECTOR GENERAL AUDIT
(WATER RESOURCES)**

Sunny View Estate, Kashmir Road, Lahore
Phone No.042-99204982 Fax No. 042-99204983
E-mail: dgauditwaterresource@gmail.com

No. C&P/WR/Proactive Role of DGs/143/TR-251

Dated: 14.10.2024

Honourable Addl. Auditor General of Pakistan (Ops),
Audit House, Constitution Avenue,
G-5/2, Islamabad.

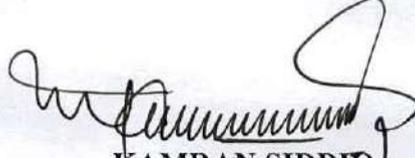
Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kind most reference is drawn to your office letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject captioned above.

02. In context to para # 68. of reference letter, it is submitted that after pre-departure meetings, all field audit teams were issued specific instructions related to each project / formation highlighting high risk areas. Details of the same are tabulated and enclosed as **Annex-A**.

03. In context to paras # 69 & 70 of reference letter, it is submitted that all field audit teams were issued guidelines to be followed during field audit activity at the time of departure to respective formations / offices / projects. The same are enclosed as **Annex-B&C**.

04. Submitted as desired please.


KAMRAN SIDDIQ
DIRECTOR GENERAL

Additional Auditor General (Ops)
Date: 18/10/24 Diary No: 230
Time in: 3:40 Time out:

Enclosed: As Above

Copy forwarded for information to:

The Deputy Auditor General (C&EA Wing), O/o the Auditor-General of Pakistan, Audit House, Constitution Avenue, G-5/2, Islamabad.

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Ao.co-ord.

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

i. **Name of Inspecting Officer:** Mr. Qasim Malik, Deputy Director

FAT-1

S/No.	Name of Formation	Risk Areas
1.	CEO DBDC/GM Diامر Basha Dam Project along with GM, Land Acquisition & Resettlement, Chilas	<ul style="list-style-type: none">• Check payments made to the contractors and consultants in detail with reference to provisions of contract agreements including payment of price adjustments.• Examine Variation Orders issued to the contractors for execution of different works• In case of delay in completion of projects, check status of imposition of liquidated damages/grant of EOTs• Examine cases of amicable settlement with contractors, if any• Check compliance of procurement rules and relevant instructions/guidelines of PEC while issuance of purchase orders / award of work orders• Examine appointments against different posts on project• Issues of land acquisition
2.	General Manager (Finance) Water Project	<ul style="list-style-type: none">• Check payments made to the consultants in detail with reference to provisions of consultancy agreement.• Examine procurement process of award of main contract for construction of powerhouse, if finalized• Check actual performance of the consultants with reference to the TORs and payments made• Check compliance of procurement and relevant rules while issuance of purchase orders / award of work orders

ii. **Name of Inspecting Officer:** Mr. Said Arab Khan, Audit Officer

FAT-1

S/No.	Name of Formation	Risk Areas
1.	(i) PD, Kurram Tangi Dam Project, Bannu (ii) Loan No. KTW-APIP (USAID) & No.6041 (ADB)	<ul style="list-style-type: none">• Examine payments made to the contractors/consultants with reference to contract agreements and application of taxation laws• Check payments made to the contractor on account of price escalation• Check variation orders issued to the contractors for different works• Examine cases of imposition of liquidated damages/grant of EOT due to delay in completion of works• Check utilization of proceeds of foreign loans as per Financing Agreements

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		<ul style="list-style-type: none">• Prepare FAP Certificates as per requirement
2.	<p>(i) PD, Warsak Hydroelectric Power Station 2nd Rehabilitation Project, Warsak</p> <p>(ii) Loan No.CPK 1031-01 (AFD), Grant No.CPK 1031-02 (AFD) and Loan No.201165745 (KFW)</p>	<ul style="list-style-type: none">• Examine payments made to the contractors/consultants with reference to contract agreements, payment of escalation and application of taxation laws etc.• Examine variation orders issued to the contractors for different works• Check re-imburement of custom duties and taxes etc. on import of equipment for rehabilitation of Power Station• Check utilization of proceeds of foreign loans as per Financing Agreements• Prepare FAP Certificates as per requirements

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AUDIT OFFICER
(C&P SECTION)

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Mr. Amjad Ali, Audit Officer

FAT-2

S/ No.	Name of Formation	Risk Areas
1.	Project Director, Greater Karachi Bulk Water Supply Scheme (K-IV), Karachi	<ul style="list-style-type: none">• Examine payments made to the contractor /consultants with reference to contract agreements including payment of price adjustments and application of taxation laws.• Check mechanism of recovery of mobilization advance from the contractors after contractual completion period of all the contracts• Examine cases of grant of extension of time to the contractors and/or imposition of liquidated damages• Examine variation orders issued to the contractors and amicable settlements with the contractors, if any• Examine award of work in different packages
2.	Project Director (O&M) Hub dam Project, Karachi	<ul style="list-style-type: none">• Check issue of recovery of O&M cost of hub dam from Sindh and Balochistan Provinces• Check compliance of procurement rules and relevant instructions /guidelines of PEC while awarding work orders for O&M works• Check compliance of procurement rules while issuance of purchase orders
3.	(i) General Manager / Project Director, Dasu Hydropower Project (ii) World Bank Loan No.5497-PK & 5498-PK	<ul style="list-style-type: none">• Examine payments made to the contractor /consultants with reference to contract agreements including payment of escalation and application of relevant taxation laws etc.• Examine variation orders issued to the contractors and amicable settlements, if any• Check compliance of procurement and relevant rules in award of purchase/work orders for works• Check issues regarding utilization of funds for land acquisition• Check utilization of proceeds of foreign loans as per Financing Agreements• Prepare FAP Certificates as per requirements

U. Aslam

**AUDIT OFFICER
(C&P SECTION)**

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Muhammad Ali, Audit Officer

FAT-3

S/ No.	Name of Formation	Risk Areas
1.	(i) Chief Engineer /P.D Tarbela 4 th Extension Hydropower Project (ii) Impact Audit of Tarbela 4 th Extension Hydropower Project (iii) Loan No.5079-PK (WB)	<ul style="list-style-type: none"> Examine issue of Testing of Low-Level Outlet (LLO) and Transmission lines Check status of imposition of LD especially in case of delay in installation of Trash Racks. Examine Variation Order and cases of EOTs & amicable settlements. Check issue of termination of consultancy contract in wake of black listing and hiring of new consultants. Make comparison of generation of Tarbela before and after commissioning of T4HPP to analyse the impact of the initiative Prepare Impact Audit Report as per approved template Analyse any impact of the project on the irrigation releases Examine utilization of proceeds of foreign loan as per Financing Agreement Prepare FAP Certificate as per requirement
2.	Chief Engineer (O&M), Tarbela 4 th Extension, Hydel Power Station, Tarbela	<ul style="list-style-type: none"> Check generation loss sustained due to testing of Low-Level Outlet and any other reason Billing issues of electricity generation of T4HPP Check compliance of procurement and relevant rules in award of purchase orders for local & imported parts of powerhouse and issues in execution of contracts Check compliance of procurement and other rules in award of work orders for O&M works
3.	(i) Project Director, Tarbela 5 th Extension Hydropower Project (ii) Loan No.8646-PK (WB)	<ul style="list-style-type: none"> Check payments made to the contractor /consultants with reference to contract agreements including escalation and application of relevant taxation laws. Examine Variation Orders issued to the contractors for execution of different works Examine issue of downstream cofferdam Check compliance of provisions of PC-I of the project Examine cases of grant of EOTs/imposition of LDs due to delay in completion of each section of works Examine utilization of proceeds of foreign loan as per Financing Agreement Prepare FAP Certificate as per requirement
4.	(i) Project Director, GM/PD Mohmand Dam Hydropower Project	<ul style="list-style-type: none"> Examine issue of non-deduction of taxes Check claims w.r.t flood damages in April, 2024 Check payments made for security arrangement without

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<p>(ii) Loan No.1049 (IsDB) & Loan No.15203-P (OFID)</p>	<p>having any provision in PC-I and non-revision of PC-I</p> <ul style="list-style-type: none">• Check payments made to the contractor /consultants with reference to contract agreements including escalation and application of relevant taxation laws.• Examine variation orders issued to the contractors for execution of different works• Examine cases of LDs/EOTs due to delay in completion of each section of works• Examine utilization of proceeds of foreign loans as per Financing Agreements• Prepare FAP Certificates as per requirement
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U. S. A. Khan

**AUDIT OFFICER
(C&P SECTION)**

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Mr. Shafqat Ali, Audit Officer

FAT-4

S/ No.	Name of Formation	Risk Areas
1.	(i) CEO NJHPC/PD NJHPP (ii) Loan No.11/508 (SFD) and Loan No.13/599 (SFD)	<ul style="list-style-type: none">• Check recent issue of closure of powerhouse due to collapse in Head Race Tunnel, generation loss due to closure of powerhouse and status of its insurance coverage/claim• Check status of finalization variation orders issued to the previous contractors and amicable settlements, if any• Check payments made to the contractors and consultants in detail with reference to provisions of contract agreements including payment of price adjustments and application of relevant taxation laws.• Examine issues in repayment of foreign loans in the wake of non-generation of revenue due to closure of powerhouse• Check status of determination of final tariff of NJHP by NEPRA• Check status of refund of excess received amount of Neelum Jhelum Surcharge to the consumers.
2.	(i) PD, Mangla Refurbishment and Upgradation Project (ii) Loan/Grant No. MANGLA-ENR (USAID) & Loan No.CPK-1041-01 (AFD)	<ul style="list-style-type: none">• Check payments made to the contractor /consultants with reference to contract agreements including payment of price adjustments and application of taxation laws.• Check imposition of liquidated damages and/or grant of extension of time to the contractors, if any• Examine amicable settlements with the contractors• Examine utilization of proceeds of foreign loans/grant as per Financing Agreements• Prepare FAP Certificates as per requirements
3.	RE Civil, MDO Mangla	<ul style="list-style-type: none">• Check issues of illegal occupation of residences in Mangla Colony and recovery of rent• Check compliance of procurement rules while issuance of purchase orders• Check compliance of PPRA rules and relevant instructions /guidelines of PEC in award of work orders for O&M works
4.	RE Power Station, Mangla	<ul style="list-style-type: none">• Examine generation statistics of power house and point out abnormal generation loss due to any reason• Check compliance of procurement and relevant rules in award of purchase orders for local & imported parts of powerhouse and issues in execution of contracts

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		<ul style="list-style-type: none">• Check compliance of procurement rules and relevant PCE instructions/guidelines in award of work orders for O&M works
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AUDIT OFFICER
(C&P SECTION)

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Syed Nabeel Asghar, Audit Officer

FAT-5

Sr. No.	Name of Formation	Risk Areas
1	Project Director, Darawat Dam Project Hyderabad	<ul style="list-style-type: none">• Final payment made to the EPC contractor with reference to contract agreement and rules etc.• Payment of Authority overhead from PSDP funds with reference to the provision of PC-I and rules• Recovery of O&M cost from Government of Sindh• Payment made to consultant with reference to consultancy agreement and rules
2	Medical Superintendent, WAPDA Hospital, Hyderabad	<ul style="list-style-type: none">• Non-recovery of medical shares from various corporate entities with reference to their agreement and rules• Supply of medicines with reference to their agreement• Payment of salary to Doctors and Staff Nurses appointed on lumpsum basis• Retention and distribution of sub-standard medicine• Purchase of medical equipment with reference to PPRA rules
3	General Manager, (Projects) South Hyderabad	<ul style="list-style-type: none">• Recovery of standard rent from employees and different offices• Handing of WAPDA building of HESCO without formal rental agreement• Mis-procurement of works with reference to PPRA rules• Illegal occupation of WAPDA quarters by Intelligence Bureau and Rangers
4	Project Director, Nai Gaj Dam Project, Dadu	<ul style="list-style-type: none">• Payment made to the contractor with reference to contract agreement and applicable tax rules• Non-opening of designated bank account for depositing retention money• Payment of pensionary charges for other formation out of PSDP funds with reference to PC-I provision

Syed Nabeel Asghar

**AUDIT OFFICER
(C&P SECTION)**

AS

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Mr. Waseem Yaqoob, Audit Officer

FAT-6

S/ No.	Name of Formations	Risk Areas
1.	(i) Project Director, Naulong Storage Dam Project, Jhal Magsi (ii) Loan No.6048 (ADB)	<ul style="list-style-type: none"> • Check payments made to the consultants in detail with reference to provisions of consultancy agreement and application of taxation laws. • Check actual performance of the consultants with reference to the TORs and payments made • Check compliance of procurement and relevant rules while issuance of purchase orders / award of work orders • Examine utilization of proceeds of foreign loan as per Financing Agreement • Prepare FAP Certificate as per requirement
2.	(i) Project Director, Chitral Hydel Power Station Capacity Enhancement Project (01 MW to 05 MW), Chirtal (ii) Loan No. CPK 1033-01 (AFD)	<ul style="list-style-type: none"> • Check payments made to the consultants in detail with reference to provisions of consultancy agreement and application of taxation laws. • Check timelines for award of contract as per PC-I and status of award of contract for main works • Check compliance of procurement and relevant rules while issuance of purchase orders / award of work orders • Examine utilization of proceeds of foreign loan as per Financing Agreement • Prepare FAP Certificate as per requirement
3.	(i) Project Director, Golen Gol Hydropower Project, Chitral (ii) Loan No.993 (KFAED), Loan No.39722 (SFD) & Loan No.14/609 (SFD)	<ul style="list-style-type: none"> • Check status of approval of revised PC-I of the project and incurrence of expenditure on restoration works of transmission line & power house • Check status of handing over of transmission line to PESCO • Check compliance of procurement and relevant rules in award of purchase/work orders for works • Examine utilization of proceeds of foreign loan as per Financing Agreement • Prepare FAP Certificate as per requirement
4.	Resident Engineer, Golen Gol Hydropower Station (108 MW), Chitral	<ul style="list-style-type: none"> • Examine generation statistics of power house and point out abnormal generation loss especially due to non-removing of operational constraints of transmission line on permanent basis. • Check compliance of procurement rules in award of work orders for O&M works • Check issue of non-restoration of transmission line due to Glacier Lake Outburst Flooding (GLOF) • Check compliance of procurement and relevant rules in award of purchase orders for local & imported parts of powerhouse and issues in execution of contracts

Waseem Yaqoob

**AUDIT OFFICER
(C&P SECTION)**

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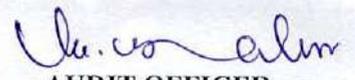
Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25

Name of Inspecting Officer:

Muhammad Zubair, Audit Officer

FAT-7

S/ No.	Name of Formation	Risk Areas
1.	(i) Project Director, Keyal Khawar Hydro Power Project, Pattan (ii) Loan No.CPK-1054 (AFD) & Loan No.200966309 (KFW)	<ul style="list-style-type: none">• Check payments made to the consultants with reference to consultancy agreements and application of relevant taxes laws etc.• Check progress of the consultants with reference to TORs• Check compliance of procurement rules while issuance of purchase orders• Check compliance of procurement rules and relevant instructions /guidelines of PEC in award of work orders for O&M works
2.	Chief Engineer (O&M) along-with RE, Allai Khwar, Khan Khwar and Duber Khwar Hydel Power Station, Besham	<ul style="list-style-type: none">• Examine generation statistics of all three power houses and point out abnormal generation loss due to any reason• Check compliance of procurement and relevant rules in award of purchase orders for local & imported parts of powerhouse and issues in execution of contracts• Check compliance of procurement rules and relevant instructions /guidelines of PEC in award of work orders for O&M works
3.	Chief Engineer/Project Director, Kachhi Canal Project, DG Khan	<ul style="list-style-type: none">• Check payments made to the contractor /consultants with reference to contract agreements, payment of escalation and application of relevant taxes etc.• Examine variation orders issued to the contractors and amicable settlements with the contractors, if any• Check issues of illegal encroachment and mutation of land of WAPDA• Check issue of TOC of contract No. KC-36


AUDIT OFFICER
(C&P SECTION)
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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Mr. Qammar Abbass, Audit Officer

FAT-8

S/ No.	Name of the Formation	Risk Areas
1.	(i) Chief Engineer Tarbela Power Station (ii) Loan No.ENR- TDR2 (USAID)	<ul style="list-style-type: none">• Examine generation statistics of power house and point out abnormal generation loss due to any reason• Check compliance of procurement and relevant rules in award of purchase orders for local & imported parts of powerhouse and issues in execution of contracts as per provisions• Check compliance of procurement rules and relevant instructions/guidelines of PEC while awarding work orders for O&M works• Examine utilization of proceeds of foreign loan/grant as per Financing Agreement• Prepare FAP Certificate as per requirement
2.	General Manager (Civil) Tarbela Dam Project, Tarbela	<ul style="list-style-type: none">• Check compliance of procurement rules and relevant instructions /guidelines of PEC in award of work orders for O&M works of colony and dam• Check compliance of procurement rules while issuance of purchase orders for purchase of different items• Check issues in execution of purchase orders / work orders• Check issues of illegal occupation of residences in Tarbela Colony and status of recovery of standard rent
3.	Executive Engineer (O&M), Khanpur Dam Project, Haripur	<ul style="list-style-type: none">• Check issue of recovery of water charges from CDA, Government of Punjab and Khyber Pakhtunkhwa.• Examine issues of illegal encroachment of WAPDA land and recovery of rent/lease amount• Check compliance of procurement rules and relevant instructions/guidelines of PEC while issuance of purchase orders and award of work orders for O&M works of colony and dam.

Qammar Abbass

AUDIT OFFICER
(C&P SECTION)

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Muhammad Naeem Naz, Audit Officer

FAT-9

S/ No.	Name of Formation	Risk Areas
1.	(i) Project Director, Harpo Hydropower Project, Skardu (ii) Loan No. CPK 1014-01R (AFD) & No. 200967364 (KFW)	<ul style="list-style-type: none">• Examine issues of land acquisition• Check payments made to the consultants with reference to consultancy agreement and performance of the consultants with reference to TORs and payments made• Compliance of procurement and relevant rules in award of purchase orders and work orders• Examine utilization of proceeds of foreign loans as per Financing Agreements• Prepare FAP Certificates as per requirement
2.	General Manager Finance (Power) WAPDA, Lahore	<ul style="list-style-type: none">• Check compliance of instructions of Finance Division regarding assignment account procedure• Check allocation, releases and utilization of PSDP funds for different projects as per rules• Examine investment of working capital/surplus amount as per rules, if any• Check compliance of procurement and relevant rules in award of purchase orders / work orders
3.	Resident Engineer, Jabban Hydropower Project, Malakand	<ul style="list-style-type: none">• Examine generation statistics of power house and point out abnormal generation loss due to any reason• Check compliance of procurement and relevant rules in award of purchase orders for local & imported parts of powerhouse and issues in execution of contracts• Check compliance of procurement rules and relevant instructions/guidelines of PEC while awarding work orders for O&M works

Muhammad Naeem Naz

AUDIT OFFICER
(C&P SECTION)

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Muhammad Noman, Audit Officer

FAT-10

S/No.	Name of Formation	Risk Areas
1.	(i) Project Director, Dargai (Rehabilitation) Hydropower Project Dargai (ii) Loan No. CPK 1033-01 (AFD)	<ul style="list-style-type: none">• Check payments made to the consultants with reference to consultancy agreements and application of relevant taxes laws etc.• Check adherence to different clauses of consultancy agreement• Check compliance of procurement rules and relevant instructions/guidelines of PEC while awarding purchase orders & work orders for works• Examine utilization of proceeds of foreign loan as per Financing Agreement• Prepare FAP Certificates as per requirements

Muhammad Noman

AUDIT OFFICER
(C&P SECTION)

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**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer:

Mr. Mehmood Hamza Janjuha, Audit Officer

FAT-11

S/No.	Name of Formation	Risk Areas
1.	Chief Engineer, Chashma Barrage & Chashma Jhelum Link Canal, Chashma	<ul style="list-style-type: none">• Check issue of recovery of O&M cost share of CJ Link Canal from Government of Punjab.• Examine issues of illegal occupation of WAPDA land and recovery of rent/lease amount• Check compliance of procurement rules and relevant instructions/guidelines of PEC while issuance of purchase orders and award of work orders for O&M works
2.	Chief Engineer/Resident Engineer, Chashma Hydel Power Station, Chashma	<ul style="list-style-type: none">• Examine generation statistics of power house and point out abnormal generation loss due to any reason• Check compliance of procurement and relevant rules in award of purchase orders for local & imported parts of powerhouse and issues in execution of contracts• Check compliance of procurement rules and relevant instructions/guidelines of PEC while awarding work orders for O&M works

U. S. S. S. S.

**AUDIT OFFICER
(C&P SECTION)**

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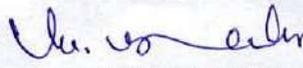
108

**Formation / Project wise specific instructions issued to the audit teams for
Audit Year 2024-25**

Name of Inspecting Officer: Mr. Azhar Hussain Butt, Audit Officer

FAT-12

S/ No.	Name of Formation	Risk Areas
1.	GM (C&M) Water WAPDA, Lahore	<ul style="list-style-type: none">• Check processing and approval of variation orders issued to different contractors• Check approval process and agreements of amicable settlements and global settlements with the contractors• Check processing and approval of EOTs cases of the contractors• Review the due procedure/process adopted in the award of different contracts
2.	GM Hydel (Operations) and GM Hydel (Development) WAPDA, Lahore	<ul style="list-style-type: none">• Check compliance of procurement and relevant rules in award of purchase orders / work orders for O&M and new works• Examine variation orders issued to the contractors• Check grant of EOTs to the contractors and/or imposition of liquidated damages• Examine invoices of the electricity sales issued to the CPPA-G• Examine invoices rejected by the CPPA and reasons for their rejections
3.	GM Finance (Power) WAPDA, Lahore	<ul style="list-style-type: none">• Check issue of recovery of outstanding sales revenue from CPPA-G• Check utilization of funds/loan amounts as per agreements• Examine investment of working capital/surplus amount as per rules• Check compliance of procurement and relevant rules in award of purchase orders / work orders• Examine taxation issues of WAPDA


**AUDIT OFFICER
(C&P SECTION)**

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Department of the Auditor-General of Pakistan
Office of the
DIRECTOR GENERAL AUDIT (POWER)

Sunny View Estate, Kashmir Road, Lahore
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No. P&C/Corr/DAG/AGP/Vol-XVIII/3355

Dated: 05.12.2024

The Additional Auditor General of Pakistan,
Department of the Auditor General of Pakistan,
Audit House, Constitution Avenue,
G-5/2, Islamabad

Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to your office letter No. SPS/Addl. AG (Ops)/2024 dated: 27.09.2024 on the above cited subject.

2. It is submitted that Directorate General Audit Power issues detailed audit risks to all inspecting officers before audit execution in the light of approved annual audit plan 2024-25 (annex-I). In addition to above, a précised checklist is attached as Annex-II which is also being shared with audit teams to adhere during field audit activity
3. Submitted for your kind consideration and perusal please.

ASW Mannak
**DIRECTOR GENERAL
AUDIT POWER**

Sr. No.	Name of Formation	Risk Areas
1.	National Transmission and Despatch Company (NTDC)	<ul style="list-style-type: none"> • Compliance of PEPA (Pakistan Environment Protection Act) • Compliance to the NEPRA's Standards • Obligations of NTDC as System Operator • Implementation of Economic Merit Order with respect to System's constraints/ Economic Dispatch Order • Efficient and Effective planning for Removal of System Constraints and future requirements • Transparency in Award of contracts and procurement of Material & Services • Adherences to the provisions of Contract Agreements for procurement of material, Civil works & services • Role of Consultants • Variation orders & EOTs Claims • Time Overrun & Cost Overrun • Wheeling charges • Commitments with CPPA / IPPs as per PPA (Power Purchase Agreements) regarding provision of facility for evacuation power from IPPPS and subsequent dispersal to National Grid System/ NPCC • Non-evacuation (non-projected missed volume) of power from IPPs and its financial impact • Transmission break downs and subsequent financial impact • T&D Losses • Land acquisition matters with district authorities/ revenue department • Crop compensation • Utilization of Foreign loan/ grants in accordance with provisions of Multi-tranche Finance Facility Agreements (MFF) • GST issues with FBR
2.	Power Planning and Monitoring Company (PPMCL)	<ul style="list-style-type: none"> • Non-provision of support to Ministry of Energy (Power Division) as per approved mandate • Non-monitoring of DISCOs performance according to specified key performance indicators • Improper designing, non-implementation /evaluation of consumer end tariff • Non-implementation of monitoring framework • Non-compliance of DAC/PAC directives • Non-compliance of Public Procurement rules • Unjustified expenditure on pay and allowances • Weak policy design/development & review under National Electricity Plan
3	Generation Companies (GENCOs)	<ul style="list-style-type: none"> • Generation loss due to underutilization of plant • Loss due to poor operation and maintenance of plants • Advance payment not recovered • Defective procurement of coal / oil / fuel • De rating of power houses • Consumption of heat rate excess in of permissible limit • Loss due to high rate cost generation • Excess consumption of auxiliary units • Non recovery of advances • Less deduction of income tax • Non submission of sales tax advices • Non preparation of PC-IV completion report • Non conducting of heat rate test

4	Chief Executive Officers of DISCOs	<ul style="list-style-type: none"> • Non obtaining of insurance coverage of assets • Non-implementation of CSM approved by NEPRA • Unjustified overbilling to consumers • Misuse of exported units by net energy meters for concealing line losses • Non charging of FPA against detection units • Impact of net energy metering on line losses • Implementation of National Electricity Policy • Implementation of National Electricity Plan 2023-27. • Non- disposal of unserviceable/scrap material. • Loss due to shortage of material. • Non-imposition /recovery of penalties from officer/officials for gross negligence • Loss due to undue favour to the industrial consumers. • Loss due to splitting of purchase order to various suppliers. • Loss due to non-recovery sharing cost of grid station. • Loss due to missing of material from store. • Non imposition /recovery of LD from supplier due to late supply of store material. • Blockage of funds due to unnecessary purchase of material • Loss due to distribution losses over and above the target fixed by NEPRA • Non-recovery of detection charges. • Investment without getting benefits. • Irregular procurements due to awarding of civil works through quotations. • Irregular payment to suppliers/contractors in violation of agreement/rules. • Irregular payment on account of pay and allowance in violation of rules. • Irregular payment on account of pension to retired employees in violation of rules. • Recoverable employees/retired employees on account of standard rent. • Loss due to non-recovery from deposit works. • Non-recovery from suppliers/contractors. • Non-adjustment of security deposit against permanent defaulters. • Loss due to purchase of material on higher rates. • Non forfeiture of performance guarantee of defaulting suppliers.
5	Project Director construction circles	<ul style="list-style-type: none"> • Non completion /capitalization of works within stipulated time period • Capitalizing of works without observing codal formalities and adjustment of balance /outstanding material • Theft of electrical material • Non return of surplus and dismantled material to store • Mis-appropriation of material • Recoverable amount against deposit work • Recurring loss due to pending H.T/L.T. Proposals • Irregular approval of L.T. Proposals under system augmentation program less than one BC ratio • Wasteful expenditure on feeders for reducing line losses • Un-justified installation of material at site in excess than estimated. • Non-recovery of L.D Charges from contractor • Non return of material issued against abandoned works
6	Project Director Grid System Construction (GSC) circle	<ul style="list-style-type: none"> • Non-implementation of PPRA Rules • Non-completion of works of Transmission lines and Grid stations within stipulated time • Non-replacement of electrical material damaged under warranty period • Non following the rules for proper handing over /taking over of completed assets to concerned formations

		<ul style="list-style-type: none"> • Non-imposition /recovery of LD charges from contractors /suppliers • Non-capitalization of works • Non-return of dismantled material • Blockage of public money due to unrealistic forecasting • Non-completion of works under ADB and PSDP. • Non-recovery of different types of advances. • Blockage of funds due to unnecessary purchase of material. • Non-completion of work by contractor • Blockade of funds due to non-disposal of un-serviceable material • Non adjustment of advances made by Land Acquisition Collector • Loss due to damage of electrical equipment. • Undue favour to contractors by not obtaining proper Performance Guarantee. • Non-finalization of court cases. • Non-preparation of PC-IV reports • Non-mutation of land • Non observance of environmental rules
7	Manager Operations Circles	<ul style="list-style-type: none"> • Non-implementation of CSM approved by NEPRA • Unjustified overbilling to consumers • Misuse of exported units by net energy meters for concealing line losses • Non charging of FPA against detection units • Impact of net energy metering on line losses • Implementation of National Electricity Policy • Implementation of National Electricity Plan 2023-27. • Extraordinary distribution losses (line losses) on feeders. • Irregular payment on account of pay and allowance in violation of rules. • Irregular payment on account of pension to retired employees in violation of rules. • Loss due to damages to electrical installations/equipment • Short recovery of capital cost from consumers (specially in agriculture tube-wells, industrial, commercial, bulk supply and private housing schemes) • Short recovery of energy charges and fixed charges • Un-authorized extension of load • Theft of electricity and electric material • Non-execution of ERO's of defaulters • Non return of surplus and dismantled material to store • Non-adherence to NEPRA Standards • Misappropriation of material
		<ul style="list-style-type: none"> • Irregular refund due to revision of detection bills. • Undue favor owing to non-observance of RCO policy. • Loss due to non-replacement of sluggish meters • Loss due to misappropriation of material against pending LT proposals • Non-recovery from temporary connections • Loss due to wrong application of tariff. • Loss due to non-recovery of sub-station cost • Less remittance of collection from the banks • Huge receivables from disconnected consumers • Non-implementation of Section-54 of electricity Act, resulting in non-recovery. • Aging of debtors and progress regarding recovery of long outstanding arrears • Analysis of unidentified cash. • Wasteful expenditure due to non-achievement of cost benefit after bifurcation and re-conducting of feeders.
8	Central Power Purchasing	<ul style="list-style-type: none"> • Non-implementation of commercial code /Grid code as approved by NEPRA.

	<p>Agency (CPPA-G)</p>	<ul style="list-style-type: none"> • Non-implementation of CTBCM as approved by NEPRA. • Undue burden on consumers due to charging of differential/delta tariff amount. • Non-compliance of hiring quota of employees/human resources as per Govt. SoP. • Non -realization of receivables from DISCOs and other corporate entities. • Irregular/unjustified capacity payments as against the provision of PPA. • Non recovery of LDs and delayed payments from IPPs/GENCOS. • Untimely payments to IPPs resulting in Late Payment Surcharge. • Non-rationalization of electricity capacity with its demand to avoid unnecessary capacity payments. • Delay in completion of Power Purchaser Interconnection Works entailing payment on account of compensation invoices and Payments on account of "Non-Project Missed Volume". • Non-maintaining of fuel stock by IPPs at desired level as per PPA. • Non-recovery / adjustment of markup on delayed payments from DISCOs and Electric. • Irregular appointment of consultants. • Payment to IPPs without maintaining Economic orders. • Non-adjustment of advances given to GENCOS / IPPs. • Non-finalization/adjustments of disputed amount of liquidated damages. • Non-imposing of liquidated damages due to forced outage by IPP. • Non-recovery from IPPs on account of any services rendered by NTDCL. • Non-compliance of PPRA Rules. • Irregular payment on account of reimbursement of withholding tax on dividends. • Compensation of claim lodged by IPP on account of transmission line tripping. • Less remittance on account of energy charges by the distribution companies. • Irregular opening of bank accounts with different banks without competitive bidding. • Irregular rehiring of superannuated officers as consultants.
<p>9</p>	<p>Ministry of Energy (Power Division)</p>	<ul style="list-style-type: none"> • Implementation of National Electricity Policy • Implementation of National Electricity Plan 2023-27. • Implementation of the State-Owned Enterprises (Governance and Operations) Act, 2023 • Implementation of austerity measures. • Performance evaluation of BODs of DISCOs, GENCOS & NTDC. • Implementation of directions/recommendations of Senate Standing Committee on Power Sector. • Review the budget and expenditure incurrence • Foreign aided projects/foreign loan execution

<p>10</p>	<p>National Electric Power Regulatory Authority (NEPRA)</p>	<ul style="list-style-type: none"> • Adherence of specified Procedures and standards for registration of persons providing electric power services. • Contribution of NEPRA w.r.t. formulation of national electricity plan • Development of efficient tariff structures and market design for sufficient liquidity in the power markets • Evaluation of procedure and standards for investment programmes by generation companies and persons licensed or registered under NEPRA Act. • Evaluation and enforcement of specified performance standards for generation companies. • Specify accounting standards and establish a uniform system of account by generation companies and persons licensed or registered under this Act. Evaluation of accounting standards specified by NEPRA for establishment of a uniform system of account by generation companies and persons licensed or registered • Evaluation of order, decisions or determinations by NEPRA • Evaluation of settled disputes between licensees and NEPRA in accordance with the specified procedure. • Evaluation of guidelines and standard operating procedures issued by NEPRA for promoting the development of a market, including trading, in accordance with the national electricity policy and the national electricity plan. • Evaluation of organizational affairs of generation companies by NEPRA in order to avoid any adverse effect on the operation of electric power services and for continuous and efficient supply of such services. • Evaluation of advise tendered by NEPRA to public sector projects • Review the provision of NEPRA service regulations and ensure that provisions are not in contradiction of polices of government. • Review the decision made are consistent with the approved NEPRA service regulations
<p>11</p>	<p>National Power Parks Management Company Limited (NPPMCL)</p>	<ul style="list-style-type: none"> • Plan dependable capacity based upon O&M contractor performance. • Compliance of NEPRA decisions with regards to tariff petition/modified petition. • Invoices raised by NPPMCL's Power Plants to CPPA-G. • Plant operational efficiency through scrutiny of efficiency form (E-Form) alongwith all allied issues. • Non obtaining of insurance coverage of assets • Generation loss due to underutilization of plant • Loss due to poor operation and maintenance of plants • Consumption of heat rate excess in of permissible limit • Loss due to high rate cost generation • Excess consumption of auxiliary units • Non recovery of advances • Non preparation of PC-IV completion report • Ranking in Economic Despatch Order
<p>12</p>	<p>National Energy Efficiency & Conservation Authority (NEECA)</p>	<ul style="list-style-type: none"> • Implementation of National Energy Efficiency & Conservation Policy 2023 • Implementation of National Energy Efficiency and Conservation Action Plan (2023-30) • Evaluation of overall performance of the Company as per National Energy Efficiency and Conservation Act 2016 • Compliance audit of receipts and expenditure of the Company. • Evaluation of internal controls, existence and its functioning effectively. • Implementation of PPRA Rules in procurement of goods & services. • Expenditure on Pay & Allowances. • Compliance of General Financial Rules and regulations

12/1/17

13	Power Information Technology Company (PITC)	<ul style="list-style-type: none">• Improper execution/implementation of agreements with Power Sector companies• Non-compliance of SoPs, approval, written protocols for software preparation and their implementation for specific activities like financial/accounting record maintenance etc• Violations in procurement of software / hardware, goods and hiring the services of consultants and payments made thereof• Non-implementation of PITC transport policy• Non-implementation of contractual obligations in respect of Computer, networking, server and data bases management contract/agreements and non-mitigating the associated cyber risks
14	Private Power and Infrastructure Board (PPIB)	<ul style="list-style-type: none">• Non-implementation of Power Policies /ARE policies in the best of GoP• Transparency in implementation Agreement (IA) and provide GoP guarantees• Transparency and efficiency in monitoring and facilitation of IPPs in executing Power Purchase Agreement (PPA), Water Usage License (WUL) with relevant GoP agencies.• Unrealistic estimation of works• Non-transparency in tendering of works, procurement of goods/material and hiring of consultancy services• Violation of PPRA Rules in procurement of goods & services.• Failure and termination of contracts/supply orders• Extra contractual financial assistance to contractors• Irregular Expenditure on Pay & Allowances.• Evaluation of overall performance of the Board

DEPUTY DIRECTOR
(P&C)



Department of the Auditor-General of Pakistan
Office of the
DIRECTOR GENERAL AUDIT (RAILWAYS),
Railway Headquarters Office, Empress Road, Lahore
Phone No.042-99201606, Fax No.042-99201707
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No. C/8-15/MC/2023 / 486

Dated: 05.12.2024

✓ The Additional Auditor General (Operations),
O/o the Auditor General of Pakistan,
Constitution Avenue,
Islamabad.

**SUBJECT: BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF
AUDIT EXECUTION**

Kindly refer to your office letter No. SPS/Addl.AG(Ops)/2024 dated 29.09.2024 on the above subject.

2. It is submitted that Director General issues detailed audit risks to all inspecting officers before audit execution in the light of approved audit plan 2024-25 (Anexx-I). In addition to above, a prescribed check list is attached (Annex-II) which also being shared with Field Audit Teams to adhere during Field Audit Activity.

DA: As Above

Asim Ali
(AIJAZ ALI)

DIRECTOR GENERAL

Copy forwarded to the Audit Officer/C&EA, O/o the AGP, Islamabad for information.

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Annex-I

List of Department Wise Risks Issued By the DG to the Field Audit Teams

A. Compliance Audit:

Sr. #	Department	Risk Areas
1	CCS	Store disposal, unexpected increase in holding up of material/longer time in consumption be analyses
2	CCP	NP wise list of cases/purchase orders issued during FY 2023-24 have been shared with the audit team. The Purchase Orders issued in previous FY and payments made during the FY 2023-24 should also be scrutinized
3	Administration	Various complaints should be kept in view while conducting audit
4	Mechanical Department	<ul style="list-style-type: none">• Special focus on repair agreements and NLC agreement be made for developing audit observations.• Teams are directed to visit their respective sub-divisional offices (3 to 4) HDTXR and Foreman etc. as per specific and general directions given by the Worthy DG.
5	Engineering Department	Teams are directed to visit their sub-divisional offices (3 to 4) i.e. AENs, IOWs and PWIs as per specific and general directions given by the Worthy DG.
6	Property & Land Department	Teams are directed to visit their respective sub-divisional offices (3 to 4) i.e. AENs and IOWs etc. as per specific and general directions given by the Worthy DG

B. Specialized Audits:

Sr. #	Type of Audit	Risk Areas
1	Impact Audit – PPP of Pakistan Railway hospital, Rawalpindi	<p>Comparison/benchmarking of Pakistan Railways Hospital Rawalpindi be made with the Pakistan Railways Carins hospital, Lahore or with the Hassan Hospital Pakistan Railways, Rawalpindi in consultation with DAO/Rawalpindi.</p> <p>Planning</p> <ul style="list-style-type: none">• The planning phase for subject audit was from 02.09.24 to 29.09.24 as per audit plan 2024-25, the Worthy Director General shared the impact audit report of DHA and 21 reports for 2022-23 duly approved by AGP for detail understanding of team.• Specific instructions on scope and impact audit methodology were briefed by DGRA• Discuss the TORs specifically pertaining to with and without intervention: -

		<ul style="list-style-type: none"> a. Infrastructural improvement b. Human resource c. Financial comparison d. Facilities and medical services • Submission of the TORs for approval of Deputy Auditor General/SSA Wing AGP office
		<p><u>Execution</u></p> <ul style="list-style-type: none"> • The specific areas of bedding facilities at treated and control group pointed with respect to availability of emergency services • Data availability and collection of information was discussed in length in both hospitals • Digitalized of patient record is required to be collected • New and upgraded departments established in treated group be examined to evaluate the impact • Equipment availability and capacity of staff group be examined to evaluate the impact • Reporting on weekly progress/update on performance directly to Worthy DGAR.
2	<p>Impact Audit – PPP of trains and its impact on earnings of Pakistan Railway and public service delivery</p>	<ul style="list-style-type: none"> • Identified and shared 30 areas of impact analysis with audit team. • Impact analysis be made keeping in view the expected outcome of PPP of trains • Composition of trains and number of passengers • Punctuality • Revenue • Passenger amenities • Journey time • Fuel consumption • Liquidity time • Train detention • Cleaning • Fare comparison • Passenger survey • Legal cases • Human resource saving • Tax loss to Federal Government • Engine failures • Availability of seats trend • Accidents trend • POH and other repair time loss • Coaches availability • Reservation facilities comparison

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		<ul style="list-style-type: none"> • Missing material from trains comparison • Extra passenger Revenue sharing • Un-authorized stoppages or over stoppages • Train stoppages comparison • Railways employees travelling facilities
3	Thematic Audit - Freight Management in Pakistan Railways	<ul style="list-style-type: none"> • Examine Agreements with freight customers • Examine the rate and class charged. • Make comparison/analysis of freight and road rates • Review availability of rolling stock • Analyse cash handling matters • Detail analysis of core issues/factors for decline in freight business.

C. Certification Audit:

Sr. #	Risk Areas
1	Review of monthly progress report of containing audit of high value vouchers (high risk area/key items) by the DG
2	Review of CA results by the Deputy Director/certification and DG
3	As a result of review, issuance of specific directions to different accounting units of certification audit to ensure compliance with queries raised by the DG
4	Preparation of execution files by the CA units duly compliant with FAM
5	Strict adherence to the time line of certification audit execution and management report i.e. Clearing House Meeting, internal and external QCCs etc.

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D. Department Wise Significant updated Risks Uploaded in AMIS before start of Field Execution:

Sr #	Department	Risk Areas
1	Mechanical Department Pakistan Railways	<ul style="list-style-type: none">• Excess consumption of HSD by locomotives as compared to ration• Incorrect fixation of HSD ration for locomotives• Inordinate delay in repair of rolling stock• Unjustified/irregular detention of rolling stock (loss of potential earning)• Poor maintenance of rolling stock• Ineffective /inefficient store management for materials required for repair of rolling stock• Non-disposal of condemned coaches and wagons• Theft of materials/items from rolling stock• Deficiency of materials/items in rolling stock• Discrepancies related to HSD issuance and receipts• Issues regarding HSD dispensing meters• Loss on account HSD due to detention of trains• Cannibalization of parts from rolling stock• Mismanagement of released material from rolling stock• Discrepancies regarding use of serviceable parts• Warranty claims issues• Purchase of material of incorrect specification• Unnecessary purchase/Non-usage of procured material/asset• Non-utilization/under utilization of labour/repair facilities• Piece work/overtime related discrepancies• Irregular payment of mileage allowance to drivers• Non-clearance of workshop manufacturing suspense• Loss on manufacturing of low quality parts in workshops• Excess/unnecessary production of parts in workshops• Material/asset and equipment management issues in workshops• Discrepancies related to overhead charges in workshops• Misutilization/underutilization/non-utilization of TLA staff• Irregular/unjustified appointment of TLA staff• Discrepancies related to project activities undertaken/executed by mechanical department• Misprocurement of material/asset/equipment• Defective contracts with suppliers/service provider• Violation of contract by the supplier• Unjustified modification in contract• Undue favour to contractor• Misutilization/underutilization/non-utilization of funds• Expenses over and above budget• Non-deduction/less deduction of taxes/ over payment of taxes

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		<ul style="list-style-type: none"> • HR, Pay & allowances and other establishment related issues • Non-disposal of scrap
2	Signal & Telecom Department	<ul style="list-style-type: none"> • Signal & telecom Failure leading to train accident • Insufficient maintenance of signal and telecom infrastructure • Outdated/Deterioration and aging signal and telecom infrastructure. • Misappropriation/Irregular/unjustified/Fraudulent issuance of HSD oil or consumption of HSD over and above quota • Loss due to inordinate detention of trains • Theft of Signal, Telecom & material • Non-reported theft of CBI material • Pending Inquiries/FIRs of theft/disciplinary cases • Unjustified/irregular expenditure from deposit work • Non-maintenance/non-disposal of telecom towers not in use of PR including use of these towers by outside party • Non-collection/less collection of taxes/ over payment of tax/Non-deposit tax to FBR or tax authorities • HR ,Establishment related issues of project • Non-recovery from private or Govt department • Unnecessary procurement of materials/assets • Fraud and theft of material • Defective procurements • Non-disposal of scrap • Use of deposit works' funds for revenue works • Nonutilization/misutilization/underutilization/misappropriation of funds/assets
3	Civil Department	<ul style="list-style-type: none"> • Use of deposit works' funds for revenue works • Use of revenue funds for deposit works • Adjustments of TCs without actual transfer of funds • Receivable from private/govt departments on account of deposit works • Unjustified waiver of departmental charges • Incorrect estimations regarding cost of deposit works • Non-recovery of cost of deposit works in advance • Non-transfer of share from deposit works to different departments • Irregular utilization of deposit work share by account department • Defective procurements • Non-obtaining of approval of AGM/I regarding through rates. • Unnecessary procurements/blockage of capital • Defective measurements of work done • defective contract of civil works • Irregular/unjustified mobilization advance • Non adoption/Non compliance /partial compliance of PEC bidding documents • Non removal of speed restrictions

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		<ul style="list-style-type: none">• Incorrect calculation/ Non-recovery of train detention charges from sponsor• Loss due to defective civil work by PR• Discrepancies regarding released materials of civil works• Non adjustment of Misc. advances• Execution of works without approval of estimates• Non-renewal of admin approval and sanction• Opening of work without safely related certificates from FGIR• Expenses over budget/without budget• Non-execution of deliverables by the contractor under a contract• undue favour to contract regarding extensions in execution and waiver of LD charges• Nonutilization/misutilization/underutilization/misappropriation of funds/assets• Delayed/Non-drawl of completion reports• Irregularities in completion reports• Discrepancies regarding works on level crossings/sidings• Non-collection/less collection of taxes• Theft of material/Assets• Misappropriation of Material/asset• Non-disposal of scrap• HR, Pay & allowances and Establishment issue• Irregular appointment/Misutilization of TLA and other staff• Mismanagement of stores of material
4	Electrical Department	<ul style="list-style-type: none">• Risk of illegal electric connections• Excessive use of electricity in service buildings• Non handing over of electricity distribution to DISCOs• Discrepancies regarding released material and other issues in handing over colonies to WAPDA• Non-collection of electricity charges as per tariff issued by the DISCOs• Overpayment/Payment of surcharge/penalty to WAPDA on electricity bills• Fuel mismanagement/increasing fuel consumptions trends in power vans• Excessive fuel consumptions in power vans due to delays in train• Loss on account of fuel due to detention of trains• Misprocurement of electrical material• Irregular appointment of TLA Staff• Mis-utilization/non-utilization of TLA staff• HR mismanagement in electrical department Pakistan Railways• Adjustment of ET staff• Under / over utilization and mis utilization of financial resources• Risk of unjustified overtime payment /Mileage allowance

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		<ul style="list-style-type: none">• Theft of electric and other items• Misappropriation/embezzlement of electrical items from store• Less recovery/ non-recovery from private party /Govt Department• Unauthorized overhead electric crossings• Less or non-deduction of taxes• Non Disposal of Scrap• Mismanagement of stores• Excessive use of electricity for water pumps, water filtration plants
5	Property & Land Department	<ul style="list-style-type: none">• Lease of land for more than 05 years• Successful bidding but no agreement has been signed.• Land in use of parties under expired agreements (Non-renewal of agreements)• Incorrect fixation of benchmark for premium and annual rent• Encroachment of land• Land not leased out/idle land• Unauthorized Changes of purpose/alteration of commercial properties• Illegal Subletting of Pakistan Railways shops/land• Irregular auctions/handing over of commercial, agriculture properties without competition• Non-inclusion of commercial properties in software/system (GIS)• Issues of land titles with provincial government etc. (Disputes over land ownership or compensation)• Inadequate documentation or record-keeping of property transactions• Non- regularization/irregular authorization of Kachi Abadies and others• Irregular/unauthorized usage of land by Railways employees co-operative societies (encroached/allotted)• Irregular leased of PR land under time gap arrangement• Legal disputes or litigation related to property ownership or transactions or recovery of rent• Non-recovery from Private /Govt Organization• Sites identified for commercial exploitation but not leased out• Violation of lease agreements by lessees• Irregular changes in lease agreements• Damage to railway property due to natural disasters or accidents or intentional damage to property• Inefficient management of property assets leading to financial losses• Financial losses due to unauthorized property use• Issues regarding revival of REDAMCO handing over/taking over long lease properties• Irregularities related Z Abstract

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		<ul style="list-style-type: none"> • Irregular Swapping of PR land with other department • Irregular handing of land to PR clubs , sports board and other entity in PR • Non-deposit/late deposit of rent collected in Account-III • Non-implementation of tax related and FBR laws • Non-availability/Non-compliance of federal govt /cabinet decisions on kachi abadies • Non-renting out surplus Railways land as per PR/Govt Policy • Defective agricultural land policy • Defects in other property & land related policies of Pakistan Railways
6	Traffic Department	<ul style="list-style-type: none"> • Improper utilization of rolling stock including non-restoration of suspended trains and loss due to running trains (passenger & goods) on losses • Discrepancies in awarding passenger/goods trains running including cargo contracts & collie contracts • Violation of contractual clauses by contractor(s) of luggage vans/ passenger trains/collie contracts • Non-punctuality of trains • Increase in journey time due to unscheduled and other causes leading to extra fuel consumption • Excess staff/HR even after privatization of trains • Irregularities in auction parking stands • Violation of parking stand agreements by the contractors. • Non-recovery from Private/Govt Department • Under / over utilization and mis-utilization of financial resources • Mis-utilization of cash from station earnings. • Unauthorized persons travelling in dinning cars and other coaches • Non disposal of Scrap(Coaches & Wagons) • Non-achievement of earning targets • Non-recovery of from ticket examining staff on account of fare and penalties. • Less or non-deduction of taxes • HR , establishment , pay and allowances discrepancies • Mis-procurement • Underutilization/Mis-utilization assets/resources by private/Govt departments and PR • Theft of store items • Misappropriation/embezzlement of items from store • Mismanagement of stores
7	Pakistan Railways Police	<ul style="list-style-type: none"> • Deficient security arrangements in trains • Deficient security arrangements for Railways track • Inefficient or non-utilization of security instruments/ devices • PR police may not be equipped with devices/weapons as per needs

		<ul style="list-style-type: none"> • Damages to Railway buildings, track and rolling stock in terrorist activities • Long outstanding/pending FIRs regarding offences by culprits from general public/Railway employees/passengers etc • Non-finalization of inquiries against PR police staff • Theft of track material and other PR assets from abandoned sections • Theft of railway equipment, materials and assets • Theft of material from rolling stock • Training issues of PR police staff • Ineffective usage of Training academy, Walton • Demonstrations and protests turning in violence and affecting railway operations • Passenger safety issues from accidents, injuries, and crimes like pickpocketing or harassment • Limited resources, including funding, personnel, and equipment hindering effective policing. • Unauthorized entry into railway land or illegal occupation of railway properties • Non-utilization/under-utilization/Misulilization/Misappropriation/Embezzlement of funds /assets • Savings/excess of expenditure over budget • Misprocurement of material/assets • Non-testing of ammunition and material purchased • Unnecessary procurements • Non-deduction/less deduction of taxes • Non-recovery from private/Govt department/employees • Irregular/unauthorized payments to contractors • Irregular/unauthorized payments of Pay & allowances to police staff • Irregular/underutilization/misutilization of staff. • HR, Establishment issues • Involvement of police in unlawful activities/encroachment of PR land/buildings • Involvement of police in hindering PR operations • Mismanagement of stores • Non-disposal of scrap/defective disposal of scrap/excess material • Misutilization/underutilization of grants received from donors • Non -execution/Mis execution of project activities handed over to PR police
8	PSDP Projects	<ul style="list-style-type: none"> • Non-appointment of one PD during currency of project • Non-execution of Scope project (left over scope) • Unjustified/Irregular change on scope of project

		<ul style="list-style-type: none"> • Cost and Time over run including irregular time extensions by PAO • Project not providing benefits as envisaged in PC-1 of the project • Frequent revisions of PC-I • Non-Drawl of PC-II of project • Non-Drawl of PC-III of project • Non-Drawl of PC-IV of project or unjustified delay in drawl of PC-IV • Non submission of PC-IV in planning commission of Pakistan or Delay in submission to planning commission of Pakistan • Non-linkage of project objectives relevant SDGs • Physical progress or financial progress of project not as provided in PC-I • Incurrence of expenditures despite suspension of project activities • Irregular/Unjustified Expenditure from released funds • Savings (including non-utilization of released cash) /expenditure over & above budget • Amount of savings in bank account not surrendered • Misprocurement of material and items for the project • Irregular/unjustified appointment or utilization of TLA staff • Non-appointment of independent PD or Unjustified/Irregular appointment of PD • Misutilization of Funds/assets by the project authorities • Project impact not as envisaged in PC-I and concept note • Defective Project Concept note or PC-I (including revised PC-I) • Project NPV of project not calculated
		<ul style="list-style-type: none"> • NPV of project has become negative resulting in loss to PR • Weak control over project activities due geographical disbursement of project activities • Vague PC-I • Absence of 3rd Party evaluation on work done • Non-transfer of technology under the contract • Non-provision of drawings by the contractor as agreed in contract • Transfer of technology is part of contract but not part of scope of project • Unclear scope and unrealistic cost estimates in PC-I • Project not part of Strategic Investment plan of Pakistan Railways • Irregular payments to contracts • Fraud and theft of material or project asset • Irregular transfer of project assets or misutilization of project assets • Usage of project funds for revenue activates • Usage of revenue funds for project activities • Non-recovery from private or Govt. department • Loss to PR operations due to non-completion of project on time • Non-settlement/Non-lodgment of warranty claims

		<ul style="list-style-type: none"> • Unnecessary procurement of materials/assets • Over payment to contractors • Non-collection/less of taxes • Non-deposit of taxes in Govt. Treasury • Irregular adjustment of Misc. Advances to final heads of account • HR ,Establishment related issues of project • Unjustified/irregular amendment in contract(s) • Violation of contract by the contractor • Contract deliverables are not as provided in contract. • Undue favours to contractors • Unjustified suspension of project activities • Project not handed over relevant department after completion • Incurrence of expenditure even after closure of project • Project PC-IV drawn despite pending transactions (financial closure) • Non-learning from previous project resulting in same discrepancies (lesson learned not implemented) • Project bottle necks not addressed • Receiving items without inspection • Non-drawl of PC-V, non-submission of PC-V, delay in submission of PC-V • Delayed procurements • Incorrect specifications of material • Non/partial -implementation of Pak Engineering Council bidding documents
9	<p>Pakistan Railways Academy Walton, Lahore</p>	<ul style="list-style-type: none"> • Inefficient/Ineffective training facilities of PR Walton academy • Irregularities pertaining foreign students training expenses (PIRRTC courses) • Irregularities pertaining to civil works in Academy • Irregularities pertaining to mess/food expenses • Issues pertaining to contract of food/mess • Issues pertaining to payment to visiting speakers • Issues pertaining to land in possession of PR Walton Academy • Irregularities related to marquee • Irregularities related to Club • Defective training equipment (s) of academy • Issues pertaining to competence management by PR Walton Academy • Irregularities pertaining hostel facilities in Academy • Issues pertaining to use of funds received from Civil Services Academy and other donors • Irregularities related to collaborations with other training institutes • Training of Railway staff from other institutes due non-availability of resources/facilities at PR Walton Academy

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		<ul style="list-style-type: none"> • Irregularities regarding on campus medical facilities • Irregularities regarding use of library and transport facilities in Academy • Misutilization/irregular of Private Bank Accounts • HR, Pay & allowances and Establishment issue • Misutilization of TLA and other staff • Non-utilization/misutilization/underutilization/misappropriation of funds • Non-collection/less collection/ over payment of taxes • Theft of material/Assets • Misappropriation of Material/asset • Non-disposal of scrap • Expenses over budget/without budget • Non adjustment of Misc. advances • Unnecessary procurements/blockage of capital • Defective procurements/Misprocurement
10	<p>CCP office (Procurement Department)- Pakistan Railways</p>	<ul style="list-style-type: none"> • Non-formulation of Annual procurement plan • Unjustified/irregular direct contracting • Irregular suppliers qualification criteria for supplier registration with PR • Frequent revisions in material specifications • Failure to define tender terms • Frequent revision in tender terms • Failure to provide opportunity to local suppliers to participate in tender process • Non adoption/Non-compliance /partial compliance of PEC bidding documents • Irregular/unjustified tender terms • Inefficient Supplier Selection during procurement process • Bid security/Earnest money/performance security discrepancies • Acceptance letter and purchase order items differ • Alteration of bid by the bidder after acceptance of bid • Irregular/unjustified mobilization advance • Purchase order and actual items differ • Description and quantity in purchase order and shipping documents differs • Delayed Deliveries • Quality Control Issues • Defective contract terms • Non-execution of deliverables by the contractor under a contract • Violation of contract terms by contractor/PR • Frequent revision in contract terms • Non-obtaining of approval of AGM/I regarding through rates. • Unnecessary procurements/blockage of capital

		<ul style="list-style-type: none">• Non-sanction of expenses• Non-renewal of admin approval and sanction• Expenses over budget/without budget• undue favour to contract regarding extensions in execution and waiver of LD charges• Non-utilization/misutilization/underutilization/misappropriation of funds• Non-collection/less collection of taxes• Discrepancies in payment to suppliers/local agents/Principles• Non/recovery from private /Govt. department• Theft of material/Assets• Misappropriation of Material/asset• HR, Pay & allowances and Establishment issue
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Annex-II

Check List

Check List	Yes/No
<p>General Directions:</p> <ul style="list-style-type: none"> • The Audit Teams are welcome to share any issues such as non-cooperation or non-production of record by the auditee to avoid wastage of time & ensuring effective audit • Risks identified in planning files be considered during audit execution • Department specific controls and risks shared in official group and uploaded in AMIS by AMIS Cell be addressed while placing requisition and carrying out audit. • Copy of record requisitions(s) send be shared with A&C for review by DGAR • Avoid cut, paste and copy sort of paras • Audit observations in general and PDP in particular should be with specific criteria, indicate period of irregularity, linkage of amount/annexure etc. as per AGP format duly supported with audit evidence • PDP should be framed on single issue • Prime responsibility for audit content will be of audit team lead and gathering of relevant, sufficient audit evidence will be of the member. • Performance of the audit teams will be reflected in the PERs by the reporting/countersigning officer. Further, Officers/officials with poor performance will be directed to AGP office as Persona non grata. • Audit teams should be creative and focus on fresh areas for development of irrefutable audit observations • Team members/assistants should work diligently and with devotion as they will have to brief the Observations to the DGAR during AIR Discussion meeting. If an audit team consists of Audit Officer and Assistant Audit Officer, the AAO will brief all the paras. For a team comprising of Deputy Director and AO, the AOs will do the briefing. In cases where team comprises of two AAOs, both will brief the paras equally. Lastly, if a Senior Auditor is assisting the AO in audit team he will have to brief 20 percent of the observation and the rest will be done by the AO himself. • Look into the areas discussed at length in pre-depart, mid-execution and meeting before issuance AIRs of Phase-I (leg-I) regarding Civil Engineering, Mechanical, Property & Land, Police departments and PSDPs. • During planning and execution previous inspections reports of Phase-I (Leg-I) of like departments should be consulted to take up all issues and ensuring maximum coverage by addressing the significant risks. • Risks and controls uploaded in AMIS should be addressed and risks identified during planning phase may also be considered. • Discuss issues with each other and share audit observations rather to work in isolation to avoid stereotype observations and to frame quality audit observation. • Audit observation developed in Phase-I (Leg-I) should be considered to augment the like issues. 	

- Division specific issues should also be highlighted.
- Study PPRA Rules 2004, Finance Bills of Last two years, applicable rules/railway codes etc. before departing for field execution.
- Has the audit team adopted the criteria, condition, cause, effect, consequences & recommendations (CCCECR) model while drafting audit observations?
- Has the audit team risk-based and issue-based audit approach?
- Has the audit team conducted desk audit before the start of field execution?
- Has the audit team consulted the minutes of BOD before going for field execution of subsidiaries?
- Did all team members behave responsible and with dignity as officers of the department Auditor-General of Pakistan during the audit?

Instructions regarding AMIS Implementation:

- Attachment of relevant risks and controls in AMIS
- Attachment of relevant documents in AMIS
- Completion of AMIS audit activity by the time AIR is submitting to IR section
- Attachment of relevant AQFM proforma, permanent & planning files.
- Up-dation of department wise risks and controls
- Incorporation of DPs in AMIS
- Incorporation of DAC meeting minutes on historical reports
- Incorporation of Audit Briefs and recoveries
- In-house trainings
- Certification Audit incorporations

Implementation of FAM:

- Has the Field Audit Manual (FAM) being implemented by the all audit team leaders during desk audit and report preparation?
- Have the permanent, planning and execution files being prepared by the concerned Inspection Officers according to FAM?

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Directorate General of Audit Petroleum & Natural Resources

Audit Complex Building, Mauj-e-Darya Road, Lahore
☎ 99212054, Fax:99212456, Email: dgauditpnr@gmail.com

No. 115 -PM&C/DGAPNR/08-2024

Dated: 23.10.2024

To

The Additional Auditor General (Operations),
O/o the Auditor General of Pakistan,
Islamabad.

Please compile all briefings, as discussed.

AG, Co-ord.

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Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject noted above.

2. In this regard, it is submitted that this office has developed a process to document the pre-departure briefings and discussions on AIRs. The minutes of all such meetings are taken and kept in record. Similarly, this office has also developed, during Audit Year 2023-24, risk area digest related to the formations under its audit jurisdiction. Audit Teams are also instructed to identify new risks during field audit with a purpose to update Risk Area Digest and same risks are also updated in AMIS.

3. In compliance with the directions received vide letter referred above, this office has started working on the development of checklists for field work. In this regard, this office intends to prepare a separate checklist for each entity. The preparation of these checklist will be completed by the end of this month. A sample checklist, relating to Sui Northern Gas Pipelines Limited (SNGPL) is being forwarded for kind perusal please (Annex - A).

4. In addition to specific checklist, a set of general instructions is also given to field audit teams, the compliance of which is checked while analyzing the AIR. During a supervisory visit, an officer fills in a prescribed performa also which is mostly related with administrative matters. A sample is attached herewith as Annex - B.

Additional Auditor General (Ops)
Date: 26-10-24 Diary No: 256
Time in: 7:00pm Time out: 9:45pm

Status on 1, 2 + 3.

(Signature)
(Muhammad Ali Asif Gilani)
Director General
23.10.2024

Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Sui Northern Gas Pipelines Limited

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Sr. No.	Check List	Status (Y or N)
1	Gas Billing Charges	
	Check recovery of pilferage charges along with LPS	
	Check the impact of diversion of RLNG to domestic sector	
	Check the recovery of cost of RLNG from SSGC	
	Check the recovery of gas charges from consumers of Power Sector	
	Check the recovery of gas charges from disconnected industrial consumers	
	Check the recovery of subsidised gas amount	
	Check whether gas charges were recovered from the disconnected consumers	
	Check whether recovery has been made from defaulting consumers having more than one connection	
	Check the booking and recovery of pilferage charges	
	Check whether domestic consumers were charged with RLNG Tariff	
	Check whether gas supply was disconnected where licence had been expired	
	Check whether security shortfall amount was recovered from the consumers other than domestic	
2	Procurement	
	Check the completeness of bidding documents like inclusion of penalty clause in procurement documents	
	Check the compliance of PPRA rules	
	Check the compliance of the various contracts	
	Check the evaluation process of technical and financial proposals	
	Check the process of awarding of contract	
	Check what action was taken against late delivery of goods	
	Check whether imported goods were according to the specification	
	Check whether supplier bill against imported goods were paid in excess of goods received or not	
	Check whether gas received was according to specification	
3	Projects	
	Check finalization of process for provision of RLNG to private housing society	
	Check the recovery of burnt pipe cost from the contractor if any	

(tuo) 14/9

	Check the status of NOC received from other authorities	
	Check whether cost overrun was recovered from the consumer on account of cost sharing jobs	
	Check whether gas schemes completed within time	
	Check whether savings in cost sharing jobs surrendered to consumers or not	
	Check whether supplier were black listed who failed to complete the project	
	Check whether savings of SDG jobs were surrendered to Govt. or not	
4	Sales	
	Check installation of gas connections during moratorium	
	Check the authority of gas load enhancement	
	Check non/late installation of meters after receiving the amount of demand notice	
	Check non-provision of gas connection despite falling on merit list	
	Check the stauts of finalization of gas pilferage charges and its recovery	
	Check the take-or-pay obligations and penalties	
	Check wheter bank guarantee was encased within due time	
	Check whether bank guarantees were encashed timely or not	
	Check whether gas connection was provided in banned socities	
	Check whether load was enhanced after obtaining required security	
	Check whether refund of security was allowed where no action was taken against illegal network	
	Check whether security shortfall amount was recovered from the defaulting consumers	
	Check gas was supplied according to committed volumes and price committed	
5	Unaccounted For Gas	
	Check FIRs lodged against non-consumers	
	Check lodgement of FIRs against gas pilfers	
	Check reconciliation of SMS	
	Check the UFG losses beyond allowable limit	
	Check whether leakage complaints were entertained in time and rectification of leakage was done as per approved OGRA program	
6	Compliance of Rules & Regulations	
	Check achievements/ non-achievements against planned activities (OGRA and Company own targets)	
	Check the compliance of OGRA's directives regarding expenditure various heads	
	Check the instructions of OGRA for claiming of legal expenses	

	Check whether decision of Wafaqi Mohtasib / OGRA / Prime Minister portal was implemented or not	
	Check whether EOBI registration / payments for all labour/workers	
	Check whether federal, provincial, local government legal and other requirements are complied	
	Check whether OGRA penalized for non-achievement of targets	
7	Health Safet and Environment	
	Check corrective actions taken by the QA department on non-conformities/observations	
	Check emergency plans and disaster recovery plans	
	Check environmental impact assessments and compliance	
	Check the risk register of each department	
	Check whether regulatory compliance with safety standards	
	Check whether Occupational Health & Safety objectives & Targets achieved	
	Check training plans, programs and its employees competency	
8	Human Resource	
	Check the appointment process of officers and officials	
	Check the timings of resignation and its acceptance	
	Check whether medical facility was availed as per SOPs	
9	Insurance	
	Check the settlement and recovery of insurance claims	
	Check whether insurance claims were lodged with due time	
10	Corporate Social Responsibility	
	Check the approvals of CSR initiative taken for HSE or not	
11	Quality Assurance	
	Check pipeline safety and leakage detection procedures	
	Check the surveillance audit conducted Bi-Annually	
	Check whether QA department conducted inspection and verified construction work	
	Check whether technical audit of QA activities conducted	
12	Taxation	
	Check provincial taxes if any were paid according to the law	
	Check collection of advance tax from CNG stations and its deposit into Govt. Exchequer	
	Check the status of legal cases and its pursuance	

Annexure +: Supervision Checklist

Note: This checklist may be tailored according to the context of the FAO / audited entity as deemed appropriate.

The table should be filled in by the Supervisory Officer:

Sr. No.	Information Required	Remarks (Supervisor Officer shall give detailed remarks against each point)
1	Name of FAO:	DG Audit Petroleum & Natural Resources, Lahore
2	Name of Officer:	Muhammad Ali Asif Gilani
3	Designation:	Director Audit, Petroleum & Natural Resources, Islamabad
4	Date of Visit/Supervision:	30.08.2024
5	Name of Entity/Formation:	Directorate General Petroleum Concessions Islamabad
7	Were all team Members present?	Yes
8	Names and Designations of those absent:	NA
9	Was team following audit programme given by the head of FAO?	Yes
10	Was team conversant with the Guidelines Given in the audit plan/Field Audit Instruction?	Yes
11	Number of observations issued by the team till date of visit:	46 (uploaded on AMIS)
12	Observations noted were duly supported with documentary evidence?	Yes

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Sr. No.	Information Required	Remarks (Supervisor Officer shall give detailed remarks against each point)
13	In case of non-production of record, did the team bring it to the notice of supervisory officer / head of FAO?	NA
14	Were all risk areas identified in Risk Register scrutinised by the Field Audit Team?	Yes
15	Were all areas identified by the supervisory officer to be scrutinised by the Field Audit Team during the audit attended?	Yes
16	Was the team preparing working papers concurrently? Any comments on implementation of FAM Working Paper Kit?	Yes
17	Did the audit team follow applicable DAGP standards? (List the applicable standards and those that were followed)	Audit team members are well versed with the audit requirements.
18	Whether Planning File has been updated by the Field Audit Team?	Yes
19	Did the supervisory officer meet the head of audited organisation?	Yes
20	Did the head of audited organisation have any complaint against the audit team?	No
21	Would audit be completed in given time or extension would be required?	Yes

Ministry

Further Remarks:

Audit team should special focus on

- Non-finalization of GSAs between E&P and gas utility companies & role of Ministry.
- Getting accounts for certification.
- Monitoring mechanism of PSDPs by DG(Gas) & DG(Oil).
- Issues of GPPs with gas companies.
- Allocation of gas to third party (UDGC).
- Role of ministry in sale of bio gas to SNGPL.
- Subsidy on gas to fertilizer sector.
- Production of UEPL before and after unitization issue with PPL, decision of court and role of regulator.
- Role of ministry in purchase of PRL by PSO.
- Background for allocation of gas to E-Gas.
- Mismanagement in demand vs ordering of LNG.

Signed by supervisory officer:

M. Khattar 30.8.2024

Signature of Head of Office (i.e. DG):

M. Khattar 30.8.2024

Countersigned by the Deputy Auditor General:



Directorate General of Audit Petroleum & Natural Resources

Audit Complex Building, Mauj-e-Darya Road, Lahore
☎ 99212054, Fax:99212456, Email: dgauditpnr@gmail.com

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No. 124-PM&C/DGAPNR/08-2024

Dated: 01.10.2024

✓ The Additional Auditor General (Operations),
O/o the Auditor General of Pakistan,
Islamabad.

Handwritten signature and initials: A.O. CO-5

Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject noted above.

2. In compliance with the directions received vide above referred letter, this office has submitted a checklist for audit of "Sui Northern Gas Pipelines Limited" vide this office letter No.115-PM&C/DGAPNR/-8-2024 dated 23.10.2024 (Copy enclosed). Checklists for the following entities have also been developed which are being forwarded as desired please:

Sr. No.	Name of Entity	Annex
1	Ministry of Energy & Petroleum Division	A
2	Sui Southern Gas Pipelines Company Limited	B
3	Oil & Gas Development Company Limited	C
4	Pakistan Petroleum Limited	D
5	Pakistan State Oil Company Limited	E
6	Geological Survey of Pakistan	F
7	Department of Explosives	G
8	Saindak Metals Limited	H
9	Oil & Gas Regulatory Authority	I

3. Reviewing these checklists is a continuous process which will start from the second phase of the current audit year. This will ensure that these are comprehensive and aligned with the specific needs of the audit of each entity. All field audit teams are being updated accordingly.

Handwritten signature of Muhammad Ali Asif Gilani dated 01/11/2024
(Muhammad Ali Asif Gilani)
Director General

Additional Auditor General (Ops)
Date: 04-11-24
Diary No: 202
Time in: 2:45 PM
Time out: _____



Directorate General of Audit Petroleum & Natural Resources

Audit Complex Building, Mauj-e-Darya Road, Lahore
☎ 99212054, Fax: 99212456, Email: dgauditpnr@gmail.com

No. 115-PM&C/DGAPNR/08-2024

Dated: 23.10.2024

146 (11)

To

The Additional Auditor General (Operations),
O/o the Auditor General of Pakistan,
Islamabad.

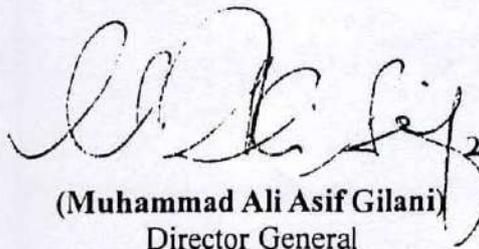
Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject noted above. P-1/c

2. In this regard, it is submitted that this office has developed a process to document the pre-departure briefings and discussions on AIRs. The minutes of all such meetings are taken and kept in record. Similarly, this office has also developed, during Audit Year 2023-24, risk area digest related to the formations under its audit jurisdiction. Audit Teams are also instructed to identify new risks during field audit with a purpose to update Risk Area Digest and same risks are also updated in AMIS.

3. In compliance with the directions received vide letter referred above, this office has started working on the development of checklists for field work. In this regard, this office intends to prepare a separate checklist for each entity. The preparation of these checklist will be completed by the end of this month. A sample checklist, relating to Sui Northern Gas Pipelines Limited (SNGPL) is being forwarded for kind perusal please (Annex - A). P-5 to 7/c

4. In addition to specific checklist, a set of general instructions is also given to field audit teams, the compliance of which is checked while analyzing the AIR. During a supervisory visit, an officer fills in a prescribed performa also which is mostly related with administrative matters. A sample is attached herewith as Annex - B. P-18 to 20/c


(Muhammad Ali Asif Gilani)
Director General
23.10.2024

Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Sui Northern Gas Pipelines Limited

Sr. No.	Check List	Status (Y or N)
1	Gas Billing Charges Check recovery of pilferage charges along with LPS Check the impact of diversion of RLNG to domestic sector Check the recovery of cost of RLNG from SSGC Check the recovery of gas charges from consumers of Power Sector Check the recovery of gas charges from disconnected industrial consumers Check the recovery of subsidised gas amount Check whether gas charges were recovered from the disconnected consumers Check whether recovery has been made from defaulting consumers having more than one connection Check the booking and recovery of pilferage charges Check wheter domestic consumers were charged with RLNG Tariff Check whether gas supply was disconnected where licence had been expired Check whether security shortfall amount was recovered from the consumers other than domestic	
2	Procurement Check the completeness of bidding documents like inclusion of penalty clause in procurement documents Check the compliance of PPRA rules Check the compliance of the various contracts Check the evaluation process of technical and financial proposals Check the process of awarding of contract Check what action was taken against late deliver of goods Check whether imported goods were according to the specification Check whether supplier bill against imported goods were paid in excess of goods received or not Check whether gas received was according to specification	
3	Projects Check finalization of process for provision of RLNG to private housing society Check the recovery of burnt pipe cost from the contractor if any	

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	Check the status of NOC received from other authorities	
	Check whether cost overrun was recovered from the consumer on account of cost sharing jobs	
	Check whether gas schemes completed within time	
	Check whether savings in cost sharing jobs surrendered to consumers or not	
	Check whether supplier were black listed who failed to complete the project	
	Check whether savings of SDG jobs were surrendered to Govt. or not	
4	Sales	
	Check installation of gas connections during moratorium	
	Check the authority of gas load enhancement	
	Check non/late installation of meters after receiving the amount of demand notice	
	Check non-provision of gas connection despite falling on merit list	
	Check the status of finalization of gas pilferage charges and its recovery	
	Check the take-or-pay obligations and penalties	
	Check whether bank guarantee was encashed within due time	
	Check whether bank guarantees were encashed timely or not	
	Check whether gas connection was provided in banned societies	
	Check whether load was enhanced after obtaining required security	
	Check whether refund of security was allowed where no action was taken against illegal network	
	Check whether security shortfall amount was recovered from the defaulting consumers	
	Check gas was supplied according to committed volumes and price committed	
5	Unaccounted For Gas	
	Check FIRs lodged against non-consumers	
	Check lodgement of FIRs against gas pilfers	
	Check reconciliation of SMS	
	Check the UFG losses beyond allowable limit	
	Check whether leakage complaints were entertained in time and rectification of leakage was done as per approved OGRA program	
6	Compliance of Rules & Regulations	
	Check achievements/ non-achievements against planned activities (OGRA and Company own targets)	
	Check the compliance of OGRA's directives regarding expenditure various heads	
	Check the instructions of OGRA for claiming of legal expenses	

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	Check whether decision of Wafaqi Mohtasib / OGRA / Prime Minister portal was implemented or not	
	Check whether EOBI registration / payments for all labour/workers	
	Check whether federal, provincial, local government legal and other requirements are complied	
	Check whether OGRA penalized for non-achievement of targets	
7	Health Safet and Environment	
	Check corrective actions taken by the QA department on non-conformities/observations	
	Check emergency plans and disaster recovery plans	
	Check environmental impact assessments and compliance	
	Check the risk register of each department	
	Check whether regulatory compliance with safety standards	
	Check whether Occupational Health & Safety objectives & Targets achieved	
	Check training plans, programs and its employees competency	
8	Human Resource	
	Check the appointment process of officers and officials	
	Check the timings of resignation and its acceptance	
	Check whether medical facility was availed as per SOPs	
9	Insurance	
	Check the settlement and recovery of insurance claims	
	Check whether insurance claims were lodged with due time	
10	Corporate Social Responsibility	
	Check the approvals of CSR initiative taken for HSE or not	
11	Quality Assurance	
	Check pipeline safety and leakage detection procedures	
	Check the surveillance audit conducted Bi-Annually	
	Check whether QA department conducted inspection and verified construction work	
	Check whether technical audit of QA activities conducted	
12	Taxation	
	Check provincial taxes if any were paid according to the law	
	Check collection of advance tax from CNG stations and its deposit into Govt. Exchequer	
	Check the status of legal cases and its pursuance	

ANNEX-B
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Annexure +: Supervision Checklist

Note: This checklist may be tailored according to the context of the FAO / audited entity as deemed appropriate.

The table should be filled in by the Supervisory Officer:

1	Name of FAO:	DG Audit Petroleum & Natural Resources, Lahore
2	Name of Officer:	Muhammad Ali Asif Gilani
3	Designation:	Director Audit, Petroleum & Natural Resources, Islamabad
4	Date of Visit/Supervision:	30.08.2024
5	Name of Entity/Formation:	Directorate General Petroleum Concessions Islamabad
7	Were all team Members present?	Yes
8	Names and Designations of those absent:	NA
9	Was team following audit programme given by the head of FAO?	Yes
10	Was team conversant with the Guidelines Given in the audit plan/Field Audit Instruction?	Yes
11	Number of observations issued by the team till date of visit:	46 (uploaded on AMIS)
12	Observations noted were duly supported with documentary evidence?	Yes

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13	In case of non-production of record, did the team bring it to the notice of supervisory officer / head of FAO?	NA
14	Were all risk areas identified in Risk Register scrutinised by the Field Audit Team?	Yes
15	Were all areas identified by the supervisory officer to be scrutinised by the Field Audit Team during the audit attended?	Yes
16	Was the team preparing working papers concurrently? Any comments on implementation of FAM Working Paper Kit?	Yes
17	Did the audit team follow applicable DAGP standards? <i>(List the applicable standards and those that were followed)</i>	Audit team members are well versed with the audit requirements.
18	Whether Planning File has been updated by the Field Audit Team?	Yes
19	Did the supervisory officer meet the head of audited organisation?	Yes
20	Did the head of audited organisation have any complaint against the audit team?	No
21	Would audit be completed in given time or extension would be required?	Yes

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Further Remarks:

Audit team should special focus on

- Non-finalization of GSAs between E&P and gas utility companies & role of Ministry.
- Getting accounts for certification.
- Monitoring mechanism of PSDPs by DG(Gas) & DG(Oil).
- Issues of GPPs with gas companies.
- Allocation of gas to third party (UDGC).
- Role of ministry in sale of bio gas to SNGPL.
- Subsidy on gas to fertilizer sector.
- Production of UEPL before and after unitization issue with PPL, decision of court and role of regulator.
- Role of ministry in purchase of PRL by PSO.
- Background for allocation of gas to E-Gas.
- Mismanagement in demand vs ordering of LNG.

Signed by supervisory officer:

[Handwritten Signature] 30.8.2024

Signature of Head of Office (i.e. DG):

[Handwritten Signature] 30.8.2024

Countersigned by the Deputy Auditor General:

Amren - A
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Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Ministry of Energy & Petroleum Division

Sr. No.	Check List	Status (Y or N)
1	Accounts	
	Check the maintenance of production/ sales record of petroleum products	
	Check the payments of petroleum levy, discount retained on crude oil and windfall levy	
	Check whether payments of GDS / GIDC were made in time	
	Check the assessment and recovery of GDS / GIDC	
	Check the reconciliation of royalty payments and its reporting	
	Get the confirmation of payment of royalty/rent/marine research fee from bank	
	Check the utilization of training fund	
	Check the utilization of social welfare obligations	
	Check the recovery of social welfare obligations and training fund	
	Check whether due amount of production bonus from E&P companies received or not	
	Check whether due amount of lease / license rent from E&P companies was received or not	
	Check whether RPCs were adjusted according to the rules and regulations	
	Check whether royalty was received along with fine where applicable	
	Check the belated payments of petroleum levy, discount retained on crude oil, windfall levy, and charging of interest on belated payment of interest	
	Check the admissibility of rent of residential accommodation to employees / owners	
	Check the admissibility of TA/DA	
	Check the admissibility of medical charges	
	Check whether advances were recovered as per rules	
	Check whether internal audit was conducted or not	
	Check whether utility charges were recovered from contractor of Cafeteria	
	Check whether rental income of petroleum house	
2	Procurement	
	Check Annual procurement plan	
	Rules & Regulation	
	Check whether GSA,GPA and COSA agreement were finalized or not	
3	Higher Authority Decision	
	Check whether Authority implemented the decision of ECC regarding reviewing of subsidy provided to export industry	
	Check whether Authority implemented the decision of ECC regarding assignment of working interest	

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Sr. No.	Check List	Status (Y or N)
	Check whether Authority took measures on CCoE decision to relating to report on delay in dry docking of EETPL	
	Check whether Authority implemented the decision of CCoE regarding sustainable LPG supply chan policy	
	Check whether Authority implemented the decision of ECC regarding annual financial review	
	Check the implementationa of CCI, ECC, Cabinet, CCoE Decision	
4	Administrative Issues	
	Check the admissibility of rent of residential accommodation to employees / owners	
	Check whether offices were shifted with proper handling and taking over	
	Check wheter rent was received in full from PSEs hused at Petroleum House	
	Check the implementation of PM office instructions regarding solarization	
	Check the admissibility withdrawal of POL by maintenance of log book	
	Check admisibility of pay and allowances	
5	Inventory	
	Check whether inventory registers were manaintained properly	
	Check whether physical stock verifications were conducted or not	
	Check whehter stationery items were purchasedf from registered persions or not	

Anwar-B

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Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Sui Southern Gas Company Limited

Sr. No.	Check List	Status (Y or N)
1	Gas Billing Charges	
	Check recovery of pilferage charges along with LPS	
	Check the impact of diversion of RLNG to domestic sector	
	Check the recovery of cost of RLNG from SNGPL	
	Check the recovery of gas charges from consumers of Power Sector	
	Check the recovery of gas charges from disconnected industrial consumers	
	Check the recovery of subsidised gas amount	
	Check whether gas charges were recovered from the disconnected consumers	
	Check whether recovery has been made from defaulting consumers having more than one connection	
	Check the booking and recovery of pilferage charges	
	Check wheter domestic consumers were charged with RLNG Tariff	
	Check whether gas supply was disconnected where licence had been expired	
	Check whether security shortfall amount was recovered from the consumers other than domestic	
2	Procurement	
	Check the completeness of bidding documents like inclusion of penalty cluase in procurement documents	
	Check the compliance of PPRA rules	
	Check the compliance of the various contracts	
	Check the evaluation process of technical and financial proposals	
	Check the process of awarding of contract	
	Check what action was taken against late deliver of goods	
	Check whether imported goods were according to the specification	
	Check whether supplier bill against imported goods were paid in excess of goods received or not	
	Check whether gas received was according to specification	
3	Projects	
	Check finalization of process for provision of RLNG to private housing society	
	Check the recovery of burnt pipe cost from the contractor if any	

	Check whether decision of Wafaqi Mohtasib / OGRA / Prime Minister portal was implemented or not	
	Check whether EOBI registration / payments for all labour/workers	
	Check whether federal, provincial, local government legal and other requirements are complied	
	Check whether OGRA penalized for non-achievement of targets	
7	Health Safet and Environment	
	Check corrective actions taken by the QA department on non-conformities/observations	
	Check emergency plans and disaster recovery plans	
	Check environmental impact assessments and compliance	
	Check the risk register of each department	
	Check whether regulatory compliance with safety standards	
	Check whether Occupational Health & Safety objectives & Targets achieved	
	Check training plans, programs and its employees competency	
8	Human Resource	
	Check the appointment process of officers and officials	
	Check the timings of resignation and its acceptance	
	Check whether medical facility was availed as per SOPs	
9	Insurance	
	Check the settlement and recovery of insurance claims	
	Check whether insurance claims were lodged with due time	
10	Corporate Social Responsibility	
	Check the approvals of CSR initiative taken for HSE or not	
11	Quality Assurance	
	Check pipeline safety and leakage detection procedures	
	Check the surveillance audit conducted Bi-Annually	
	Check whether QA department conducted inspection and verified construction work	
	Check whether technical audit of QA activities conducted	
12	Taxation	
	Check provincial taxes if any were paid according to the law	
	Check collection of advance tax from CNG stations and its deposit into Govt. Exchequer	
	Check the status of legal cases and its pursuance	

Annex C

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Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Oil & Gas Development Company Limited

Sr. No.	Check List	Status (Y or N)
1	Health Safety & Environment Check whether gas emissions resulted in risk to the environment. Check exposure to occupational environment/working conditions resulted in health risk. Check whether safety measures were in place to reduce the risk due to equipment/ machinery usage. Check risk and corresponding controls were framed and in place for each HSEQ risk	
2	Operational Issues Check whether measures were taken to remove impurities from Oil & Gas Check whether measures were taken to reduce the flaring of off-spec gas/ quality gas Check the reasons of decline in production Check whether compression facilities were installed according to the plan Check the reasons of running uneconomical fields and loss incurred due to its operations	
3	Petroleum Concession Agreement Compliance Issues Check whether targets for 2D/3D seismic survey were achieved or not Check whether default penalties were invoked or not Check whether regulatory authorities imposed huge penalties Find out the reasons for non-preparation of field development plan	
4	Procurement Check the procurement process of material Check whether goods procured were complete in quantity and quality Check whether technical and financial proposals were in accordance of approved bidding documents Check whether standard form of bidding documents were used or not Check whether annual procurement plan exists and goods were procured accordingly	
5	Projects Check whether projects were completed within time and if not, dig out the reasons, and its impact on the cost of the project Find out the reasons of non-approval or delay in approval of the upcoming projects	

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Sr. No.	Check List	Status (Y or N)
6	Accounts	
	Check the reasons of non-recovery of debts from gas companies and refineries	
	Find out the reasons of non-settlement of insurance claims	
	Check whether joint accounts were audited by the CA firms and report thereon submitted	
	Check whether joint venture partners were paying their share of investment in time	
	Check whether working partners deposited their share of interest to maintain cash requirement	
	Check whether funds were being kept in scheduled banks and their selection criteria	
	Check safety and security of deposits	
	Check cash flows and reasons of parking excess funds in current / saving accounts	
	Check whether surplus funds were invested A + rated funds/companies	

Annex - D
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Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Pakistan Petroleum Limited

Sr. No.	Check List	Status (Y or N)
1	Operational Issues	
	Check the achievement of targets sets	
	Find the reasons of declining market share	
	Check the accuracy of reported figures of sales, storage, etc	
	Check the usage of cards	
	Check the reasons of decline in production	
	Check the installation of compression facility	
	Find the reasons of operating uneconomical fields	
	Check whether targets for 2D/3D seismic survey were achieve or not	
2	Accounts	
	Check the reasons of non-recovery of debts from gas companies and refineries	
	Check whether joint venture partners were paying their share of investment in time	
	Check whether working partners deposited their share of interest to maintain cash requirement	
	Check whether funds were being kept in scheduled banks and their selection criteria	
	Check safety and security of deposits	
	Check whether default penalties were invoked or not	
	Check wheter regulatory authorities imposed huge penalties	
	Check whether investment was made in futile segments	
	Check the aging of receivables and find out reasons of long outstanding amount	
	Check settlement of insurance claim	
	Check CA firm audited accounts relating to joint ventures	
	Check working balance limit of each organization	
	Check the process of selection of bank(s) for security of funds	
	Check whether surplus funds were invested A + rated funds/companies	
	Check whether surplus funds are lying in current /saving account	
3	Procurement	
	Check the procurement process of material	

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No.	Check List	Status (Y or N)
	Check whether goods procured were complete in quantity and quality	
	Check whether technical and financial proposals were in accordance of approved bidding documents	
	Check whether standard form of bidding documents were used or not	
	Check wheter annual procurement plan exists and goods were procured accordingly	
	Project	
	Check the reasons of non-completion of projects	
	Check the reasons of non-approval of projects	
	Check the reasons of non-preparation of field development plan	
4	Health Safety & Environment	
	Check whether gas emissions resulted in risk to the environment.	
	Check exposure to occupational environment/working conditions resulted in health risk.	
	Check whether safety measures were in place to reduce the risk due to equipment/ machinery usage.	
	Check risk and corresponding controls were framed and in place for each HSEQ risk	

20/4
Amir B

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Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Pakistan State Oil Company Limited

Sr. No.	Check List	Status (Y or N)
1	Taxation	
	Check whether provincial taxes were paid according to legislation of concerned provinces and in the case of subjudice matter the company is on strong footing or not	
	Check the payment of provincial taxes	
	Check thoroughly long outstanding cases to determine whether the company is in litigation on merit	
	Check whether the company acted as withholding agent as relevant laws	
2	Health & Safety and Environment	
	Check incident reports and measures taken to reduce such hazards	
	Check incident reports and measures taken to reduct such hazards	
	Check the availability requieste documents from concerned authorities	
3	Accounts	
	Check accounts whether any fine was charged or not	
	Check the authority of expenditure incurred	
	Check budgets were made on relastic approach	
	Check the backing of figures reported in financial statement on test check basis	
	Check the whether effective controls are in place to control cost over run etc.	
	Conduct root cause analysis of disputes if any	
	Check the trend of operational losses	
	Check the commitments and litigations and their booking requirements in the books of accounts	
	Evaluate the pricing SOPs for non-regulated products	
	Check whether the recognition of revenue is as per accounting policies of the company	
4	Procurement	
	Check whether procured petroleum products were according to the specifications	
	Check the procurement process	
	Check periodical inventory reconciliation statement	
5	SOPs, Rules & Regulations	
	Check the compliance of regulatory requirements	
	Check the compliance of SOPs in field	
	Check the compliance Product review meeting	

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Sr.	Check List	Status (Y or N)
6	Sales Check the timelines for delivery of quality products Check the inventory gain or losses during the period	
7	Projects Check the non-completion of ongoing projects within stipulated time	
8	Human Resource Management Check whether company compliant with its policies after retirement of employees Check whether company compliant with its policies after retirement of employees	

Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Geological Survey of Pakistan

Armen - P
 164
 2014

Sr. No.	Check List	Status (Y or N)
1	Higher Authority Decision	
	Check whether Authority implemented the decision of ECC regarding reviewing of subsidy provided to export industry	
	Check whether Authority implemented the decision of ECC regarding assignment of working interest	
	Check whether Authority took measures on CCoE decision to relating to report on delay in dry docking of EETPL	
	Check whether Authority implemented the decision of CCoE regarding sustainable LPG supply chan policy	
	Check whether Authority implemented the decision of ECC regarding annual financial review	
2	Accounts	
	Check whether management spent the budget in rush during the month of june	
	Check whether new incumbent were recruited according to the succession planning	
	Check whether pay & allowances were calculated properly	
	Check whether financial statements were in reconciliation with books of accounts	
	Check whether funds were deposited in A+ rated banks	
	Check the reasons of non-surrendering of savings to the consumers in cost sharing jobs / Govt. Jobs	
3	Procurement	
	Check whether goods were procured according to PPRA rules	
	Check the procurement process of material	
	Check whether goods procured were complete in quantity and quality	
	Check whether technical and financial proposals were in accordance of approved bidding documents	
	Check whether standard form of bidding documents were used or not	
	Check wheter annual procurement plan exists and goods were procured accordingly	
	Check whether surveys were conducted properly	

Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Department of Explosives

2023
 Arman G
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Sr. No.	Check List	Status (Y or N)
1	Health Safety & Environment	
	Check whether risk mangement plan has been prepared, if yes, is it updated	
	Check whether safety measures were as per safety standards	
2	Operational Issues	
	Check whether DOE officers achieved the targets of physical visits of sites	
	Check whether department monitored/reconciled the imported chemical and explosive	
	Check whether real-time data of explosives was uploaded on the dashboard	
	Check whether employees were rotated after completion of 3 years of service on a post	
	Check whether the penalty was imposed on the illegal sellers of petroleum products as well as storage of petroleum products	
3	Accounts	
	Check whether new licence fee /renewal of licence fee received in full	
	Check whether penalty imposed on various licencees were collected or not	
	Check whether credit verification of govt. receipts conducted or not	
4	Procurement	
	Check violations of procurment rules	
	Check the completeness of bidding documents like inclusion of penalty cluase in procurement documents	
	Check the compliance of PPRA rules	
	Check the compliance of the various contracts	
	Check the evaluation process of technical and financial proposals	
	Check the process of awarding of contract	
	Check what action was taken against late deliver of goods	
	Check whether imported goods were according to the specification	
	Check whether supplier bill against imported goods were paid in excess of goods received or not	

Directorate General Audit, Petroleum and Natural Resources, Lahore

Check list of work to do
Saindak Metals Limited

Amnon-H
166

Sr. No.	Check List	Status (Y or N)
1	Accounts	
	Check whether payments and deductions were made according to rules & regulations	
	Check whether fringe benefits were paid according to the rules & regulations	
	Check whether leave encashment payment was as per rules & regulations	
	Check whether advances were recovered as per rules	
	Check the reconciliation report of stores and stock	
	Check the physical verification report of fixed assets & inventory management	
	Check the theft inquiry reports, if any, of inventory/fixed assets	
	Check whether tax deducted at source was deposited into Govt. Exchequer	
	Check whether the financial transactions are according to rules	
	Check whether due share of profit was received from MRDL	
	Check whether surplus funds were invested A + rated funds/companies	
	Check the exchange rate applied	
	Check whether surplus funds were invested A + rated funds/companies	
2	Procurement	
	Check whether procurement was according to annual plan and PPRA rules	
	Check whether procurement was made as per annual procurement plan	
	Check whether the services and procurements were made as per agreement	
	Check the procurement process of material	
	Check whether goods procured were complete in quantity and quality	
	Check whether technical and financial proposals were in accordance of approved bidding documents	
	Check whether standard form of bidding documents were used or not	
3	Administrative Issues	
	Check whether females have been allowed participation in BoDs or not	
	Check the succession planning of HR and inquiry reports of employees	
	Check whether nepotism exists in induction of new incumbent or promotion of employees	

Directorate General Audit, Petroleum and Natural Resources, Lahore
Check list of work to do
Oil & Gas Regulatory Authority

Amir I
167

Sr. No.	Check List	Status (Y or N)
1	Accounts	
	Check whether due amount was recovered from gas companies, OMCs and refineries.	
	Check whether insurance claims were received in full, if not then what is reason of its rejection	
	Check whether default and penalty clauses were exercised or not if yes same was recovered or not	
	Check whether A+ rated banks were selected for investment of surplus funds	
	Check whether performance guarantees, financial instruments, bank guarantees and cash were secured	
	Check whether surplus funds were lying in current / saving accounts	
	Check whether surplus funds were invested A + rated funds	
2	Procurement	
	Check whether procurement was according to annual plan and bidding documents	
	Check whether local or imported goods received as per procurement order and payment was made accordingly	
	Check whether the evaluation of technical and financial proposals was conducted as per plan	
	Check whether standard bidding documents were prepared or not	
	Check whether annual procurement plan was prepared and procurement was made accordingly	
	Check whether projects were completed within time and if not, dig out the reasons, and its impact on the cost of the project	
	Find the reasons of non-approval of projects	



OFFICE OF THE
DIRECTOR GENERAL AUDIT
KHYBER PAKHTUNKHWA
10-Fort Road Peshawar Cantt

DG Audit: 091-9211306

Fax: 091-9222417

Director Audit: 091-9211308

091-9211306

Dated: 16.10.2024

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2
5. Audit/Admin/HQ/Proactive Role of DGs/2024-25/ 386

To

The Additional Auditor General (Ops), ✓
O/O the Auditor-General of Pakistan,
Islamabad.

16 OCT 2024

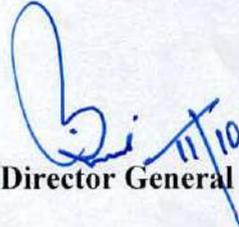
Subject: **Briefing to the Field Audit Teams before start of audit execution**

Kindly refer to your office letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject cited above.

In this regard it is stated that as directed briefings are being reduced to written instructions to the Field Audit Teams before proceeding on field audit on the prescribed format (checklists for expenditure audit, revenue receipts audit, FAP audit and specialized audit are enclosed herewith).

Moreover, during supervisory visits, monitoring of the Field Audit Teams on the aforementioned checklists would also be ensured.

Encl: As above.


Director General

Additional Auditor General (Ops)
Date: 21-10-24 Diary No: 235
Time in: 2:48pm Time out: 3:30pm

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SPS
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~~AO. Co. Secy~~

LIST OF AUDITABLE RECORD – EXP AUDIT

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1. Permanent and planning files
2. Budget and releases made to the department
3. Monthly reconciled expenditure and receipts statement
4. Total allocation of funds and distribution among the HQ and sub-offices
5. Cash books and head wise vouchers
6. List of bank accounts and their statements
7. Details of procurement carried out by the department
8. Appropriation Register
9. Details of ADP schemes executed by the department
10. Monthly accounts details of ongoing schemes
11. Service Books / Personal Files and Payroll of the staff deployed in the department
12. Total sanctioned and working strength in the department
13. Recruitment / appointments made during the period
14. List of vehicles, their logbooks and movement registers
15. Posting / transfer orders and rotation policy, if any
16. Detailed record of civil works and all related documents like contract agreements and MBs etc.
17. Main stock register, sub-stock register, dead stock register and expense register etc.
18. Handing over notes of officers on transfer
19. Physical assets verification reports
20. Disposal of unserviceable store
21. Calendar of returns / statements
22. Recoveries of overpayments and outstanding government dues, if any
23. Hiring files of officers / officials
24. Previous years DAC / PAC decision on the Audit Paras and compliance status
25. List of officers / officials availing hiring facilities / government accommodations
26. Capacity building of the officers and staff
27. Diary inwards / outwards register
28. Organizational setup under relevant Act / Guidance / Rules / Notification etc.
29. Names of staff / officers posted in / out during inspection period
30. Activity reports during inspection period
31. Details of complaints and newspapers clippings regarding the department
32. Details of inquires conducted and disciplinary cases, if any
33. Internal Audit Reports

LIST OF AUDITABLE RECORD – RRA AUDIT

EXCISE & TAXATION

1. Permanent and planning files
2. Files of motor vehicles registered during the Audit Year
3. Motor vehicle tax and registration fee record along with daily collection reports / registers and treasury challans for the Year
4. PT-I, PT-8, survey registers, treasury challans and daily collection registers of property tax
5. Record of provincial government share of property tax recovered from cantonment board
6. Demand & collection registers, files, daily collection register and treasury challans of professional tax
7. Demand & collection registers, files, daily collection register and treasury challans of hotel tax

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8. Demand & collection registers, files, daily collection register and treasury challans of provincial excise duty
 9. Demand & collection registers, files, daily collection register and treasury challans of license renewal fee of real estate agents and motor vehicle dealers
 10. Demand & collection registers, files, daily collection register and treasury challans of tobacco development cess
 11. Target of revenue for the Year
 12. Monthly progress report of government taxes collected during the Year
 13. Monthly reconciliation statements of government taxes / fees duly verified by DAO / TO
 14. Name of the ETO(s) who held the charge of the office during the period under audit
 15. Internal Audit Report, if any
 16. Compliance in respect of previous Audit Paras, if any, for verification of recoveries
 17. Details regarding any fraud, embezzlement, theft or loss occurred during the Year

TEHSILDAR OFFICES

1. Permanent and planning files
2. Mutation registers / documents
3. Receipt books, mutation fee register and treasury challans
4. Valuation table
5. List of Patwar Halqa / Mouza
6. Tour programs of Tehsildar / Naib Tehsildar(s) to attest mutations
7. Receipt books, demand & collection registers and treasury challans of capital value tax, land tax, agriculture income tax, local rates and usher
8. Total number of mutation attested, rejected and pending during the Year
9. Details and record of court cases, if any
10. Target of annual revenue receipts
11. Monthly reconciliation statement duly verified by DAO / TO and progress reports
12. Details of state land given on lease
13. Name of Tehsildar / Naib Tehsildar(s) who held the charge of the office during the Year
14. Internal Audit Report, if any
15. Compliance in respect of previous Audit Paras, if any, for verification of recoveries
16. Details regarding any fraud, embezzlement, theft or loss occurred during the Year

SUB REGISTRAR OFFICES

1. Permanent and planning files
2. Book (Bahi) 1, 2, 3, 4 and additional books
3. Receipt books, fee registers and treasury challans
4. Capital value tax collection registers and treasury challans
5. Advance / Withholding tax record including treasury challans
6. Copy of valuation table
7. Target of revenue
8. Monthly reconciliation statements duly verified by DAO / TO
9. Figure of stamp duty collected during the Year
10. Figures of advance / withholding tax collected during the Year
11. Number of deeds registered during the Year
12. Name of the Sub-Registrar(s) who held the charge of office during the Year
13. Internal Audit Report, if any
14. Compliance in respect of previous Audit Paras, if any, for verification of recoveries

15. Details regarding any fraud, embezzlement, theft or loss occurred during the Year

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IRRIGATION DEPARTMENT

1. Permanent and planning files
2. Statement-I, II & III of Abiana for the Year
3. Receipts book, Abiana collection register, cash book, treasury challans and other record of water rates
4. Khasra Statement / Book
5. Muga-wise statement of cultivated land (Statement-15)
6. Village-wise / Patwari-wise register/ statement (Statment-33c)
7. Demand register/ Khatoni Rabi and Kharif for the Year
8. Statement / register of unauthorized irrigation / Tawan cases decided during the Year
9. Record of water supplied for non-irrigation purposes
10. Registers, files, statements, receipt book, collection register / cash book and treasury challans and other connected record of professional tax, stamp duty, registration fee, cost of tender forms, rent of water mills and miscellaneous receipts
11. Target of receipts and monthly reconciliation statements for the Year duly verified by DAO / TO
12. Name of officer(s) who held the charge of the office during the Year
13. Internal Audit Report, if any
14. Record for verification of recoveries pertaining to previous Audit Paras

PROVINCIAL / REGIONAL TRANSPORT AUTHORITY

1. Permanent and planning files
2. Route permit registers, files, collection register and treasury challans
3. Demand & collection registers, files and treasury challans of license / renewal fee of bus stands, goods forwarding agencies and truck / bus body building workshops
4. Record of 3% provincial government share collected from TMAs / MCs
5. Monthly reconciliation statement duly verified by DAO / TO
6. Target of revenue, if any, for the Year
7. Name of the officer(s) who held the charge of the office during the Year
8. Internal Audit Report, if any
9. Compliance in respect of previous Audit Paras for verification of recoveries

CANE COMMISSIONER (DIRECTOR FOOD)

1. Permanent and planning files
2. Details of sugar cane crushed by the sugar mills during the Year
3. Details of sugar cane development cess collected during the Year
4. Treasury challans through which the cess has been deposited into government treasury
5. Record of penalty recovered on late deposit of sugar cane development cess
6. Target of sugar cane cess for the Year
7. Figure of actual receipts of sugar cane development cess duly reconciled with A.G. Office
8. Name of officer(s) who held charge of the office during the Year
9. Internal Audit Report, if any
10. Record for verification of recoveries pertaining to the previous Audit Paras

LIST OF AUDITABLE RECORD – FAP / SPECIALIZED AUDIT

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1. Permanent and planning files
2. Budget and releases made to the Foreign Aided Project
3. Financial statements signed by the project authorities
4. Cash books and head wise vouchers maintained by the project
5. List of bank accounts and their statements
6. Details of procurement made by the project
7. Appropriation Register
8. Total sanctioned and working strength (designation wise and job descriptions).
9. Service Books / Personal Files and monthly payroll of the staff deployed in the project
10. Details of recruitment / appointments made during the period
11. List of vehicles operated by the project management, their logbooks and movement registers
12. Posting and transfer orders
13. Record relating to advances
14. Detailed record of civil works carried out by the project, the contract agreements and measurement books
15. Main stock register, sub-stock register, dead stock register and expense register etc.
16. Handing over notes of officers on transfer
17. Physical assets verification reports
18. Disposal of unserviceable store
19. Calendar of returns / statements
20. Details of revenue / receipts and recoverable amount
21. Recoveries of overpayment and outstanding government dues
22. List of officers/officials availing hiring facilities /Govt: accommodations
23. Hiring files of officers / officials
24. Previous years' DAC / PAC decisions on the Audit Paras and compliance status
25. Diary inwards / outwards register
26. Organizational setup under relevant Act / Guidance / Rules / Notification etc.
27. Activity reports during inspection period
28. Details of complaints and newspapers clippings regarding the project
29. Details of inquiries and disciplinary cases, if any
30. Internal Audit Reports.

In the case of Specialized Audit, TORs / PSRs are prepared and submitted to SSA Wing Islamabad / DGA PAW Lahore for approval before initiating field audit.

(Tariq Azim)
Audit Officer (Admin)

Local Govt KP

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Office of the
Deputy Auditor-General (North)
AGs Complex, Fort Road, Peshawar Cantonment

☎ 091-9211309 ☎ 091-9211265

Email: dagnorth@agp.gov.pk

LC.G KP

F-06/Audit/2023-24/999

Dated: 04/11/2024

To: -

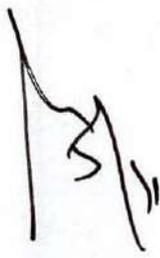
SPS to the Addl; Auditor-General (Ops)
O/o Auditor-General of Pakistan
Islamabad

Subject: **Briefing to the Field Audit Teams before start of Audit Execution.**

Kindly refer to your office letter No.SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject noted above, addressed to the DG Audit (Local Govts) KP and find enclosed herewith his letter No.F-163/M.R/Zoom Meeting/2024-25/1545 dated 23.10/2024 alongwith its enclosures for perusal of the Additional Auditor-General (Operations), please.


AUDIT OFFICER
(REPORT)

Enclosed: As above.


To Co-ord.

Additional Auditor General (Ops)
Date: 5-11-24 Diary No: 307
Time in: 2:20pm Time out: _____



Office of the
Auditor General of Pakistan
Constitution Avenue
Islamabad

Additional Auditor General (Ops)

No. SPS/AddLAG(Ops)/2024
Dated: 27.09.2024

The Director General Audit,
Local Government,
Khyber Pakhtunkhwa,
Peshawar.

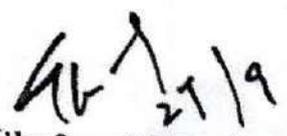
Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

The current practice of pre-departure briefings to field audit teams is primarily based on verbal instructions and in various cases the issuance of minutes of meetings.

17. To ensure that briefings to Field Audit Teams are more structured, helpful to auditors, and amenable to monitoring, it is essential that the briefings are reduced to written instructions and checklists for fieldwork and handed over to auditors subsequent to the briefings.

18. Any new areas investigated by auditors beyond the checklists will be put up by the auditors to FAO management and may be added to the checklist for future Field Audit Teams if deemed relevant for subsequent audits. During supervisory field visits, these checklists and instructions will also be referred to monitor the progress and quality of field audit work.

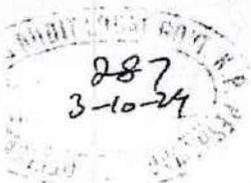
19. Kindly reduce your recently issued briefing to field audit teams into a checklist of instructions and "Things to do" during field audit, and share with this office, along with any input/suggestion you deem necessary for improvements in this regard.


(Ghufuran Memon)

Compliance pl.

Director (HQ)

Discuss. and put up.
AO 7/10





(1755)

Department of the Auditor General of Pakistan
Office of the
DIRECTOR GENERAL AUDIT
(LOCAL GOVTS) KHYBER PAKHTUNKHWA, PESHAWAR
Audit Complex
Plot No. 07, Sector: A-2, Phase-V Hayat Abad, Peshawar.
091-9219011, 9219608, Fax 091-9219099
Email: dgdanwfp@gmail.com

No. F-163/M.R/Zoom Meeting/2024-25/ 1545

Dated: 23.10.2024

To

The Audit Officer,
O/o the Deputy Auditor General, (North)
AG Office Complex Fort Road,
Peshawar Cantt.

Subject:

BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

I am directed to refer to the Additional Auditor General (Ops) office letter No. SPS/Addl.AG(Ops)/2024 dated 27-09-2024 on the subject noted above and to enclose here with checklist of "Things to do" as desired in the closing para of the above referred letter for further necessary action please. ✓

(This is issued with the approval of Director General Audit)

Enclosed: As above

Audit Officer (M&E)

*Please link and put up
on file.*

SA.

[Signature]
30/10/24

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Things To Do During Audit of the Auditee Formations

Deputy Commissioner

S.No.	Area	Things to Do
1	HR	<ul style="list-style-type: none">• Check the admissibility of pay & allowances received by the officer/officials of the office.• Check whether appointments/recruitment and posting transfer were made in accordance with the relevant rules and instructions of the Government and in light of the ban imposed by the Election Commission of Pakistan & Caretaker Governments.• Verify that posts duly sanctioned and approved by the Provincial/Local Government.• Check whether employee service books and personal files properly maintained and up-to-date.• Check whether the controls over computations of salaries, wages and deductions are adequate.
2	Contingencies/Non Salary	<ul style="list-style-type: none">• Check the budget received & disbursed under all the non salary object heads• Check the contingent bills of all the object heads whether properly sanctioned• Verify that the expenditure under various heads are properly classified, incurred and recorded as per rules• Check whether payments were made to the vendors concerned or through DDO/open cheque
3	Procurements Asset Management Official vehicles and POL	<ul style="list-style-type: none">• Check whether any items have been purchased during the Financial Year.• Check which items were purchased, i.e Vehicles, Plant & Machinery, Furniture & Fixtures etc. if any• Check if the items purchased during austerity measures/ Ban period• Check whether items to be purchased have been exhausted in the store• Check that Annual Procurement Plan has been prepared in accordance with the procurement/KPPRA rules.• Check that appropriate demand exists and indents have been received from the concerned sections.• Is the purchase of goods and services justified and properly authorised?• Whether necessary funds are available under the relevant head of budget.• Verify that the goods and services have been delivered and received, according to the quantity, quality as per supply order and specifications mentioned in tender documents.• Check that goods have been delivered within stipulated period of time or penalty has been imposed in case of delay.• Check that the goods and services are competitively and/or reasonably priced, special rates, etc have been obtained.• Confirm that no advance payments have been made to the suppliers and service providers• Authenticate that payments to the suppliers and service providers are made after physical inspection, quality assurance committee report.• Verify that each and every item received through delivery challan are entered under the relevant head of stock registers.• To check the status of the newly procured assets and disposal of the old.• To check whether the purchase committee is in place.• To check Internal controls regarding use/abuse/ misuse etc. or official

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		vehicles and other assets.
4	Fine/revenue collection	<ul style="list-style-type: none">• To check mechanism of fine/revenue collection.• Check the revenue/receipts of the office• Check the fines & penalties imposed by the officers with rules• To check that the due amounts have been recovered and deposited into proper head of account in Govt. Treasury.• Verify some of the receipts challans from Treasury as well.
5	Designated bank accounts and balances therein.	<ul style="list-style-type: none">• Check Finance instructions regarding opening of designated bank account.• Verification of number of bank accounts along with balance amount therein.• Check whether Bank Profit earned deposited into Treasury or not.• Check the Debit & Credit Transactions of the Bank statements.• To check surrender of unspent balances in the designated bank account
6	Payments through DDOs	<ul style="list-style-type: none">• To check finance instructions/rules regarding such payments.• To check the authenticity of the payments to the vendors/DDOs.
7	Civil Works, Development Expenditure	<ul style="list-style-type: none">• Development Funds released to A/C-I & A/C-IV both be checked.• Check & Verify the Development Expenditures incurred from both A/C-I & A/C-IV• To check proper share of finances allocated to the concerned sectors in light of P&D guidelines.
8	Re-appropriation of budget.	<ul style="list-style-type: none">• To check whether appropriations are in accordance with the financial rules.
9	Disbursement of death compensation/ rehabilitation of the damaged infrastructure	<ul style="list-style-type: none">• To check the veracity of payment to the concerned/ legal heirs of the affectees well in time.
10	Land Acquisition	<ul style="list-style-type: none">• Check the Land Acquisition record• Check whether payment of 15% land acquisition charges were as per rules.
11	Funds received under Special Heads	<ul style="list-style-type: none">• Cheque all the funds received and disbursed to the office for special purposes like, Polio, Census, Election, Secret Fund, Longi Allowances etc.
12	Licences & Domicile fee	<ul style="list-style-type: none">• Check the number of arms licenses issued, and the amount of fee received for these licenses• Check the number of domiciles issues, and the amount of fee received for these domiciles.

Things To Do During Audit of the Auditee Formations

District Health Offices

S.No.	Area	Things to Do
1	HR	<ul style="list-style-type: none"> • Check the admissibility of pay & allowances specially the Health Professional Allowance and its rates received by the officer/officials of the office. • Check whether appointments/recruitment and posting transfer were made in accordance with the relevant rules and instructions of the Government and in light of the ban imposed by the Election Commission of Pakistan & Caretaker Governments. • Verify that posts duly sanctioned and approved by the Provincial/Local Government. • Check whether employee service books and personal files properly maintained and up-to-date. • Check whether the controls over computations of salaries, wages and deductions are adequate.
2	Contingencies/Non Salary	<ul style="list-style-type: none"> • Check the budget received & disbursed under all the non salary object heads • Check the contingent bills of all the object heads whether properly sanctioned • Verify that the expenditure under various heads are properly classified, incurred and recorded as per rules • Check whether payments were made to the vendors concerned or through DDO/open cheque
3	Procurements Asset Management Official vehicles and POL	<ul style="list-style-type: none"> • Check the status of the newly procured equipments/medicines. • Check and confirm the supply of medicines, plant & machinery and other stores in order to confirm whether the medicines etc procured as per demand of the health centres and whether delivery challans/reports are available. • Check whether any other items purchased, i.e Vehicles, Plant & Machinery, Furniture & Fixtures etc. • Check if the items purchased during austerity measures/ Ban period • Check whether medicines/other stores purchased have been exhausted in the store • Check that Annual Procurement Plan has been prepared in accordance with the procurement/KPPRA rules. • Check that appropriate demand exists and indents have been received from the concerned sections. • Is the purchase of goods and services justified and properly authorised? • Whether necessary funds are available under the relevant head of budget. • Verify that the goods and services have been delivered and received, according to the quantity, quality as per supply order and specifications mentioned in tender documents. • Check that goods have been delivered within stipulated period of time or penalty has been imposed in case of delay. • Check that the goods and services are competitively and/or reasonably priced, special rates, etc have been obtained. • Confirm that no advance payments have been made to the suppliers and service providers • Authenticate that payments to the suppliers and service providers

		<p>are made after physical inspection, quality assurance committee report.</p> <ul style="list-style-type: none"> • Verify that each and every item received through delivery challan are entered under the relevant head of stock registers. • To check the status of the newly procured assets and disposal of the old. • To check whether the purchase committee is in place. • To check Internal controls regarding use/abuse/ misuse etc. or official vehicles and other assets.
4	Revenue collection	<ul style="list-style-type: none"> • To check mechanism of revenue collection i.e OPD fee, Lab fee, Xray fee, Operation fee etc. • Check the fines & penalties imposed by the officers on the firms due to non supply of medicines, plant & machinery and other stores • Verify whether penalties imposed as per agreement MCC rules, collected, recorded and deposited into treasury in proper head of account. • Verify some of the receipts challans from Treasury as well.
5	Designated bank accounts and balances therein.	<ul style="list-style-type: none"> • Check Finance instructions regarding opening of designated bank account. • Verification of number of bank accounts along with balance amount therein. • Check whether Bank Profit earned deposited into Treasury or not. • Check the Debit & Credit Transactions of the Bank statements. • To check surrender of unspent balances in the designated bank account
6	Payments through DDOs	<ul style="list-style-type: none"> • To check finance instructions/rules regarding such payments. • To check the authenticity of the payments to the vendors/DDOs.
7	Civil Works, Development Expenditure	<ul style="list-style-type: none"> • Development Funds released to A/C-I & A/C-IV both be checked. • Check & Verify the Development Expenditures incurred from both A/C-I & A/C-IV.
8	Re-appropriation of budget.	<ul style="list-style-type: none"> • To check whether appropriations are in accordance with the financial rules.
9	Disbursement of death compensation to the medically retired/heirs of Deceased employee	<ul style="list-style-type: none"> • To check the veracity of payment to the concerned/ legal heirs of the affectees well in time.
10	Funds received under Special Heads	<ul style="list-style-type: none"> • Cheque all the funds received and disbursed to the office for special purposes like, Polio etc.
11	Inventory Management	<ul style="list-style-type: none"> • To examine whether inventory management of procurements i.e. medicines, equipments, etc. were made according to laid down procedures/rules.

Things To Do During Audit of the Auditee Formations

District Education Offices

S.No.	Area	Things to Do
1	HR	<ul style="list-style-type: none"> • Check the admissibility of pay & allowances and its rates received by the officer/officials of the office. • Check whether appointments/recruitment and posting transfer were made in accordance with the relevant rules and instructions of the Government and in light of the ban imposed by the Election Commission of Pakistan & Caretaker Governments. • Verify that posts duly sanctioned and approved by the Provincial/Local Government. • Check whether employee service books and personal files properly

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		<p>maintained and up-to-date.</p> <ul style="list-style-type: none">• Check whether the controls over computations of salaries, wages and deductions are adequate.
	Contingencies/Non Salary	<ul style="list-style-type: none">• Check the budget received & disbursed under all the non salary object heads• Check the contingent bills of all the object heads whether properly sanctioned• Verify that the expenditure under various heads are properly classified, incurred and recorded as per rules• Check whether payments were made to the vendors concerned or through DDO/open cheque
3	Procurements Asset Management Official vehicles and POL	<ul style="list-style-type: none">• Check whether the text books were procured as per actual demand received from the schools,• Check and whether any items i.e Schools Furniture, School Bags & uniforms, plant & machinery, Science Equipments etc have been procured during the Fiscal year and confirm whether these items have been supplied to the schools, sections concerned• Verify whether the procurement has been made as per actual demand of the schools or without any need assessment.• Check if the items purchased during austerity measures/ Ban period• Check whether furniture, School bags, uniforms, plant & machinery exhausted in the store• Check that Annual Procurement Plan has been prepared in accordance with the procurement/KPPRA rules.• Check that appropriate demand exists and indents have been received from the Schools concerned.• Is the purchase of goods and services justified and properly authorised?• Whether necessary funds are available under the relevant head of budget.• Verify that the goods and services have been delivered and received, according to the quantity, quality as per supply order and specifications mentioned in tender documents.• Check that goods have been delivered within stipulated period of time or penalty has been imposed in case of delay.• Check that the goods and services are competitively and/or reasonably priced, special rates, etc have been obtained.• Confirm that no advance payments have been made to the suppliers and service providers• Authenticate that payments to the suppliers and service providers are made after physical inspection, quality assurance committee report.• Verify that each and every item received through delivery challan are entered under the relevant head of stock registers.• To check the status of the newly procured assets and disposal of the old.• To check whether the purchase committee is in place.• To check Internal controls regarding use/abuse/ misuse etc. or official vehicles and other assets.
4	Revenue collection	<ul style="list-style-type: none">• To check mechanism of revenue collection i.e admission fee, pupil funds, scouts fund, sports fund/fee etc.• Verify some of the receipts challans from Treasury as well.
5	Designated bank accounts and balances therein.	<ul style="list-style-type: none">• Check Finance instructions regarding opening of designated bank account.

		<ul style="list-style-type: none">• Verification of number of bank accounts along with balance amount therein.• Check whether Bank Profit earned deposited into Treasury or not.• Check the Debit & Credit Transactions of the Bank statements.• To check surrender of unspent balances in the designated bank account
6	Payments through DDOs	<ul style="list-style-type: none">• To check finance instructions/rules regarding such payments.• To check the authenticity of the payments to the vendors/DDOs.
7	Civil Works, Development Expenditure	<ul style="list-style-type: none">• Development Funds released to A/C-I & A/C-IV both be checked.• Check & Verify the Development Expenditures incurred from both A/C-I & A/C-IV.
8	Re-appropriation of budget.	<ul style="list-style-type: none">• To check whether appropriations are in accordance with the financial rules.
9	Disbursement of death compensation to the medically retired/heirs of Deceased employee	<ul style="list-style-type: none">• To check the veracity of payment to the concerned/ legal heirs of the affectees well in time.
10	Funds received under Special Heads	<ul style="list-style-type: none">• Check the amounts of funds received for various schlorships and its disbursement among students.• Check the disbursement of stipend to Girls Students
11	Double Shift Schools	<ul style="list-style-type: none">• Check the expenditure incurred on account of Double Shift Schemes• Verify the recruitment of teachers/staff for Double Shift Schemes• Check the disbursement of Stipend/salaries to the Teachers/Staff of DSS• Verify whether the schools are functioning as per DSS Policy or otherwise• Check the DSS Schools, whether fully functioning or is there any Ghost Schools or schools with low enrolment as compare to the benchmark
12	PTC Funds/Conditional Grant	<ul style="list-style-type: none">• Check the amounts of funds received on account of PTC funds/Conditional grant• Verify whether these funds are directly sent to PTC accounts of the Schools or deposited in designated bank account of DEOs• Check whether previous balances of the PTC funds/Conditional Grants utilized by the schools• Check whether the funds given to schools are based on proper demand and need assessment of the schools or otherwise

Things To Do During Audit of the Auditee Formations

Assistant Director Local Governments & Rural Development Department

S.No.	Area	Things to Do
1	HR	<ul style="list-style-type: none"> • Check the admissibility of pay & allowances received by the officer/officials of the office. • Check whether appointments/recruitment and posting transfer were made in accordance with the relevant rules and instructions of the Government and in light of the ban imposed by the Election Commission of Pakistan & Caretaker Governments. • Verify that posts duly sanctioned and approved by the Provincial/Local Government. • Check whether employee service books and personal files properly maintained and up-to-date. • Check whether the controls over computations of salaries, wages and deductions are adequate.
2	Contingencies/Non Salary	<ul style="list-style-type: none"> • Check the budget received & disbursed under all the non salary object heads • Check the contingent bills of all the object heads whether properly sanctioned • Verify that the expenditure under various heads are properly classified, incurred and recorded as per rules • Check whether payments were made to the vendors concerned or through DDO/open cheque
3	Procurements Asset Management Official vehicles and POL	<ul style="list-style-type: none"> • Check whether any items have been purchased during the Financial Year. • Check which items were purchased, i.e Vehicles, Plant & Machinery, Furniture & Fixtures etc. if any • Check if the items purchased during austerity measures/ Ban period • Check whether items to be purchased have been exhausted in the store • Check that Annual Procurement Plan has been prepared in accordance with the procurement/KPPRA rules. • Check that appropriate demand exists and indents have been received from the concerned sections. • Is the purchase of goods and services justified and properly authorised? • Whether necessary funds are available under the relevant head of budget. • Verify that the goods and services have been delivered and received, according to the quantity, quality as per supply order and specifications mentioned in tender documents. • Check that goods have been delivered within stipulated period of time or penalty has been imposed in case of delay. • Check that the goods and services are competitively and/or reasonably priced, special rates, etc have been obtained. • Confirm that no advance payments have been made to the suppliers and service providers • Authenticate that payments to the suppliers and service providers are made after physical inspection, quality assurance committee report. • Verify that each and every item received through delivery challan

		<p>are entered under the relevant head of stock registers.</p> <ul style="list-style-type: none">• To check the status of the newly procured assets and disposal of the old.• To check whether the purchase committee is in place.• To check Internal controls regarding use/abuse/ misuse etc. or official vehicles and other assets.
4	Revenue collection	<ul style="list-style-type: none">• To check mechanism of revenue collection.• Check the numbers of various certificates i.e Birth, Marriage, death etc. issued and the amounts received on account of these certificates by the V&NHCs• Check the Local Government Commission received by the AD Local Governments if any• Check whether taxes were properly deducted and deposited into treasury.• Check the fines & penalties imposed by the officers with rules• To check that the due amounts have been recovered and deposited into proper head of account in Govt. Treasury.• Verify some of the receipts challans from Treasury as well.
5	Designated bank accounts and balances therein.	<ul style="list-style-type: none">• Check Finance instructions regarding opening of designated bank account.• Verification of number of bank accounts along with balance amount therein.• Check whether Bank Profit earned deposited into Treasury or not.• Check the Debit & Credit Transactions of the Bank statements.• To check surrender of unspent balances in the designated bank account
6	Payments through DDOs	<ul style="list-style-type: none">• To check finance instructions/rules regarding such payments.• To check the authenticity of the payments to the vendors/DDOs.
7	Civil Works, Development Expenditure	<ul style="list-style-type: none">• Development Funds released to A/C-I & A/C-IV both be checked.• Check & Verify the Development Expenditures incurred from both A/C-I & A/C-IV• Check the progress reports of the Development works, payments for the Development works and actual work done.• Verify the rates of PC-I & BOQ and compare it with MRS• Check whether Development expenditures were properly sanctioned from competent authority• Check whether the works completed within stipulated time• Check whether penalties imposed on the contractors who did not complete the schemes within stipulated time and whether these penalties if deducted deposited into government treasury.

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Things To Do During Audit of the Auditee Formations

Certification/ Financial Attest Audit

S.No.	Area	Things to Do
1	Books of Accounts	<ul style="list-style-type: none">• Check Whether the Books of Accounts/ Financial Statements are properly prepared as per format• Verify that the Books of Accounts present true, fair and complete picture of the finances of the district in all material respect.• Check whether the Financial Statements are accurate and free from errors• Check whether all material information has been properly disclosed in the financial statements in the form of disclosures and notes• Specially check whether accounts of the TMAs are consolidated and compiled by the DAOs/DCAs and its figures are reflected in the District Financial Statements.
2	HR	<ul style="list-style-type: none">• Check the admissibility and rates of pay & allowances paid and various deductions made by the District Accounts Officers/District Comptroller of Accounts to the employees of the local governments from the HR data retrieved from SAP system.• Check whether appointments/recruitment and posting transfer were made in accordance with the relevant rules and instructions of the Government and in light of the ban imposed by the Election Commission of Pakistan & Caretaker Governments.• Verify that posts duly sanctioned and approved by the Provincial/Local Government.• Check whether the bills/ sources of pay & allowances were properly pre-audited and approved by the competent authority.• Check payment and rates of arrears of pay & allowances
3	Contingencies/Non Salary	<ul style="list-style-type: none">• Check the expenditure incurred by all the devolved offices from the FI Data under all the non salary object heads• Check the contingent bills on sample basis of various object heads and verify whether expenditures are properly sanctioned• Verify that the expenditure under various heads are properly classified, incurred and recorded as per rules• Check whether payments were made to the vendors concerned or through DDO/open cheque
4	Payments through DDOs	<ul style="list-style-type: none">• To check finance instructions/rules regarding such payments.• To check the authenticity of the payments to the vendors/DDOs.
5	Civil Works, Development Expenditure	<ul style="list-style-type: none">• Development Funds released to A/C-IV be checked.• Check & Verify the Development Expenditures incurred from both A/C-IV• Check whether Development expenditures were properly sanctioned from competent authority• Check the bills of the Development works on sample basis and verify whether taxes at proper rates are deducted from these bills.
6	Other points	<ul style="list-style-type: none">• Check if there is any Misclassification of Development Expenditure (booked as operating expenditure in Financial Statement)• Check the balances of public account fund and its transfer into the A/C-I• Also verify that no expenditure has been incurred from public account fund• Expenditure Reconciliations with Departments and State/ National Banks of Pakistan• Transfer of amount in excess of receipt• Non maintenance of Assets and Liability record



DEPARTMENT OF THE AUDITOR-GENERAL GILGIT-BALTISTAN

DIRECTORATE GENERAL AUDIT GILGIT-BALTISTAN

Opposite GB Assembly, Shahrah Quaid-e-Azam, Jutial Gilgit
Ph: 05811-922113 Fax: 05811-922115 Email: dgauditgb123@gmail.com

No. F-151/DGA (GB)/ Audit-I/ Audit Program/ 2023-24/ 127

Dated 07.10.2024

The Additional Auditor-General (Ops),
Office of the Auditor-General of Pakistan,
Constitution Avenue, G-5,
Islamabad.

Subject: - **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION.**

Kindly refer to your D.O letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject cited above.

2. It is stated that pursuant to your kind directions pre-departure briefings to field audit teams have been reduced to the enclosed draft instructions/ checklist for utilization of the field audit teams for improving their efficiency and effectiveness. Draft instructions/checklist is attached herewith for kind perusal please.

3. Looking forward for your future guidance.

Enclosed: Checklist for Field Audit Teams.


(Shah Mahmood Khan)
Director General Audit
Gilgit-Baltistan


10/x
Ao-Co-ord.

File please.

SPS.

Additional Auditor General (Ops)
Date: 10/10 Diary No: 199
Time in: 3:00 Time out: 3:25

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Instructions/Check list to be followed by Auditor

- i. Legal Framework of the Organization/ Entity
- ii. Role and responsibility assigned under Act, Rule of Business etc.
- iii. Core business activities
- iv. Annual targets etc.
- v. Strategy devised for achieving the assigned responsibilities and functions
- vi. Determination and Assessment of risk
- vii. Financial matters, Approved budget and revenue estimates
- viii. Finance Act of the respective Financial Year
- ix. Expenditure and reconciliation
- x. Existence of mechanism for revenue assessment, collection and reconciliation
- xi. Observance and Implementation of GB Public Procurement Rules
- xii. Observance of GB Staff Vehicles (Use & Maintenance) Rules
- xiii. Observance of medical rules
- xiv. Observance of GB Accommodation Rules
- xv. Compliance with relevant laws
- xvi. Administration/Establishment matters
- xvii. Capacity building
- xviii. Special focus on public service delivery functions performed by different departments and their impact on general public
- xix. Availability of human resources to fulfill the obligations assigned under Rule of Business particularly to departments relating to social sector/ service delivery
- xx. Availability of necessary infrastructure, machinery & equipment and medicines in health delivery centers
- xxi. Approval of development projects from competent forum, its proper execution with special focus on time, scope and cost overrun.
- xxii. Contract Management: PEC guidelines, GB PPR, PWD Code
- xxiii. Following of GB Manual for Development Projects
- xxiv. Review of modification and frequent revision of PC-Is
- xxv. Management and payment of mobilization advance, secured advance and any other advances
- xxvi. Management of security deposit, performance and bank guaranty
- xxvii. Grants and subsidies in accordance with Grant-in-Aid rules
- xxviii. Investments/ equity
- xxix. Following of Public Private Partnership Act & Rules
- xxx. Leasing of government property
- xxxi. Recognition and treatment of losses
- xxxii. Follow up of court cases
- xxxiii. Stock & Stores
- xxxiv. Repair and maintenance of machinery and equipment
- xxxv. Other routine matters



Department of the Auditor-General of Azad Jammu and Kashmir
Office of the Director General Audit, AJ&K
Gillani Plaza, Ghari Pan Muzaffarabad
Office Ph: 05822-920018

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No.DGA/AJ&K/PAC/2024/1924

Dated: 09/12/2024

To

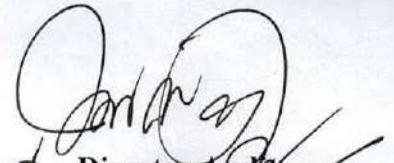
✓ The Additional Auditor General (Ops),
Office of the Auditor General of Pakistan
Constitution Avenue, G-5
Islamabad.

Subject: BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

Kindly refer to your D.O letter No.SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the subject cited above.

2. I am directed to submit that in compliance of directions pre-departure briefing to field audit teams have been reduced to the enclosed draft instruction/ checklist for utilization of the field audit teams for improving their efficiency and effectiveness.
3. Draft instructions/checklist is attached herewith for kind perusal please.
Looking forward for your future guidance.

Encl: As Above.


Director Audit
09/12/24

Copy to the:-

- 1- PS to Deputy Auditor General North office of the Deputy Auditor General (North) AG's Complex 10-Fort Road, Peshawar Cantt.

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CHECKLIST FOR COMPLIANCE WITH AUTHORITY AUDIT

1. Permanent and planning files
2. Budget and releases made to the department
3. Monthly reconciled expenditure and receipts statement
4. Total allocation of funds and distribution among the HQ and sub-offices
5. Cash books and head wise vouchers
6. List of bank accounts and their statements
7. Details of procurement carried out by the department
8. Appropriation Register
9. Details of ADP schemes executed by the department
10. Monthly accounts/details of ongoing schemes
11. Service Books/Personal Files and Payroll of the staff employed in the department
12. Total sanctioned and working strength in the department
13. Recruitment/appointments made during the period
14. List of vehicles, their logbooks and movement registers
15. Posting/transfer orders and rotation policy, if any
16. Detailed record of civil works and all related documents like contract agreements and MBs etc.
17. Main stock register, sub-stock register, dead stock register and expense register.
18. Handing over notes of officers on transfer
19. Physical assets verification reports
20. Disposal of unserviceable store
21. Calendar of returns/statements
22. Recoveries of overpayments and outstanding government dues, if any
23. Hiring files of officers/officials
24. Previous years DAC/PAC decision on the Audit Paras and compliance status
25. List of officers/officials availing hiring facilities/government accommodations
26. Capacity building of the officers and staff
27. Diary inwards/outwards register
28. Organizational setup under relevant Act/Guidance/Rules/Notification etc.
29. Names of staff/officers posted in/out during inspection period
30. Activity reports during inspection period
31. Details of complaints and newspapers clippings regarding the department
32. Details of inquires conducted and disciplinary cases, if any
33. Detail of loss/theft etc occur during audit period.
34. Internal Audit Reports

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**LIST OF AUDITABLE RECORD-RRA AUDIT
EXCISE & TAXATION**

1. Permanent and planning files
2. Files of motor vehicles registered during the Audit Year
3. Motor vehicle tax and registration fee record along with daily collection reports/registers and treasury challans for the Year.
4. PT-1, PT-8, survey registers, treasury challans and daily collection registers of property tax
5. Record of provincial government share of property tax recovered from cantonment board
6. Demand & collection registers, files, daily collection register and treasury challans of professional tax
7. Demand & collection registers, files, daily collection register and treasury challans of hotel tax
8. Excise duty
9. Demand & collection registers, files, daily collection register and treasury challans of license renewal fee of real estate agents and motor vehicle dealers
10. Demand & collection registers, files, daily collection register and treasury challans of tobacco development cess.
11. Target of revenue for the Year
12. Monthly progress report of government taxes collected during the Year
13. Monthly reconciliation statements of government taxes/fees duly verified by DAO/TO
14. Name of the ETO(s) who held the charge of the office during the period under audit
15. Internal Audit Report, if any
16. Compliance in respect of previous Audit Paras, if any, for verification of recoveries
17. Details regarding any fraud, embezzlement, theft or loss occurred during the Year

LIST OF AUDITABLE RECORD-FAP/SPECIALIZED AUDIT

1. Permanent and planning files
2. Budget and releases made to the Foreign Aided Project
3. Financial statements signed by the project authorities
4. Cash books and head wise vouchers maintained by the project
5. List of bank accounts and their statements
6. Details of procurement made by the project
7. Appropriation Register
8. Total sanctioned and working strength (designation wise and job descriptions).
9. Service Books/Personal Files and monthly payroll of the staff deployed in the project
10. Details of recruitment/appointments made during the period
11. List of vehicles operated by the project management, their logbooks and movement registers
12. Posting and transfer orders
13. Record relating to advances
14. Detailed record of civil works carried out by the project, the contract agreements and measurement books

15. Main stock register, sub-stock register, dead stock register and expense register etc.
16. Handing over notes of officers on transfer
17. Physical assets verification reports
18. Disposal of unserviceable store
19. Calendar of returns/statements
20. Details of revenue/receipts and recoverable amount
21. Recoveries of overpayment and outstanding government dues
22. List of officers/officials availing hiring facilities/Govt. accommodations
23. Hiring files of officers/officials
24. Previous years' DAC/PAC decisions on the Audit Paras and compliance status
25. Diary inwards/outwards register
26. Organizational setup under relevant Act/Guidance/Rules/Notification etc.
27. Activity reports during inspection period
28. Details of complaints and newspapers clippings regarding the project
29. Details of inquiries and disciplinary cases, if any
30. Internal Audit Reports.

In the case of Specialized Audit, TORs / PSRs are prepared and submitted to SSA Wing Islamabad/DGA PAW Lahore for approval before initiating field audit.

(6)

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**DIRECTORATE GENERAL AUDIT
[FOREIGN & INTERNATIONAL]**

Foreign Office Building, Islamabad
Ph# 051-9223754 Fax # 051-9204874

No. Admn/Gen45-/1238

11th Oct., 2024

✓ **Additional Auditor General (Ops)
O/o the Auditor General of Pakistan
Islamabad**

Sub: BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

Please refer letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the above subject.

2. Checklist of instructions issued on the basis of briefing to the Field Audit teams is enclosed for kind perusal .

Encl: as above

**(ARIF HUSSAIN)
Director General Audit (F&I)**

Copy for information to:

Deputy Auditor General (FAO), O/o the Auditor General of Pakistan, Islamabad

Additional Auditor General (Ops)
Date: 11-10-24 Diary No: 208
Time in: 12:45 PM Time out: _____

PS

Slam 12
11/10/24

placed in file

PA

DIRECTORATE GENERAL AUDIT (FOREIGN & INTERNATIONAL)

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CHECK LIST TO BE OBSERVED BY MISSION AUDIT TEAMS

● Courtesy call on Ambassador

● Issue requisition for provision of necessary record

Discuss Observations with the HOC in exit meeting before departing

Points to be checked by next audit team should be mentioned in the AIR

- **“Code of Ethics and Auditing Standards” of the DAGP to be observed by the auditors**
- **“FMMA” and “Guidelines for the Audit of MoFA and Pakistan’s Missions Abroad” to be consulted**

Major auditable areas include:

Appropriations (grants)

Foreign Receipts at Missions/Consular Receipts

PCW & EF and FIGOB Collections

Employee related

Operating Expenditure

Transfers payments and Gifts

Procurement

Defence Contracts (if any)

The audit teams while in field i.e on Mission Audit should observe the check list below:

1. Check the Bank reconciliation statement with Bank statement and main statement of cash account
2. **Education subsidy** : Check that subsidy is paid as per rules observing the age limit, class limit, number of children etc
3. **Contingent paid staff** Check that no appointment is made without sanctioned post and approval of finance Division.
4. **Reimbursement of medical charges**; Check that all procedure for medical treatment is observed and no reimbursement of inadmissible item is made
5. **Joining time DA** : Check that where 100% DA is claimed the accommodation was not available during joining time
6. **Recovery of security deposit**; Check that Security deposits paid for hiring of residences and office accommodation were refunded upon expiry of lease period.
7. **Purchase of Physical assets**: Check that assets were purchased after following codal formalities, with the approval of Finance Division in case of ban imposed by government and assets are taken on dead stock register.

8. **Retention of vacant residence:** Check that no vacant hired residence is retained by the Mission beyond three months.
9. **Calculation of 20% surcharge on account of PCW&EF and FIGOB:** Check that 20% share is calculated as per given formula.
10. **Non-refund of VAT :** Check that VAT paid official purchased is properly refunded from host government and deposited in govt account.
11. **Loan from PCW &EF:** Check that any loan from PCW&EF is not allowed.
12. **Loan from FIGOB :** Check that if any loan obtained from FIGOB was refunded to the concerned Mission.
13. **Non-adjustment of TA/DA advances :** Check the adjustment of TA/DA advance granted to the officers/officials.
14. **Loan from local Banks:** check that loans from local Banks are not allowed.
15. **Expenditure on repair of vehicles;** Check that expenditure on repair is carried out within delegated limits by the Finance division.
16. **Public Procurement Rules;** Check that procurements are made as per Public Procurement rules 2004, amended from time to time.
17. **Purchases during Ban period;** Check that during ban on purchase no assets are purchase without approval of Finance Division.
18. **Payments in cash:** Check that no payments are made in cash beyond the limits fixed by finance division.
19. **Non-investment of surplus balance in PCW&EF and FIGOB:** Check that surplus funds under PCW&EF and FIGOB are invested as per instructions.
20. **Maintenance of Stock register:** Check to ensure that dead stock register are being properly made.
21. **Record of Entertainment Fund:** Check that record of expenditure from Entertainment fund account in respect of all officers is being maintained properly and supported by relevant documents.
22. **Separate Cash Books:** Check that cash books for Imprest Account, FIGOB, PCW&EF, Entertainment Fund account, Sumptuary Allowance and any special remittance are being maintained separately.
23. **Record of Passport Visa etc:** Check that record of passports, Visas is being maintained as required under the relevant acts.
24. **Record of revenue:** check that record of revenue collected on account of passport fee, visa fee. Attestation etc is available and properly being reconciled.
25. **Pay & Allowance:** Check that officers/officials are drawing pay and allowance as per their entitlement
26. **Contract Award (Works):** Check that guidelines (refer to Guidelines for Audit of Missions Abroad) are followed in awarding Works related contracts
27. **Foreign Defence Contracts:** Check that guidelines (refer to Guidelines for Audit of Missions Abroad) are followed in awarding Foreign defence related contracts

Documents to be checked at the Mission

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- i. Cash book
- ii. Bank Reconciliation Statement.
- iii. Files / record relating to remittances made by C.A.O's office, as accounted for by the Mission along with the loss and gain in exchange.
- iv. Expenditure control registers/ appropriation registers
- v. Register of receipt books-cheques books. Counterfoils of receipt/cheque books.
- vi. Visa and consular fees account register.
- vii. Stamps Register (Visa and Consular) Numerical Register.
- viii. Contingent charges register & Dead Stock Register and inventories.
- ix. Annual inventory report / Annual physical verification report submitted to the Ministry of Foreign Affairs.
- x. Medical charges bills / Authorization slips.
- xi. Register of authorities received from the Chief Accounts Officer (for payment of pension and payment of TA/DA etc by the Missions to officers on behalf of other Ministries / Departments.)
- xii. Service books and leave accounts of Pakistan based staff.
- xiii. Checking and posting of outfit allowance in the service books of non gazetted staff.
- xiv. Service books and leave accounts of locally recruited staff.
- xv. Audit Guidelines to Foreign Audit Pay scales and other fringe benefits allowed to locally recruited staff with reference to the rules framed by the local government.
- xvi. Leave rules of locally recruited staff with reference to local government leave rules applicable to the corresponding category of staff.
- xvii. Rent register of hired building and its posting from time to time.
- xviii. Lease deeds in respect of hired buildings.
- xix. Expenditure incurred on repairs of hired buildings with reference to the provisions in the lease deeds and on government owned buildings according to the prescribed limits.
- xx. Verification of scale of accommodation and furniture supplied to the officers and staff at government expense.
- xxi. Verification of recovery of charges on account of heating, lighting, water, gas, telephone and other services and utilities from the officer and staff in respect of residential accommodation provided to them.
- xxii. Payment of (joining time DA) daily allowance in lieu of house rent and foreign allowance.
- xxiii. Expenditure out of entertainment fund account and sumptuary allowance in accordance with the instructions issued by the Ministry of Foreign Affairs.
- xxiv. Expenditure out of Pakistan Community Welfare and Education Fund Funds for Improvement of Govt. Owned Building.
- xxv. Register of refunds of advances.
- xxvi. Audit of conclusion/ operation of contracts for different purchases available with Defence Attaches.

- xxvii. Payments of accreditation allowance with reference to T.A. bills.
- xxviii. Income Tax Statements.
- xxix. Cases of grant of home passage to officers/officials and their children.
- xxx. Export Marketing Development Fund (EMDF).
- xxxi. Cash books of FIGOB, PCW&EF, Entertainment and Sumptuary Allowance

Note: The above list is not comprehensive; it may include other additional records to support the nature of activities an auditee is involved in.

Main Accounting Record at Headquarters

1. Cash book
2. Expenditure control registers/ appropriation registers.
3. Cash vouchers with reference to acquaintance rolls / pay rolls / pay bills
4. Contingent charges register
5. Log Books of officials cars. & Car movement registers.
6. Dead Stock Register and inventories.
7. Annual inventory report / Annual physical verification report.
8. Service books and leave accounts.
9. Register of advances.
10. Verification of recoverable amounts shown in the L.P.C.
11. GP Fund Advance register

Certification Audit

Audit team to conduct Certification audit as per guidelines in Financial Audit Manual



Department of the
AUDITOR GENERAL OF PAKISTAN
DIRECTORATE GENERAL AUDIT SOCIAL SAFETY NETS
First Floor Block B-II Benevolent Fund Building
Zero Point Islamabad

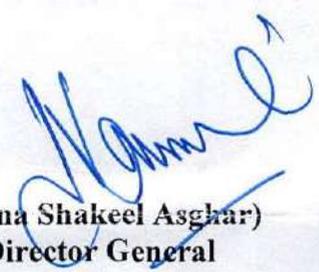
No. ¹⁰⁷⁵/DGSSN /Audit-34/2024-25
December 10, 2024

The SPS to Adll. AGP(Ops),
Office of the Auditor General of Pakistan,
Constitution Avenue,
Islamabad

Subject: BRIEFING TO THE FIELD AUDIT TEAMS, (FATs) BEFORE START OF THE AUDIT EXECUTION

Kindly refer to letter No.SPS/Adll AGP(Ops)/2024 dated 27th September, 2024 on the subject cited above.

2. It is submitted that this office has identified risk areas against each entity which were being handed over to Field Audit Teams before start of audit execution alongwith instruction for compliance during the execution of Field Audit. Specimen of Entity wise Risk areas and instructions are hereby sent for information please.


(Rana Shakeel Asghar)
Director General

Copy to:-

The Deputy Auditor General (FAO) office of the Auditor General of Pakistan, Islamabad

Entity wise Significant Risk Areas

1. Benazir Income Support Program (BISP)

- i. Selection of beneficiaries
- ii. Selection process of partner banks i.e., Bank Alfalah and Habib Bank Limited
- iii. Selection of POS agents and their coverage
- iv. Inclusion & Exclusion of beneficiaries from the BISP database
- v. Duplications/ overlapping of programs/ beneficiaries
- vi. Parameters used during generation of payments through MIS
- vii. Databases
- viii. Withdrawals of amounts through biometric verification by beneficiaries
- ix. Conditional Cash Transfer (Waeela-e-Taleem)
- x. Survey activities under NSER
- xi. Complementary Initiatives and graduation programs
- xii. Procurement of assets
- xiii. Recruitment process of BISP employees
- xiv. Service delivery & help desk
- xv. Complaints cell and redressal system

The following risk considerations are relevant to audit:

- i. Existence of inadequate controls over key business processes for cash transfers, procurements and receipts
- ii. Eligibility criteria for Un-conditional cash transfer (UCT), registration process and transparency of survey conducted for selection of beneficiaries
- iii. Methods of payments used by BISP
- iv. Complaints and service quality issues with respect to card issuance of Ehsaas Kafalat Program etc.
- v. Fake biometric withdrawals
- vi. Exploitation by POS agents/ retailers by making illicit deductions from the cash transfers of beneficiaries.
- vii. Cleansing / streamlining of BISP database
- viii. Irregular Retention of BISP funds by banks
- ix. Incorrect online reporting by banks regarding disbursement of funds to beneficiaries by POS agents
- x. Pending cases of recoveries of embezzled amount referred to FIA and investigation agencies
- xi. Eligibility criteria of selection, enrolment and attendance of students, supply capacity assessment of schools and disbursement of amount to children/ students in Waseela-e-Taleem

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2. **Pakistan Bait-ul-Mal**

- i. Payment of assistance and rehabilitation programs,
- ii. Process of selection of beneficiaries and possibility of exclusion and inclusion errors
- iii. Possibility of duplication of assistance from other social protection programs (Zakat / BISP etc.)
- iv. Procurement of goods and services, receipt and issue of stocks
- v. Human Resource management; process of recruitment, promotion, payrolls
- vi. Accounts maintenance and operation of Bank accounts
- vii. Investment

3. **Ministry of Overseas Pakistanis and Human Resource Development**

- i. Policy formulation for welfare of Overseas Pakistanis keeping in view the problems faced by them
- ii. Selection process of workers for training
- iii. Design of Programs for manpower development and employment promotion
- iv. Human Resource management, process of recruitment, promotion, payrolls
- v. Registration of Overseas Employment Promoters
- vi. Investment

4. **Employees Old-age Benefits Institution (EOBI), Ministry of Overseas Pakistanis and Human Resource Development**

- i. Pension and old age Benefit disbursement
- ii. Real Estate Management
- iii. Procurement of goods and services, receipt and issue of stocks
- iv. Selection of investment portfolios, process of selection of financial institution/ Banks for the purpose of investment of EOBI financial resources
- v. Contribution collection
- vi. Human Resource management" process of recruitment, promotion, payrolls,
- vii. Accounts maintenance and operation of Bank accounts

5. **Workers Welfare Fund and Boards**

- i. The process of purchase/ acquisition of Land
- ii. Execution of works/ development projects and asset management
- iii. Selection of investment portfolios, process of selection of financial institutions/ Banks for the purpose of investment of organizations financial resources
- iv. Assessment of volume of Contributions to be collected from industrial organizations and comparison between assessed and collected revenues
- v. Welfare schemes (Stipends, marriage grant, death grant, etc.) the process of selection of deserving beneficiaries and possibility of exclusion and inclusion errors
- vi. "Human Resource management" process of recruitment, promotion, payrolls
- vii. Procurement of goods and services, receipt and issue of stocks
- viii. Assets management

6. Overseas Pakistanis Foundation, Ministry of Overseas Pakistanis and Human Resource Development

- i. Procurement of goods and services, contracting and tendering process for development projects and others.
- ii. Human Resource management; process of recruitment, promotion, payrolls
- iii. Selection of investment portfolios, process of selection of financial institution / Banks for the purpose of investment of Foundation's financial resources
- iv. Receiving, processing and payment of cases of Welfare schemes
- v. Receipt of Welfare Fund, Interest on Promoters securities and their reconciliation
- vi. Repair, maintenance and management of fixed and movable assets i.e. commercial buildings, housing colonies, hospitals, vocational training centers and schools

7. Bureau of Emigration & Overseas Employment, Ministry of Overseas Pakistanis and Human Resource Development

- i. Selection of investment portfolios, process of selection of financial institution/ Banks for the purpose of investment of Corporation financial resources
- ii. Maintenance and operation of State Life Emigrants Insurance Fund (SLEIF)
- iii. Process of assessment, valuation, collection and accountal of Revenues/ Receipts on behalf of Government
- iv. Enlistment of Overseas Employment Promoters, Renewal of licenses of OEP
- v. Processing and Payment of Welfare Grants
- vi. Procurement of goods and services, receipt and issue of stocks

8. Overseas Employment Corporation

- i. Process of assessment, valuation, collection and accountal of Revenues/ Receipts
- ii. Selection of investment portfolios, process of selection of financial institution/ Banks for the purpose of investment of Corporation financial resources
- iii. Human Resource management; process of recruitment, promotion, payrolls,
- iv. Procurement of goods and services, receipts and issue of stocks
- v. Registration of HR exporters

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9. Ministry of Human Rights

- i. Human rights situation, implementation of laws, policies and measures
- ii. Coordination of activities of Ministries, Divisions and Provincial Governments in respect of human rights, and facilitation functions relating to human rights
- iii. Information, documents and reports, on complaints and allegations of human rights violations
- iv. Developing and conducting information programmes to foster public awareness about human rights including the rights of labour women and children and laws and remedies available to them
- v. Programmes for teaching of human rights at educational institutions
- vi. Professional and technical training at national and international level relating to human rights issues
- vii. Training Programmes imparted by the management
- viii. Procurement of goods and services, receipt and issue of stocks
- ix. Human Resource management; process of recruitment, promotion, payrolls
- x. Human rights education, sensitization, awareness raising, research and communication

10. Ministry of Poverty Alleviation and Social Safety

- i. Functions as Umbrella ministry of all Social safety programs /Organizations
- ii. Role in policy formulation and implementation of Social Safety programs
- iii. Social importance of the sector and ministry
- iv. Procurement of goods and services, receipt and issue of stocks
- v. Violation of disbursement procedure & Zakat collection and refund rules
- vi. Improper record management/ maintenance
- vii. Reconciliation of Zakat collection
- viii. Grant of exemption from deduction of Zakat, by Zakat deducting / collecting offices

11. Zakat Disbursement (Provincial and District Zakat Fund)

- i. Process of selection of beneficiaries and possibility of exclusion and inclusion errors
- ii. Payment to the *mustahiqeen*. through cash or open cheques / unsecure mode of payment
- iii. Account maintenance and operation of Bank Accounts
- iv. Duplication of assistance from other social protection programs

INSTRUCTIONS

- i. Permanent, Planning and execution files shall be prepared before start of field work and be completed and submitted alongwith Proformas as required under revised AQMF on the completion of audit.
- ii. In AMIS announcement letter against each formation be generated and submitted for approval, after approval of announcement letter Work Program(s) be prepared and submitted for approval before start of field audit.
- iii. Audit Program may be followed strictly as per schedule. No officer/Official will proceed to leave without permission of the Supervisory Officer(s).
- iv. The Supervisory Officer and Master Trainer AMIS may be contacted for guidance. Audit Procedure/Steps as per FAM may be adhered to strictly and documented accordingly. The Supervisory Officer shall be intimated about the progress of the Field Audit on regular basis.
- v. Audit Procedures, Control evaluation, Substantive testing, evaluation, determination of errors, formulation of opinion, etc shall be in accordance with FAM and documented properly. Forms in Audit Working Paper Kit should be used. Audit Risks and Controls on AMIS may be updated on the basis of information obtained during audit.
- vi. AIR along with checklists/audit procedures duly filled in & signed may be finalized and submitted immediately after completion of audit. Audit Teams shall prepare Audit Observation on CCCECR model and carry out Desk Audit before start of audit assignment.
- vii. Budget and Actuals may be incorporated in AIR keeping in view the requirement of Audit Plan and Annual Audit Report:
- viii. Please contact Planning section and Supervisory Officer for any query besides regular compliance with authority audit, specific / general risk areas and complaints identified against respective departments must be examined and reported accordingly.
- ix. Suspected cases of fraud and corruption may be reported to Supervisory Officer immediately

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Directorate General Audit (Climate Change & Environment)
Department of the Auditor General of Pakistan
First Floor, Block B-II, Benevolent Fund Building, Zero Point,
Islamabad
Ph. 9252094, Fax. 9252093

No. Audit Plan/Misc - Gen/2024-25/2742

Dated: 29.10.2024

To,

The Additional Auditor General (Ops),
Office of the Auditor General of Pakistan,
Constitution Avenue, Islamabad.

Subject: BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION

Kindly refer to AGP Office letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the above subject.

2. The checklist of instructions and "Things to do" is attached herewith, as desired, for your kind information, please.

Encl: As above


(Moeed Aijaz)
Director General

Additional Auditor General (Ops)
Date: 2-10-24 Diary No: 284
Time in: 12:00 Time out: _____

2
12.

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Checklist of instruction to field audit teams (Things to do)

1. Teams are required to collect data/information necessary for sectoral analysis and to create tables/graph for the Audit Report 2024-25, which includes MTBF/Budget call circular, budget/expenditure analysis, targets set out and their achievement, staff position and sectoral analysis and reflect the same in the AIR.
2. 360-degree supervision of filed audit activity will be done by Director General and Director. All the team leaders will have liaison with supervisory officer. OS will be discussed with the Director General and Director before issuance.
3. The audit team shall conduct exit meeting at the end of audit as per AQMF.
4. Minutes of the exit meeting with the management will be shared with the supervisory officer on the same date.
5. The uploading of the OS will be monitored by the supervisory officers.
6. Audit teams shall conduct all audit processes through AMIS and upload work program, initial observations, AIRs, working paper files and final draft audit reports as per the specified dates.
7. Before proceeding on field audit the team leads shall refresh necessary skills to work on AMIS during field audit activity.
8. Audit teams shall check all high value times in light of AGP office instructions and report the non-production of record immediately to PAO and DG.
9. Teams are not allowed to over-stay/deviate from the approved program unless approved by Competent Authority.
10. Teams are required to draft initial audit observations (OS) strictly on CC CER format
11. The accounts of previous year if not audited shall be examined by the audit team.
12. Relate the observation statements with mitigation, adaptation and resilience.
13. Conduct the surveys to get the public feedback related to the performance of organization.
14. Share the findings with other FATs to enable other field audit teams to probe in to the critical issues.
15. Discuss the issues in zoom meetings with Director and Director General
16. Issue the observation in batches
17. The observations should be developed keeping in view the sections of the Acts, rules and procedures.
18. All the observations should be duly supported with evidences.
19. AQMF declaration D.1.1 and D 3.3 regarding record of consultation should be prepared and uploaded on AIMS.
20. Within seven working days after completion of audit, AIR may be prepared and submitted for approvals, as per SOP.


(Meed Ali)
Director General



DEPARTMENT OF THE AUDITOR-GENERAL OF PAKISTAN
DIRECTORATE GENERAL AUDIT WORKS (FEDERAL)
5th Floor, Emigration Tower, G-8/1, Islamabad
Phone: 051-9261406-08, Fax: 051-9261405

No. DGAWF/PM&E/Pro-active Role/Monthly Certificate/AP24-25/6932 Dated: 09.12.2024

The Additional Auditor-General (Ops)
Office of the Auditor-General of Pakistan,
Islamabad.

Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to your office letter No. SPS/Addl.AG(OP)/2024 dated 27.09.2024 on the above subject.

2. Kindly find enclosed requisite detail of pre-audit briefing held during October 2024. Your kind directions on the subject matter given during presentation on "Quarterly Review of Planned Audit Activities for the Audit Year 2024-25" held on 01.10.2024 have been noted and will be implemented in remaining audit assignments.

Encl: As above


(Zulfiqar Ahmad Bajwa)
Director General

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DIRECTORATE GENERAL AUDIT WORKS (FEDERAL), ISLAMABAD

Pre-audit briefing October 2024

General Directions/Things to do:

1. Read instructions (Circular-1) and instructions given on tour programme for strict compliance.
2. Focus on quality paras rather than quantity of paras
3. Go through departmental rules and regulations to quote relevant criteria in audit paras.
4. Go through Audit Plan for specific risk areas.
5. Initial audit observations must be issued in batches on daily basis or at appropriate interval enabling department to furnish reply before closure of audit.
6. Arrange an Exit Meeting on the closing date or any other appropriate date

Formation-wise details/checklists

S. No.	Category of Audit	Name of Formation	Remarks/Checklists/Instructions given by DG to Field Audit Team
1	Compliance Audit	GM Construction (Balochistan North) Quetta NHA	Check: i. Payments for work and consultancy services as per agreement and specifications. ii. Price escalation iii. Status of Mobilization Advance, Insurance, Performance Guarantees
2	Compliance Audit	GM Construction (Balochistan South) Khuzdar NHA	Check: i. Payments for work and consultancy services as per agreement and specifications. ii. Price escalation iii. Status of Mobilization Advance, Insurance, Performance Guarantees
3	Compliance Audit	GM Maintenance Balochistan South (Khuzdar) NHA	Check: i. Implementation of Annual Maintenance Plan i.e. award of works and utilization, ii. price escalation in maintenance works
4	Compliance Audit	GM Maintenance Balochistan West Makran (Gwadar), NHA	Check: i. Implementation of Annual Maintenance Plan i.e. award of works and utilization, ii. price escalation in maintenance works
5	Compliance Audit	GM Construction of Motorway from Burhan Hakla on M-1 to DIKhan CPEC - Western Route GOP, NHA	Check: i. Payments for work and consultancy services as per agreement and specifications. ii. Price escalation iii. Status of Mobilization Advance, Insurance, Performance Guarantees

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S. No.	Category of Audit	Name of Formation	Remarks/Checklists/Instructions given by DG to Field Audit Team
6	Compliance Audit	GM Construction Western Alignment (CPEC) incl GM Yarik-Sagu, NHA	Check: i. Payments for work and consultancy services as per agreement and specifications. ii. Status of Mobilization Advance, Insurance, Performance Guarantees
7	Compliance Audit	Sindh Infrastructure Development Company Limited	Check: i. Bus Operation, revenue contracts ii. Payments for work and consultancy services as per agreement and specifications. iii. Price escalation iv. Status of Mobilization Advance, Insurance, Performance Guarantees
8	Compliance Audit	CCD-II, PPWD, Quetta	i. Examine SAP schemes - provision of PC-I, Process of approval of schemes, award process, especially prequalification, No. of bidders participated/diversity of competitive-ness, rush of expenditure and minimum gestation period of execution with lab tests, bid security/ CDRs eligibility of contractors, inspection, monitoring, EOT, advances, conditional Bank guarantees, non-insurance, ii. Examine PSDP/Deposit schemes - Lapse, surrender, account finalizations, transfer of funds to non-lapsable account, deposit works, execution of work as per BOQ, specifications, completion, handing over, price adjustment, etc.
9	Compliance Audit	Store & Workshop Division, PPWD, Islamabad	i. Examine award process, especially prequalification, No. of bidders participated/diversity of competitive-ness, rush of expenditure, bid security/ CDRs eligibility of contractors, inspection, monitoring, EOT, advances, conditional Bank guarantees, non-insurance, ii. Examine lapse, surrender, account finalizations, execution of work as per BOQ, specifications, completion, price adjustment, etc.
10	Compliance Audit	CCD, PPWD, D.I.Khan	i. Examine SAP schemes - provision of PC-I, Process of approval of schemes, award process, especially prequalification, No. of bidders participated/diversity of competitive-ness, rush of expenditure and

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S. No.	Category of Audit	Name of Formation	Remarks/Checklists/Instructions given by DG to Field Audit Team
			minimum gestation period of execution with lab tests, bid security/ CDRs eligibility of contractors, inspection, monitoring, EOT, advances, conditional Bank guarantees, non-insurance, ii. Examine PSDP/Deposit schemes - Lapse, surrender, account finalizations, transfer of funds to non-lapsable account, deposit works, execution of work as per BOQ, specifications, completion, handing over, price adjustment, etc.
11	Compliance Audit	CCD, PPWD, Bannu	i. Examine SAP schemes - provision of PC-I, Process of approval of schemes, award process, especially prequalification, No. of bidders participated/diversity of competitive-ness, rush of expenditure and minimum gestation period of execution with lab tests, bid security/ CDRs eligibility of contractors, inspection, monitoring, EOT, advances, conditional Bank guarantees, non-insurance, ii. Examine PSDP/Deposit schemes - Lapse, surrender, account finalizations, transfer of funds to non-lapsable account, deposit works, execution of work as per BOQ, specifications, completion, handing over, price adjustment, etc.
12	Compliance Audit	CCD, PPWD, Gwadar	i. Examine SAP schemes - provision of PC-I, Process of approval of schemes, award process, especially prequalification, No. of bidders participated/diversity of competitive-ness, rush of expenditure and minimum gestation period of execution with lab tests, bid security/ CDRs eligibility of contractors, inspection, monitoring, EOT, advances, conditional Bank guarantees, non-insurance, ii. Examine PSDP/Deposit schemes - Lapse, surrender, account finalizations, transfer of funds to non-lapsable account, deposit works, execution of work as per BOQ, specifications, completion, handing over, price adjustment, etc.

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S. No.	Category of Audit	Name of Formation	Remarks/Checklists/Instructions given by DG to Field Audit Team
13	Compliance Audit	CCD, PPWD, Sargodha	i. Examine SAP schemes - provision of PC-I, Process of approval of schemes, award process, especially prequalification, No. of bidders participated/diversity of competitiveness, rush of expenditure and minimum gestation period of execution with lab tests, bid security/ CDRs eligibility of contractors, inspection, monitoring, EOT, advances, conditional Bank guarantees, non-insurance, ii. Examine PSDP/Deposit schemes - Lapse, surrender, account finalizations, transfer of funds to non-lapsable account, deposit works, execution of work as per BOQ, specifications, completion, handing over, price adjustment, etc.
14	Compliance Audit	APM, Jinnah International Airport (JIAP), CAA, Karachi	Check: i. Award of concessions/licenses and extensions ii. Award of service level agreements for provision of services and maintenance services iii. Cargo Through Put Charges (Mechanism for determination of weight of cargo and its charges) iv. Utilization plan for vacant spaces v. Recovery of aero and non-aeronautical revenue, with aging analysis vi. Operational expenditure/repair & maintenance vi. Complaint management system/service delivery vii. Bird repellent system
15	Compliance Audit	APM, CAA, Quetta	Check: i. Award of concessions/licenses and extensions ii. Award of service level agreements for provision of services and maintenance services iii. Utilization plan for vacant spaces iv. Recovery of aero and non-aeronautical revenue, with aging analysis v. Operational expenditure/repair & maintenance vi. Complaint management system/service

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S. No.	Category of Audit	Name of Formation	Remarks/Checklists/Instructions given by DG to Field Audit Team
			delivery
16	Compliance Audit	APM, CAA, Peshawar	Check: i. Award of concessions/licenses and extensions ii. Award of service level agreements for provision of services and maintenance services iii. Utilization plan for vacant spaces iv. Recovery of aero and non-aeronautical revenue, with aging analysis v. Operational expenditure/repair & maintenance vi. Complaint management system/service delivery



Department of the Auditor-General of Pakistan

Office of the

DIRECTOR GENERAL

Commercial Audit & Evaluation (North)

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Phone No. 051-9253261 Fax No.051-9253262,
E.mail: dgca.islamabad@gmail.com

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No.926/AP/Proactive Roll of DG/DGCA/ISB/2023-24

Dated: .10.2024

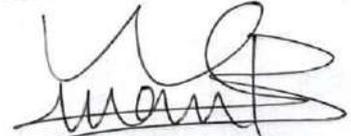
The Addl Auditor General-II,
O/o the Auditor General of Pakistan,
Islamabad

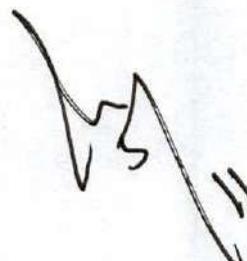
Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF AUDIT EXECUTION**

Kindly refer to your office letter No. SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the above subejct.

It is submitted that the instructions given in the above referred letter have been noted for compliance during pre-departure meetings as well as supervisory visits of the Director General and the Directors. This office has documented the instructions given by the Director General during pre-departure meeting in respect of audit of recently deputed audit teams of NADRA, Printing Corporation of Pakistan, Punjab Technical Education and Vocational Training Authority (TEVTA) (Compliance Audits) and Punjab Rural Municipal Services Company (FAP Audit). Copies of the documented instructions/checklists based on the briefings to field audit teams are enclosed for perusal please.

Encl: As above.


(Muhammad Usman Butt)
Director General


AO. G. Ord.

Additional Auditor General (Ops)

Date: 05-11-24 Diary No: 303

Time in: 8:50am Time out: 12:00pm

Minutes of Pre-Departure Meeting of PCP

A pre-departure meeting was held in the office of the Worthy Director General Commercial Audit, Islamabad. The risk areas and operations of the organization were discussed and directed to further review these areas to enhance the quality of the field audit work:

1. Review of the procurement process of the entity and check the compliance of PPRA.
2. Scrutiny of files regarding of appointment process, terminations, and resignations of officers and officials in Compliance with rules of HR Manual/ Establishment Rules.
3. Evaluation of the organization's performance regarding jobs received and work done in respect of printing material orders received from government departments throughout the financial year.
4. Detailed review / scrutiny of revenue received against job done according to approved rates and reconciliation with bank statements.
5. Detail review of expenditures and compliance of rules and approved budget.
6. Examination of the investment of funds after obtaining competitive rates from different banks.
7. Loan / grant received from Government
8. Compliance of CGR
9. Review of targeted sales and revenue received.
10. Review of funds lying in current accounts of banks.
11. Determination of whether funds were utilized for their intended purposes.
12. Review of the hiring process for consultants/ CA firms.
13. Review of the Internal Audit Wing's work and its output.
14. Review of the perks and privileges of BoD members and their approval process.
15. Review of the working of the Legal Wing and the hiring of lawyers/consultants.
16. Determination of whether funds were utilized for their intended purposes
17. Examination of recovery of dues from retired employees on account of house rent on market rent basis
18. Examination of allotment of residence to employees
19. Review of printing job during By-Election 2023 and General Election 2024

Minutes of Pre-Departure Meeting of NADRA

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Pre-departure meeting was held in the office of the Worthy Director General Commercial Audit, Islamabad, on October 7, 2024. The audit team lead attended the meeting. During the session, the following risk areas and operations of the organization were discussed, and the audit team was directed to further review and investigate these areas to enhance the quality of the field audit work:

1. Review of the procurement process of the entity.
2. Examination of the process of appointments, terminations, and resignations of officers and officials.
3. Evaluation of the organization's performance regarding the issuance of cards such as CNIC, Pakistan Origin Card, and Overseas Identity Card.
4. Verification of compliance with laid-down procedures for issuing various types of cards, including compliance with NADRA's NIC regulations.
5. Review of compliance with rules for expenditures from NADRA funds.
6. Examination of the investment of surplus funds in profitable schemes after obtaining competitive rates from different banks.
7. Review of whether funds not required immediately are lying in current/saving accounts and if working balances have been calculated accordingly.
8. Audit of receipts and expenditures.
9. Verification of expenditures against the budget approved by the federal government.
10. Determination of whether funds were utilized for their intended purposes.
11. Review of the hiring process for consultant firms.
12. Inclusion of the audit of NADRA Technologies (a subsidiary of NADRA) during the compliance audit of NADRA.
13. Conducting the FAP audit of two projects.
14. Review of the process of fee collection for denial certificates related to the issuance of succession certificates.
15. Review and commentary on the JIT report regarding the illegal issuance of any CNIC.
16. Review of the Internal Audit Wing's work and its output.
17. Examination of the re-hiring process in HR (if applicable).
18. Review of the perks and privileges of BoD members and their approval process.
19. Review of the working of the Legal Wing and the hiring of lawyers/consultants.

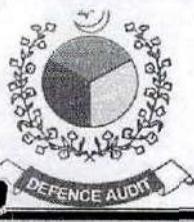
The audit team was further directed to discuss and coordinate with the Director (HQ) regarding other important matters, including any issues related to the non-provision of records.

BRIEFING TO THE FIELD AUDIT TEAM BEFORE START OF EXECUTION OF AUDIT PLAN 2024-25

ACTIVE PERIOD (PHASE-II)

The meeting was held before the commencement of audit. The following check list was provided and directed to conduct the audit as per instructions for compliance during execution phase of audit.

Sr No.	Name of Entity	Audit Composition	Start Date	Check List	Instructions to the Audit Teams
1	Technical Education And Vocational Training Authority (TEVTA)- Compliance Audit	Audit Officer Asstt. Audit Officer Senior Auditor	30.09.2024	<ul style="list-style-type: none">• Project Expenditure• Revenue• Fixed Assets• Admin & General Expenses• Fund management	<ul style="list-style-type: none">• OMs should be concise, with clear subject, relevant criteria, condition cause and effect with concrete evidence.• Audit teams shall prepare working paper file properly.
2	Punjab Rural Municipal Services Company (PRMSC)-(FAP Audit)	Audit Officer Asstt. Audit Officer Senior Auditor	30.09.2024	<ul style="list-style-type: none">• Operational Activities• Grants /Loans• Procurement• Payroll	<ul style="list-style-type: none">• Risky areas must be examined thoroughly.• Audit teams shall submit progress report weekly.• Audit teams shall complete audit assignment with in the allocated timeline.• After exit meeting audit teams shall submit OMs to office immediately for further issuance to the management for reply.• Audit teams shall upload OMs on AMIS regularly and timely.• Any new areas identified during execution of audit, discuss it with the Director immediately• Audit teams shall prepare Planning, Execution and Permanent files as FAM instructions



DEPARTMENT OF AUDITOR-GENERAL OF PAKISTAN

DIRECTORATE GENERAL AUDIT

DEFENCE SERVICES (NORTH)

KASHMIR ROAD SADDAR RAWALPINDI

Phone No. 051-9271936-37

Fax No. 051-9271944

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No. 212 /Mon-Cell-23/M.C/2024-25

Dated: 06.12.2024

SPS to the Additional Auditor General (Ops)
O/o the Auditor- General of Pakistan
Islamabad

Subject: **BRIEFING TO THE FIELD AUDIT TEAMS BEFORE START OF
AUDIT EXECUTION**

Kindly refer to worthy Additional Auditor General (Ops) letter
No.SPS/Addl.AG(Ops)/2024 dated 27.09.2024 on the above subject.

2. The checklist developed by this Directorate General on the above subject is
enclosed for perusal, please.

Encl: (As above)

(Muhammad Raza Shah)
Director General

The DGADS (N) Rawalpindi has developed the following check list to brief the audit teams before start of audit execution:

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S. No.	Checklist of instructions
1.	All field audit teams to ensure confidentiality of sensitive record of Formations/ Entities and ensure discharge of statutory duties in accordance with standards laid down in code of ethics. Any document/ information or audit finding is not allowed to be disclosed to any person/ entity in any manner whatsoever.
2.	Before starting field work, the team lead shall give a brief presentation to the DG on results and outcome of desk audit activities as well as attend pre-departure briefing by DG.
3.	AIRs shall be drafted on CCCER format.
4.	Observations shall be issued batch wise on day to day basis.
5.	Discussion on the observations, if any, shall be made during the currency of Audit i.e. before the closure of field audit.
6.	Exit meeting shall be scheduled by the audit team at the time of culmination of field audit activity and communicated accordingly to the head of the formation.
7.	The team lead will submit AIR to the concerned Deputy Director/ Director within 07 working days from the closing date of audit and the Deputy Director/ Director will submit the same to DGADS in next 05 working days.
8.	The team lead shall propose PDPs on noting side of the AIR and submit the PDP files (complete in all respects) along with AIR to the Deputy Director/ Director concerned within the time specified.
9.	Permanent, planning and execution files shall also be submitted along with the AIRs.
10.	The teams shall strictly follow the specified dates of audit and ensure daily attendance / presence in the entity. No member of the team shall be allowed to visit the formation after the closure of audit.
11.	All team members shall strictly adhere to DAGP Code of Ethics and maintain highest standards of integrity and honesty in performing the audit assignment. AQMF preform D.1.1 (Code of Conduct Declaration) is to be submitted by all team members.

Pre-departure meeting with the Director General Audit (FG)					
Sr. #	Name of Formation	Officers for FAT	Date for Audit Assignment	Discussed Points	Risk Areas Identified
1.	Urdu University	Mr. Fazal Jabbar, AO	30.09.2024 To 11.10.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Canteen Expenditure • Allotment of Canteen • Development Works • Contractual Management • Project • Reconciliation • Security Services 	Human Resource Procurement Receipts Projects Bank Accounts Services Contracts
2.	Accountant General (Sindh)		14.10.2024 To 25.10.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Canteen Expenditure • Allotment of Canteen • Contractual Management • Project • Reconciliation 	<ul style="list-style-type: none"> • Budget Position • Act/ Ordinance • Rules and Regulations • Supplementary grants • Outstanding cases
3.	Abandoned Property Organization		28.10.2024 To 08.11.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail

				<ul style="list-style-type: none"> • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered 	<ul style="list-style-type: none"> • Equipment • Transport & Machinery • Work method • Accounts • Investments
4.	PIEAS, Islamabad		11.11.2024 To 22.11.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered 	<ul style="list-style-type: none"> • Act/Ordinance • Grants/Budget • Budget utilization • Revenue • Procurement
1.	NH&MP, Islamabad	Mr. Noman Danish, AAO	30.09.2024 To 11.10.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • Transport & Machinery • Work method

		Ms. Hina Pervaiz, Sr. Ar		<ul style="list-style-type: none"> • Bank Accounts • Own Receipt 	
2.	PCB including PSL-9, Lahore		14.10.2024 To 25.10.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered • Investments • Civil Works 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • Transport & Machinery • PSL players drafting method • Expenditure on tours • Central Contracts
3.	PIMS, Islamabad		11.11.2024 To 22.11.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works • Contractual Management • Project • Reconciliation • Surplus Funds Services rendered Civil Works 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • Variety of control • Plant & Business system • Acquisition • Transport budget • Medicine and tests details

1.	DG (FIA), HQ, Isb	Mr. Shahid Imran, AO Syed Mushtaq Shah, Sr. Ar	30.09.2024 To 11.10.2024	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • HRM department & others • Functions • Projects • Mechanism of addressing • Delays 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Cases details • Resolved & pending cases during the year •
2.	RDNS, Multan		14.10.2024 To 25.10.2024	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • HRM department & others • Functions • Schemes • Policies • Mechanism of Payment 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Cases details • Services • Economical surveys

				<ul style="list-style-type: none"> • Delays • Old Cases 	
5.	FG Hospital, Isb		11.11.2024 To 22.11.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered • Civil Works 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • Variety of control • Plant & Business system • Acquisition • Transport budget <p>Medicine and tests details</p>
6.	DC Office, Isb		25.11.2024 To 06.12.2024	<p>Reconciliations Receipts Human Resource Procurements Staff Details Complaints Mechanism of Addressing</p>	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • List of cases under process
7.	RD, HEC, Lahore		09.12.2024 To 20.12.2024	<p>Reconciliations Receipts Human Resource Procurements</p>	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail

					<ul style="list-style-type: none"> • Equipment • HRM department & others • Scholarship details • Income and expenditure • Recruitment Process • Details of universities working under
1.	ASPIRE, Isb	Mr. Sheraz Hassan AO	30.09.2024 To 11.10.2024	Financial Statements	Financial Statements
2.	Establishment of Pak-Korea Testing Lab for PV modules & Allied Equipment (FAP)		14.10.2024 To 25.10.2024	Financial Statements	Financial Statements
3.	Pakistan Institute of Fashion Design, Lahore	Mr. Farooq Ahmed, Sr.Ar	28.10.2024 To 01.11.2024	Enrollment Receipt Contract Management Investments Projects	<ul style="list-style-type: none"> • Appointments • Act/ Ordinance • Rules and Regulations • Functions

					<ul style="list-style-type: none"> • Mechanism of addressing complaints • Delays <p>Outstanding cases</p>
1.	AIOU, Isb	Mr. Malik Masood Ahmed, AO	30.09.2024 To 11.10.2024	Enrollment Receipt Endowment Fund Contract Management Investments Projects	<ul style="list-style-type: none"> • Appointments • Act/ Ordinance • Rules and Regulations • Functions • Mechanism of addressing complaints • Delays <p>Outstanding cases Examination and studies procedures</p>
2.	M/o RA&IH		14.10.2024 To 25.10.2024	Hajj Policy Hajj Group Organizations Procurement	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment

					<ul style="list-style-type: none"> • HRM department & others • Hajj and Pilgrims tourist procedures • Financial welfare related issues
1.	M/o Planning & Development	Mr. Zafar Abbas, AO	30.09.2024 To 11.10.2024	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • HRM department & others • Functions • Schemes & Projects • Mechanism of addressing • Delays • 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • HRM department & others • Functions • Schemes & Projects • Mechanism of addressing • Delays •
2.	Competition Commission of Pakistan Isb		14.10.2024 To 25.10.2024	<ul style="list-style-type: none"> • Rule Position • Penalties • Investments • Receipts 	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail

				Human Resource Procurements	<ul style="list-style-type: none"> • Equipment • HRM department & others • Functions • Schemes & Projects • Mechanism of addressing • Laws • Mode of work • Rules ● procedural matters
3.	Pak Rangers Sindh, Karachi		28.10.2024 To 08.11.2024	<ul style="list-style-type: none"> • Act/Ordinance • Budget Allocation • Staff detail • Equipment • HRM department & others • Functions • Schemes & Projects • Civil Works • Is Allowance 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mess expenditure

4.	Drug Regulatory Authority of Pakistan, isb		11.11.2024 To 22.11.2024	Licensing Procurement Rule Position receipt	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Operational procedure of drugs • Logistics • Rules of business • Mechanism of addressing complaints and issues •
5.	National Agriculture & Research Centre, isb		25.11.2024 To 06.12.2024	Rules/Regulations, etc. Procurements Development Projects Treasury Single Account Human Resource Initiatives	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure

					<ul style="list-style-type: none"> • Operational procedure of drugs • Logistics • Agriculture reforms • Experiments on varieties of plants
1.	Bahria University, Isb	Mr. Rabnawaz, AO, Mr. Asim Shah, Jr.Ar	30.09.2024 To 11.10.2024	<ul style="list-style-type: none"> • Enrollment • Receipts • Canteen • Transport • Overall budget utilization • Logistics • Outstanding dues • Budget • Outstanding cases if pending • Overview of budget utilization 	<ul style="list-style-type: none"> • Enrollment • Receipts • Canteen • Transport • Overall budget utilization • Logistics • Outstanding dues • Budget • Outstanding cases if pending • Overview of budget utilization

3.	KP Citizen Centered Services Delivery Project		28.10.2024 To 08.11.2024	Financial Statement	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure Operational procedure
4.	National Institute of Management, Lahore		11.11.2024 To 22.11.2024	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Rules • Mechanism of addressing complaints 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Rules • Mechanism of addressing complaints
1.	Pakistan Sports Board (Current & Development), isb		30.09.2024 To 11.10.2024	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment

		<p>Mr. Muhammad Zaki, AO</p> <p>Mr. Awaisabad, Sr.Ar (for Sr. No. 3)</p>		<ul style="list-style-type: none"> ● HRM department & others ● Appointment procedure ● Rules ● National Games and Sports Organizations ● Investments ● Receipts ● Civil Works 	<ul style="list-style-type: none"> ● HRM department & others ● Appointment procedure ● Rules ● National Games and Sports Organizations ● Civil Works
2.	Federal Bureau of Statistics, HQ, Isd		14.10.2024 To 25.10.2024	<ul style="list-style-type: none"> ● Budget Allocation ● Staff detail ● Equipment ● HRM department & others ● Appointment procedure ● Rules ● statistical information to the policy 	<ul style="list-style-type: none"> ● Budget Allocation ● Staff detail ● Equipment ● HRM department & others ● Appointment procedure ● Rules ● statistical information to the policy

				<ul style="list-style-type: none"> ● Mechanism of addressing complaints ● Organization ● 	<ul style="list-style-type: none"> ● Mechanism of addressing complaints ● Organization ●
3.	Karachi Port Trust		28.10.2024 To 08.11.2024	<ul style="list-style-type: none"> ● Budget Allocation ● Staff detail ● Equipment ● HRM department & others ● Appointment procedure ● Rules ● Mechanism ● Logistics ● Overall budget utilization ● Transportation 	<ul style="list-style-type: none"> ● Budget Allocation ● Staff detail ● Equipment ● HRM department & others ● Appointment procedure ● Rules ● Mechanism ● Logistics ● Overall budget utilization ● Transportation
4.	National Institute of Rehabilitation Medicines, Isbd		11.11.2024 To 22.11.2024	<ul style="list-style-type: none"> ● Act/ Ordinance ● Rules/Regulations ● Development Works 	<ul style="list-style-type: none"> ● Budget Allocation ● Staff detail ● Equipment

				<ul style="list-style-type: none"> • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered 	<ul style="list-style-type: none"> • HRM department & others • Appointment procedure • Rules • Mechanism • Logistics • Medicine • Treatment Procedure
5.	Security and Exchange Commission of Pakistan, Isb		25.11.2024 To 06.12.2024	<ul style="list-style-type: none"> Rule Position Penalties Investments Receipts Human Resource Procurements 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Rules • Mechanism • Details of companies • Procedure of registration • Services/detail of functions

1.	Smart Classrooms Projects for Higher Education (HEC)-FAP	Ms. Shahnila Aftab, AO Mr. Awaisabad, Sr.Ar	14.10.2024 to 25.10.2024	Financial Statements	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism • Equipment for classrooms
1.	Finance Division (Main)	Sardar M. Hanif, AO Mr. Mohsin Masood, AAO	30.09.2024 To 11.10.2024	Rule Position Penalties Investments Receipts Human Resource Procurements NFC Award	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism • Overall budget utilization • Transportation • Logistics

					<ul style="list-style-type: none"> • Technology • schemes
2.	Higher Education Development in Pakistan (FAP)		14.10.2024 To 25.10.2024	Financial Statements	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism • Enrollments • Receipts • functions
3.	Islamabad Club		28.10.2024 To 01.11.2024	<ul style="list-style-type: none"> • Act/Ordinance • Staff detail • Equipment • HRM department & others • Functions • Receipt • Schemes & Projects 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism

				<ul style="list-style-type: none"> • Civil Works 	<ul style="list-style-type: none"> • Facilities • Functions • Transportation
4.	Institute of Radiotherapy and Nuclear Medicine, Peshawar		11.11.2024 To 22.11.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism • Facilities • Functions
5.	PAEC, Isb		25.11.2024 To 06.12.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Development Works • Contractual Management • Project • Reconciliation • Surplus Funds • Services rendered 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism • Projects

					<ul style="list-style-type: none"> • Technology
6.	COMSATS Institute of IT, Lahore		09.12.2024 to 20.12.2024	<ul style="list-style-type: none"> • Act/ Ordinance • Rules/Regulations • Canteen Expenditure • Allotment of Canteen • Development Works • Contractual Management • Project • Reconciliation • Security Services 	<ul style="list-style-type: none"> • Enrollment • Receipts • Canteen • Transport • Overall budget utilization • Logistics

1.	FOSPAH	<p>Mr. Rafique Hussain Shah (AO)</p> <p>Mr. Salman Khan (Sr.Ar.)</p>	<p>14.10.2024 To 25.10.2024</p>	<ul style="list-style-type: none"> • Appointments • Act/ Ordinance • Rules and Regulations • Functions • Mechanism of addressing complaints • Delays • Outstanding cases 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism • Projects • Technology
2.	Pakistan Mint, Lahore (Regulation Audit)		<p>28.10.2024 To 08.11.2024</p>	<ul style="list-style-type: none"> • Functions • Machinery • Technology • Budget • Schemes 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure

					<ul style="list-style-type: none"> • Mechanism • Projects • Technology
3.	Islamabad Model College for Girls, G-10/2, Islamabad		11.11.2024 To 22.11.2024	<ul style="list-style-type: none"> • Enrollment • Receipts • Canteen • Transport • Overall budget utilization • Logistics 	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others • Appointment procedure • Mechanism • Projects • Technology
	Parliamentary affairs Division	Mr. Sanaullah Khan	09.12.2024 to 20.12.2024	Rules of Business Gazett Notification Financial Impact CFAO Assignments Internal Audit Asset Value Investments/ PSDP Projects Allowances to employees	<ul style="list-style-type: none"> • Budget Allocation • Staff detail • Equipment • HRM department & others

					<ul style="list-style-type: none">• Appointment procedure• Mechanism• Projects• Technology
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