HESCO

QUARTERLY INTERNAL AUDIT REPORT OF HESCO INTERNAL AUDIT 01-2024 TO 3-2024

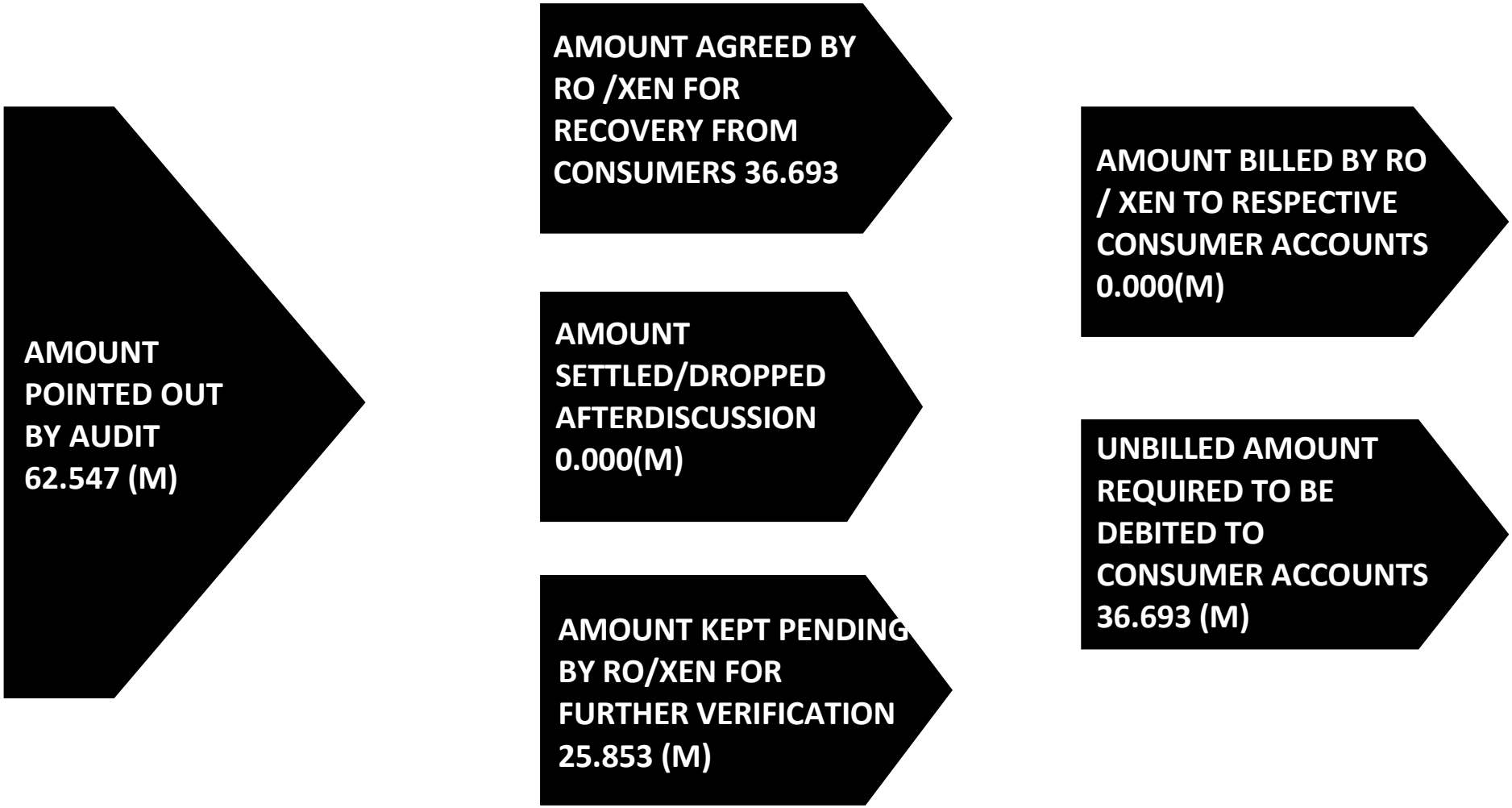
SR. NO.	INDEX	REFERENCE
01	Revenue Audit Report	Annex-A
02	Financial & Compliance Audit Report	Annex-B

Annexure–"A"



REVENUE AUDIT

REVENUE AUDIT REPORT



EXECUTIVE SUMMARY

S #	SUMMARY OBSERVATIONS	NO OF AUDIT NOTES	AMOUNT POINTED OUT BY AUDIT	AMOUNT SETTLED/ DROPPED AFTER DISCUSSION	AMOUNT KEPT PENDING BY RO/ XEN FOR FURTHER VERIFICATION	AMOUNT VERIFIED & AGREED
1	Irregular/excess credit/refund adjustment afforded to the customer's accounts.	**203**	26.993	0	1.751	25.242
2	Debit amount not posted on consumer accounts.	**4**	0.046	0	0	0.046
3	Detection units not/less charged due to theft of energy	**4**	0.334	0	0	0.334
4	Connection shown permanent disconnected but running at site, as per reading sheet	**1**	0.024	0	0	0.024
5	Non recovery on account of reconnection order fee, meter change order final reading cost	**33**	1.936	0	0	1.936
6	Wrong cash posting/double cash posting	**8**	1.659	0	0	1.659
7	Non supplying of MDI reading	**2**	1.723			1.723
8	Appearance of Credit/Minus balances appeared against consumer account due to issuance of manual electricity bills	**30**	3.377	0	0	3.377
9	Meter Security deposit not/less recovered	**8**	2.0716	0	0	2.0716
10	Non recovery on account of reconnection order fee, meter change order final reading cost	**3**	0.627	0	0	0.627
11	Non production of refund case record	**18**	23.418	0	23.418	0
12	MCO Units not charged	**6**	0.242	0	0	0.242
13	Non-Debiting of P-Disc Outstanding Arrears as per Manual	**1**	0.156	0	0	0.156
14	Procedural	**13**	0	0	0	0
	TOTAL	**334**	**62.547**	**0**	**25.853**	**36.693**

01 IRREGULAR / EXCESS CREDIT ADJUSTMENT AFFORDED TO THE CONSUMERS ACCOUNTS

IRREGULARITY DETAIL	CONTROL OBJECTIVES	Bill adjustment is timely and accurately incorporated in the consumer bill.		
	AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
	Irregular/Excess adjustments were allowed to consumer accounts on account of wrong totaling of as charged & to be charged columns and refund amount excess posted in CP-88-A (Billing Ledger) & while preparation of CP-52 adjustment note also taken of excess period of rate bifurcation in CP-52 adjustment note or direct feeding of CP-52 version-II in computer & not pre paration of as charged column & to be charged column or less calculation of rate by computer & FPA Fuel Price Adjustment not curtailed already credited or low rate imposed in to be charged column. **Implications** Irregular/ Excess credit adjustments will result in financial loss to the company.	Errors in billing can be minimized by ensuring accuracy of data at the time of meter reading and proper posting of entries in computer & should be authorized. Amount pointed out may be debited to and recovered from consumer accounts. Besides, responsibility may be fixed and action taken against the responsible employees. **Benefits** Accurate billing will minimize the refund cases.	Agreed for recovery from consumers	High Risk

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Nawabshah	64	7,841,237
2	Kotri	04	78,531
3	Sanghar	60	11,337,672
4	Digri	31	4,127,258
5	Badin	24	1,131,493
6	T.A.Yar	10	2,645,003
7	Latifabad-II	5	332,298
8	Umerkot	5	330,045
TOTAL		**203**	**2,78,23,537**

TARIFF	NO OF CONSUMERS
Domestic	1059

RESPONSIBILITY	RO/SDO/XEN/SE

02 DEBIT AMOUNT NOT POSTED TO CONSUMER ACCOUNTS

IRREGULARITY DETAIL

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Digri	04	46,146
TOTAL		**04**	**46,146**

TARIFF	NO OF CONSUMERS
Domestic	04

CONTROL OBJECTIVES	To ensure all valid debit adjustments are correctly posted to consumer accounts by verifying input data accuracy		
AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
It was noted that various debit adjustments raised through CP-52 forms—based on detection bills, M&T reports, or internal audit findings—remained unposted in the consumer billing system. The main reason for this was incorrect feeding of subdivision codes, batch numbers, or other system entries, which led to rejection or non-processing of these adjustments in the system. **Implications** Non recovery of debit amount from consumers leads to company financial loss.	Concerned revenue offices should maintain and post proper debit record, errors in codes and batch numbers may be rectified. **Benefits** It will increase company revenue.	Agreed for recovery from consumers	High Risk
RESPONSIBILITY	RO/MS/SDO/XEN		

03 DETECTION UNITS NOT/LESS CHARGED DUE TO THEFT OF ENERGY

IRREGULARITY DETAIL

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	T.A.Yar	1	217,056
2	Kotri	1	20,000
3	Sanghar	2	97,000
	TOTAL	**04**	**334,056**

TARIFF	NO OF CONSUMERS
Domestic/Industrial	07

CONTROL OBJECTIVES	Debit Bill adjustment is timely and accurately incorporated in the consumer bill		
AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
Detection units not/less charged on account of hole in meter, phase direct, main load, shunt & meter terminal burnt etc. as per report of SDO/XEN/M&T/S&I concerned. **Implications** Non implementation of issues identified by the field staff may cause demotivation & it will also cause loss of revenue for the company.	Recovery of detection units should be made on timely basis. The SE concerned, should approve the detection units to be imposed upon the consumers. **Benefits** Timely implementation of orders will save revenue for the company.	Agreed for recovery from consumers	High Risk
RESPONSIBILITY	RO/MS/SDO/XEN		

04 CONNNECTION SHOWN PERMANENT DISCONNECTED BUT RUNNING AT SITE, AS PER READING SHEET (CP-21-C) WITHOUT ISSUING OF RECONNECTION ORDER

IRREGULARITY DETAIL	CONTROL OBJECTIVES	Meter reading is timely & correctly recorded. Bills are accurately prepared in accordance with the meter reading		
	AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Badin	01	23,536
	TOTAL	**01**	**23,536**

TARIFF	NO OF CONSUMERS
Domestic	01

Connection shown in CP-88A (Billing Ledger) record as disconnected but actually running at site as per reading sheet supplied by SDO concerned without implementing the reconnection orders.

Implications

Inconsistency in documents may result in loose internal controls & non billing will result in financial loss to the company.

After getting verification from M&T the disconnected connection running at site may be regularized & complete record should be maintained. Besides, responsibility may be fixed and action taken against the responsible employees.

Benefits

Loss due to non-billing may be minimized due to stronger controls.

Agreed for recovery from consumers

High Risk

RESPONSIBILITY	RO/MS/SDO/XEN

05 NON-RECOVERY ON ACCOUNT OF RECONNECTION ORDER FEE, METER CHANGE ORDER FINAL READING COST

IRREGULARITY DETAIL	CONTROL OBJECTIVES	Input data sent & output data received from the MIS is accurate. Addition in customer master file is accurate, timely & on the instructions of competent authority.		
	AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
	Connection reconnected without recovery of reconnection fee as per RCO policy & final reading cost of removed meter on account of MCO (Meter Change Order) was not charged to the consumer account & while preparing CP-136 (Master Data Addition, Deletion) sent to computer the removed meter reading units was less/not charged. **Implications** Non recovery of RCO fee & MCO left over units caused company loss in revenue.	Concerned sub division meter reader should record meter reading in time correctly & SDO should issue reconnection order after recovery of arrear of bills. Besides, responsibility may be fixed and action taken against the responsible employees. **Benefits** Correct billing will increase the company revenue.	Agreed for recovery from consumers	High Risk

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Nawabshah	33	19,36,000
TOTAL		**33**	**19,36,000**

TARIFF	NO OF CONSUMERS
Domestic	88

RESPONSIBILITY	RO/MS/SDO/XEN

06 WRONG CASH POSTING / DOUBLE CASH POSTING

IRREGULARITY DETAIL

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Nawabshah	06	1,505,744
2	Digri	02	153,002
	TOTAL	**08**	**1,658,746**

TARIFF	NO OF CONSUMERS
Domestic	24

CONTROL OBJECTIVES

Relevant bank statement & CP-104 (Divisional Collection Cash Book) & bank reconciliation prepared accurately. Reconciliation of data with bank & MIS is accurate.

AUDIT OBSERVATION	RECOMMENDATIONS	RO / XEN RESPONSE	RATING
Due to non-reconciliation of CP-104 (Divisional Collection Cash Book) & CP-101 (Weekly Collection Cash by Bank Branches) & Bank Scrolls with stub & posting of paid bills by banks manually as well as making parallel posting service (online) & through IOT (Inter office transaction) resulted wrong/double cash posting. **Implications** It is purely financial loss to the company.	RO should follow the commercial procedure and ensure correct cash posting. **Benefits** Compliance of relevant rules & procedure will minimize such irregularities.	Agreed for recovery from consumers	High Risk

RESPONSIBILITY RO/DAO

07 MULTIPLYING FACTOR LESS/NOT CHARGED

IRREGULARITY DETAIL

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	T.A.Yar	01	683,910
2	Digri	01	1,039,500
	TOTAL	**02**	**1,723,410**

TARIFF	NO OF CONSUMERS
Domestic	02

CONTROL OBJECTIVES	Addition / Deletions in master data file is timely and accurately incorporated.		
AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
Multiplying factor applied on account of current transformer (CT) ratios which was less/not charged to the consumers. **Implications** It will result in financial loss to the company.	Application of appropriate multiplying factor should be accurate according to relevant CT, (Current Transformer) installed at the connection. Besides, responsibility may be fixed and action taken against the responsible employees. **Benefits** Appropriate implication of multiplying factor will lead to the exact reading of consumers & enhance the company revenue.	Agreed for recovery from consumers	High Risk
RESPONSIBILITY	RO/SDO/XEN		

08 APPEARANCE OF CREDIT BALANCES AGAINST PERMANENT DISCONNECTED CONNECTION WHICH WERE DISCONNECTED DUE TO NON- PAYMENT OF ELECTRICITY DUES

IRREGULARITY DETAIL

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Garikhata	03	120,362
2	Kotri	01	13,474
3	Badin	07	323,647
4	Digri	10	203,529
5	Umerkot	9	2,716,395
TOTAL		**30**	**3,377,407**

TARIFF	NO OF CONSUMERS
Domestic	334

CONTROL OBJECTIVES	Credit balances appeared against permanently Disconnected connections are correctly feeded of refunded amount.		
AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
Connections were shown permanently disconnected due to non-payment of electricity dues, these connections have credit balance appeared on account of feeding of refunded amount posted through CP-52 & payment made by consumer without issuance of detection bill and not debited to consumer. **Implications** Updating of connection without fulfilling of relevant standard operating procedures may result in loose internal controls.	Every consumer account having credit balance or permanently disconnected may be adjusted. **Benefits** Company financial position will be improved in case of all such permanently disconnected consumers are removed from company profile according to the PDIS connection policy.	Agreed for recovery from consumers	High Risk
RESPONSIBILITY	RO/SDO/XEN		

09 METER SECURITY DEPOSIT NOT/LESS RECOVERED ON ACCOUNT OF EXTENSION IN LOAD

IRREGULARITY DETAIL	CONTROL OBJECTIVES	Computer input & output data is accurate.		
	AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
	Consumer extended their load from 22 KW to 35 KW but recovery of Security Deposit was not made. **Implications** HESCO Company sustained less due to non-recovery of security deposit & less billing made to consumer.	Ensure recovery of security deposit & correction in billing as per connected load. Besides, responsibility may be fixed and action taken against the responsible employees. **Benefits** It will increase revenue of the company.	Agreed for recovery from consumers	Moderate Risk

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Badin	08	20,71,592
TOTAL		**30**	**20,71,592**

TARIFF	NO OF CONSUMERS
Domestic / Industrial	08

RESPONSIBILITY	RO/XEN

10 NON-RECOVERY OF METER SLOWNESS CHARGES AS PER M&T REPORT

IRREGULARITY DETAIL	CONTROL OBJECTIVES	Input data sent & output data received from the MIS is accurate. Addition in customer master file is accurate, timely & on the instructions of competent authority.		
	AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
	Slowness of meter as per M&T report was not or less charged to consumer accounts. **Implications** Non application of slowness of meter identified by M&T teams will result in financial loss to the company.	Slowness of meter should be accurately charged to the consumer & slow meter be replaced. Besides, responsibility may be fixed and action taken against the responsible employees. **Benefits** It will result increasing revenue for the company by ensuring that all electricity utilized is charged to customer.	Agreed for recovery from consumers	High Risk
RESPONSIBILITY	RO/MR/SDO			

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Sanghar	03	6,27,067
TOTAL		**03**	**6,27,067**

TARIFF	NO OF CONSUMERS
Domestic	03

11 NON-PRODUCTION OF REFUND CASE RECORD

IRREGULARITY DETAIL	CONTROL OBJECTIVES	Input& output data is maintained accurately.		
	AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
	Amount shown refunded to consumer accounts but refund cases were not produced to audit for verification which is very serious omission and tantamount to misconduct on the part of the custodian of record. **Implications** Feeding of CP-52 refund cases without preparation of adjustment notes leads to loss to the company & loose internal control.	Concerned RO should direct the concerned section in charges for maintaining provision of the record properly and should initiate action against the persons found at fault. **Benefits** Compliance of relevant procedure will minimize such irregularities.	Still kept in Pending	High Risk

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Sanghar	05	17,53,900
2	Nawabshah	13	2,16,63,638
TOTAL		**18**	**2,34,17,538**

TARIFF	NO OF CONSUMERS
Domestic	541

RESPONSIBILITY	RO/Section Incharges

12 MCO PENDING UNITS NOT CHARGED TO CONSUMER ACCOUNT

IRREGULARITY DETAIL	CONTROL OBJECTIVES	Debit Bill adjustments are timely and accurately incorporated in the consumer bill.		
	AUDIT OBSERVATION	**RECOMMENDATIONS**	**RO / XEN RESPONSE**	**RATING**
	M&T report of consumer shown the balance/pending units from removed meter, which is also checked from CP-88-A and PITC, which shown same units have not so far been charged to consumer. **Implications** HESCO Company sustained loss due to non-debiting of pending units in time.	Audit Recommended that pending units from removed meters should be immediately debited to consumer account. Besides, responsibility may be fixed and action taken against the responsible employees. **Benefits** It will increase revenue of the company.	Agreed for recovery from consumer	High Risk

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Garikhata	02	136,080
2	Badin	04	106,368
TOTAL		**08**	**242,448**

TARIFF	NO OF CONSUMERS
Domestic	03

RESPONSIBILITY	RO/MR/SDO

13 NON-DEBITING OF P-DISC OUTSTANDING ARREARS

IRREGULARITY DETAIL

SR NO	NAME OF RO	NO OF A/NOTES	AGREED AMOUNT
1	Sanghar	01	1,56,572
	TOTAL	**01**	**1,56,572**

TARIFF	NO OF CONSUMERS
Domestic	02

CONTROL OBJECTIVES

To ensure outstanding arrears of permanently disconnected connections are accurately transferred to the consumer's other active accounts as per Consumer Service Manual 2021, Chapter 8.2.8.

AUDIT OBSERVATION	RECOMMENDATIONS	RO / XEN RESPONSE	RATING
Scrutiny of the record revealed that Consumer Connection was Permanently Disconnected with the arrears but the arrear was not debited to the Consumers other running account as per Consumer Manual 2021 Chapter 8.2.8. **Implications** Non-debiting of arrears from permanently disconnected connections will result in the company losing out on legitimate revenue.	Audit recommended that all arrears against permanent disconnected connections may debited to the alive connections of the same consumer. Besides, responsibility may be fixed and action taken against the responsible employees. **Benefits** It will increase revenue of the company.	Agreed for recovery from consumer	High Risk

RESPONSIBILITY RO/MR/SDO

14	PROCEDURAL AUDIT PARAS (AMOUNT NOT INVOLVED)		
S NO	**NAME OF REVENUE OFFICE**	**NATURE OF OBSERVATION**	**NO OF AUDIT NOTES**
1	Nawabshah	Various Connections Having Same to Same Reading since long	07
2	Badin	Non-Billing of New Connections	03
3	Sanghar	Procedural flaws in Credit Allowed on account of Late Payment Surcharge	02
4	Digri	Non-Production/Non-Maintenance of CP-48 & CP-104	01
		TOTAL	**13**

ABSTRACT

S #	NAME OF REVENUE OFFICE	AMOUNT POINTED OUT		AMOUNT BILLED	AMOUNT UNBILLED
		NO OF A/NOTES	AMOUNT		
1	CIRCLE-I	28	5,640,453	-	5,640,453
2	CIRCLE-LAAR	53	3,769,413	-	3,769,413
3	CIRCLE-NAWABSHAH	190	45,422,352	-	45,422,352
4	CIRCLE-MIRPURKHAS	63	7,714,835	-	7,714,835
	TOTAL	**334**	**62,547,053**	**-**	**62,547,053**

PREPARED BY
ASSISTANT REVENUE SECTION

CHECKED BY
INCHARGE REVENUE SECTION

SEEN BY
MANAGER INTERNAL AUDIT
HESCO HYDERABAD

Annexure– "B"

HESCO

FINANCIAL & COMPLIANCE AUDIT REPORT

EXECUTIVE SUMMARY

ACTIVITY WISE DETAIL OF IRREGULARITIES FOR 1ST QUARTER

S#	AUDIT ACTIVITIES	AMOUNT INVOLVED (M)	IMPLICATIONS	RECOMMENDATIONS	RESPONSIBILITY	NO OF FORMATIONS INVOLVED	PAGE NO.
1	Accounting and Financial Reporting	0.867	Due to Non recording of accounting data properly the financial reporting does not reflect the actual financial position of the company	Ensure that data has been completely and accurately recorded	DAO / CFO	1	23 - 24
2	Cash and Treasury Management	452.831	Matters affecting liquidity issues and due to irregular expenditure on account of benefits to employee as well as other beneficiaries HESCO sustained Financial Loss	Efforts should be made to fully comply with company policies and to recover the irregular expenditure	DAO / CFO	5	25 - 37
3	General and Administrative Expenses	2,649.354	Irregularities and procedural violations	Efforts should be made to comply with company policies and maintain proper records.	Head Clerk / DAO / XEN	5	38 - 42
4	Planning, Budgeting and Forecasting	209.609	Excess expenditures incurred leads to Mis-Management hinders proper financial planning and control.	It may be ensured that data has been completely and accurately reported and get regularized from the competent authority	DAO / XEN	4	43 - 45
TOTAL		**3,312.661**					

01 ACCOUNTING AND FINANCIAL REPORTING

NON – PRO-VISION OF AUDITABLE RECORD TO INTERNAL AUDIT TEAM

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See tables below	During the audit examination, a considerable auditable record was not provided to the Audit Teams resulting in to non-verification of Payroll and other expenses for the Financial Year 2022-23 and non-verification of Refunds, Credit Adjustments and Cash Collection for the period 07/2023 to 12/2023.	The matter may be investigated, responsibility fixed and action may be taken on responsible employees under intimation to internal audit.	High Risk

FINANCIAL AUDIT

S.#	NAME OF DIVISION	DOCUMENTS NOT PROVIDED TO AUDIT TEAM
1	R.O. Nawabshah	Final Trial Balance, Monthly Accounts, General Ledger and Subsidiary Ledger
2	R.O. Badin	Salary Audit Register, Medical Facility Register, Detection Bill Register, Free Electricity Register
3	R.O. Digri	Salary Audit Register, Medical Facility Register, Detection Bill Register, Budget, Trial Balance, Monthly Accounts, Sanctioned & Working Strength, Payment Vouchers
4	R.O. Mirpurkhas	Salary Audit Register, Free Electricity Register, TA DA Control Register

REVENUE AUDIT

S.#	NAME OF DIVISION	DOCUMENTS NOT PROVIDED TO AUDIT TEAM
1	R.O. Latifabad-II	Refund Cased (CP-52)
2	R.O. Sanghar	Credit Bill Adjustment, CP-48, CP-104
3	R.O. Nawabshah	Refund Cased (CP-52)

RESPONSIBILITY	DAO/RO/XEN

01 ACCOUNTING AND FINANCIAL REPORTING

NON – ACCOUNTAL OF EXPENDITURE INCURRED IN CASH BOOK THAT LACK VOUCHER & SUPPORTING DOCUMENTS

<table>
<tr><th>IRREGULARITY DETAIL</th><th>AUDIT OBSERVATION</th><th>RECOMMENDATIONS</th><th>RATING</th></tr>
<tr>
<td>
<table>
<tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr>
<tr><td>1</td><td>RO DIGRI</td><td>07-2022 TO 06-2023</td><td>867,327</td></tr>
<tr><td colspan="3">TOTAL</td><td>867,327</td></tr>
</table>
</td>
<td>During the audit examination of the cash book for the specified period in the revenue office a notable irregularity surfaced regarding expenditures under various heads. It has been observed that the accountal for these expenditures' lacks supporting documents and payment vouchers. This deficiency raises significant concerns about the transparency and proper documentation of financial transactions within the office.</td>
<td>The matter may be investigated, responsibility fixed and recovery may be made from responsible employees under intimation to internal audit. (Not agreed by RO).</td>
<td>High Risk</td>
</tr>
<tr><td colspan="2">RESPONSIBILITY</td><td colspan="2">DAO/RO</td></tr>
</table>

02 CASH AND TREASURY MANAGEMENT

NON-SETTLEMENT OF COURT CASES

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	While examining the court cases record, it was observed that Numbers of cases, were lying pending with the respective courts since long, which shows that no proper efforts were being taken by the concerned personals for the early settlement of cases.	The concerned quarters be directed to deal the court cases diligently and concrete action be taken for their early disposal.	Medium Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O BADIN (1 case)	07-2022 TO 06-2023	626,000
		TOTAL	**626,000**

RESPONSIBILITY	RO/XEN

02 CASH AND TREASURY MANAGEMENT

NON-PROVISION OF SALARY AUDIT REGISTER NAD ADDIOTIONAL DEMAND DOCUMENTS RESULTED INTO NON-VERIFICATION OF DISBURSEMENT OF SALARIES TO EMPLOYEES

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
	In accordance with the instructions issued from time to time an officers/officials Salary Audit Register, as per prescribed format, is required to be maintained in each office to record the entire details of monthly emoluments and deductions of officer's salary. It is an auditable document and should invariably be produced to audit on demand, which was not provided to the audit. Moreover, the supporting documents for additional salary demand were not provided to the Internal Audit for verification.	It is recommended to comply with relevant instructions in letter and spirit and Salary Audit Register may be maintained, besides the matter may be investigated and responsibility fixed, under intimation to internal audit.	High Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O NAWABSHAH	07-2022 TO 06-2023	15,255,270
		TOTAL	**15,255,270**

RESPONSIBILITY	DAO/RO

02 CASH AND TREASURY MANAGEMENT

DIFFERENCE WAS FOUND IN DEMAND MADE AND SALARY PAYMENT MADE TO EMPLOYEE AGAINST SALARY

<table>
<tr><th>IRREGULARITY DETAIL</th><th>AUDIT OBSERVATION</th><th>RECOMMENDATIONS</th><th>RATING</th></tr>
<tr>
<td>
<table>
<tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr>
<tr><td>1</td><td>R.O BADIN</td><td>07-2022 TO 06-2023</td><td>82,000</td></tr>
<tr><td colspan="3">TOTAL</td><td>82,000</td></tr>
</table>
</td>
<td>During the course of the audit, it was revealed that the demand for salary made to and received from the CFO Office was higher from the payment made against salary. This irregularity and has caused a loss to HESCO.</td>
<td>The matter may be investigated and responsibility fixed, under intimation to internal audit.</td>
<td>High Risk</td>
</tr>
<tr><td>RESPONSIBILITY</td><td colspan="3">DAO/RO</td></tr>
</table>

02 CASH AND TREASURY MANAGEMENT

NO REMITTANCE WAS MADE OF 5% MAINTENANCE & WATER CHARGES FROM HESCO EMPLOYEES

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	During the examination of the pay roll records it came to attention that deduction was consistently made from the salaries of employees residing in HESCO colonies. These deductions were meant to cover official accommodation (House Rent) and a 5% charge for water service. However, it has come to notice that these deducted amounts were not remitted to the CFO office as required.	The deducted amount may be remitted to CFO / XEN Civil.	Low Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O MIRPURKHAS	07-2022 TO 06-2023	45,659
		TOTAL	**45,659**

RESPONSIBILITY	DAO/RO

02 CASH AND TREASURY MANAGEMENT

MIS-APPROPRIATION OF FUND AGAINST ACCOUNT HEAD OF PAY AND ALLOWANCES

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	While checking the payrolls data it was observed that excess salary was demanded and received from the CFO Office HESCO and less was paid to employee which shown serious irregularity.	The administrative action against dealing hand may be taken, responsibility may be fixed under intimation to internal audit.	High Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O MIRPURKHAS	07-2022 TO 06-2023	856,729
		TOTAL	**865,729**

RESPONSIBILITY	DAO/RO

02 CASH AND TREASURY MANAGEMENT

IRREGULAR PAYMENT WAS MADE THROUGH OPEN CHEQUES INSTEAD OF CROSS CHEQUE

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	During the course of audit, it was noticed that open cheques were issued to various employees / vendors which against the rules in vogue and such practice should be stopped to avoid any complication at later stage.	It is advised that when writing cheques, measures should be taken to mitigate the risk of fraudulent alterations. This includes ensuring that no spaces are left blank before, between, or after the words and figures on the cheques. Unless intended for cash withdrawal, cheques should be crossed and made payable to order.	High Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O MIRPURKHAS	07-2022 TO 06-2023	742,482
2	R.O DIGRI	07-2022 TO 06-2023	17,000
		TOTAL	**759,482**

RESPONSIBILITY	DAO/RO

02 CASH AND TREASURY MANAGEMENT

BOGUS SALARY DRAWN ON ACCOUNTS OF RETIRED EMPLOYEE

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
	During checking of Pay Bills and Cash demand made by concerned offices it was notice that cash demand was demanded after including the salary of retired employees which is fraudulent act which may be enquired.	The enquiry in the matter may be framed and amount may be recovered from persons at fault.	High Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O DIGRI	07-2022 TO 06-2023	10,77,524
		TOTAL	**10,77,524**

RESPONSIBILITY	DAO/RO/CFO/HR

02 CASH AND TREASURY MANAGEMENT

IRREGULAR /WRONG PAYMNENT MADE ON ACCOUNT OF TRAVELLING ALLOWANCE

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	While auditing the payment vouchers and register of TA/DA bills, it was revealed that a huge amount on account of TA/DA bills monthly has been paid to the staff of Revenue Office to collect the Bank Scroll, which is irregular and misuse of Authority /HESCO funds. In other hand an agreement between bank management and HESCO company for collection of electricity bill and daily bank scrolls was dispatch/sent to respective Revenue Offices next day at 10.00 AM on daily bases, HESCO company paid Rs. 8.00 per bill in this regard. So, the payment made on account of TA/DA bill was irregular and held under objection.	It is recommended to please look into the matter administratively and stop this irregular practice in future, besides taking an action against the person at fault, under intimation to internal audit.	High Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O DIGRI	07-2022 TO 06-2023	873,051
2	RO N.SHAH	07-2022 TO 06-2023	2,732,258
3	R.O BADIN	07-2022 TO 06-2023	33,000
4	R.O M.P.K	07-2022 TO 06-2023	13,400
5	R.O M.P.K	07-2022 TO 06-2023	56,895
		TOTAL	**10,77,524**

RESPONSIBILITY	DAO/R.O

02 CASH AND TREASURY MANAGEMENT

- **BOGUS / DOUBLE CASH DEMANDS PREPARED/SUBMITTED AGAINST SALARY HEAD (520100)**
- **EXCESS CREDITS / RELEASE OF FUNDS IN THE BANK ACCOUNT THAN THE ACTUAL AMOUNTS OF SALARIES DEMANDS**

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
<table><tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr><tr><td>1</td><td>XEN UMERKOT</td><td>07-2022 TO 06-2023</td><td>139,230,000</td></tr><tr><td colspan="3">TOTAL</td><td>139,230,000</td></tr></table>	The original Cash Demands were collected which were submitted by DDO/DAO in CFO HESCO and it was astonished to note that another Cash Demand of each month during the financial year 2022-2023 was prepared by the then Divisional Accounts Officer & approved by the then XEN Opr: Division HESCO Umerkot with increased and different amounts & submitted to the C.F.O. Further, the Finance Directorate, HESCO should observe authority's instructions regarding releases of heavy funds and update / verify the expenditures in budgetary control register (BCR) to control the expenditure, however, heavy / double funds were released in auditee's bank account. The actual amount of cash demands as per List of employees and Payment Vouchers for the whole financial year 2022-2023 found as Rs: 131.767 (M) whereas the amount as per Bogus demands came out as Rs: 271.148 (M) which resulted into excess release of funds amounting to Rs:139.230 (M).	As per Accounting Manual "The Authorized budget must be recorded in the Schedule of Authorized Expenditure, with subsidiary information contained in the Detail of Demands for Grants and Appropriation. (Para 3.3.10.2) and the Finance Directorate is responsible to record the entry in (BCR) i.e. Budgetary Control Register in the proper head of account. These provisions of Accounting Manual need to be implemented. Moreover, matter may be investigated and action taken against responsible.	High Risk
RESPONSIBILITY	DAO/XEN/CFO Office		

02 CASH AND TREASURY MANAGEMENT

FAKE / EXCESS AMOUNTS RECORDED IN THE CASH BOOK INSTEAD OF AMOUNTS OF CHEQUES ISSUED & PRESENTED IN THE BANK ON ACCOUNT OF SALARIES HEAD (520100)

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
<table><tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr><tr><td>1</td><td>XEN UMERKOT</td><td>07-2022 TO 06-2023</td><td>40,384,889</td></tr><tr><td colspan="3">TOTAL</td><td>40,384,889</td></tr></table>	During the course of audit, it was disclosed that Cash Book for the period 7/2022 to 6/2023 was not produced to audit for verification and it was stated by the XEN that same was not maintained by the then Divisional Accounts Officer and not countersigned by the then XEN concerned. However, the photocopies of the Cash Book for the period 7/2022 to 10/2022 (only 04 months) was found available and upon scrutiny of the photocopies of the Cash Book it was revealed that there have been serious irregularities in the Cash Book maintained by the then Div: Accounts Officer Opr: Division HESCO Umerkot and Bogus/Fake/Excess amounts were recorded than the actual amounts of the Cheques issued and presented in the bank (as per Bank Statement) on account of salary head (520100).	Non maintenance of Cash Book / recording the bogus amounts in the Cash Book against receipt of funds from HESCO Finance Div: reflects most probably towards the embezzlement of cash, which requires to be investigated and responsibility fixed on the responsible officer and recovery be made under intimation to internal audit.	High Risk
RESPONSIBILITY	DAO/XEN		

02 CASH AND TREASURY MANAGEMENT

PAY BILLS OF WORKING EMPLOYEES WERE GENERATED TWICELY / THRICELY LEADING TO EXCESS RELEASE OF FUNDS FROM C.F.O. OFFICE

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
<table><tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr><tr><td>1</td><td>XEN UMERKOT</td><td>07-2022 TO 06-2023</td><td>67,892,427</td></tr><tr><td colspan="3">TOTAL</td><td>67,892,427</td></tr></table>	As reported in previous para on account of Bogus Cash Demands were prepared for the excess release of funds for the suspect embezzlement this audit collected the pay bills of employees of Opr: Division HESCO Umerkot submitted in CFO HESCO HQ. and compared/verified with both and it was disclosed that another pay bills for the same month were consistently generated by the Divisional Accounts Officer & approved by the XEN Opr: Division HESCO Umerkot so that the amount could be meet with excess Cash Demands. One of these pay bills remains with payment vouchers and others manipulated to increase the total amount on the department summary page and submitted in the office of CFO HESCO for excess release of funds. After a lengthy audit work and comparison between pay bills attached with payment vouchers for the period 07/2022 to 06/2023 and collected pay bills from CFO HESCO for the months 09/2022, 10/2022, 11/2022 and 01/2023 to 06/2023 (09 months) it was observed that pay bills of 144 Nos working employees were generated twicely or thricely.	Compliance of instructions as per Accounting Manual at the time of release of funds and non-verifying the pay bills as per actual / working strength of the formation need to be ensured on the part of CFO Office and HR office, HESCO. The matter may be investigated; responsibilities may be fixed to the employees at fault and recoveries be made under intimation to Internal Audit	High Risk
RESPONSIBILITY	DAO/XEN		

02 CASH AND TREASURY MANAGEMENT

BOGUS PAY BILLS OF GHOST EMPLOYEES WERE GENERATED LEADING TO EXCESS RELEASE OF FUNDS FROM C.F.O. OFFICE, HESCO

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
<table><tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr><tr><td>1</td><td>XEN UMERKOT</td><td>07-2022 TO 06-2023</td><td>39,374,933</td></tr><tr><td colspan="3">TOTAL</td><td>39,374,933</td></tr></table>	As reported in previous para, Bogus Cash Demands were prepared for the excess release of funds for the suspect embezzlement. The Audit Team collected the pay bills of employees of Opr: Division HESCO Umerkot submitted in CFO HESCO Office HQ. and compared/verified with record maintained at the Division, and it was disclosed that another set of pay bills for the same month were consistently generated by the Divisional Accounts Officer & approved by the XEN Opr: Division HESCO Umerkot, so that the amount could be meet with Bogus Cash Demands. One of these pay bills remains with payment vouchers and others manipulated to increase the total amount on the department summary page and submitted in the office of CFO HESCO for excess release of funds. After a lengthy audit work and comparison between pay bills attached with payment vouchers for the period 07/2022 to 06/2023 and collected pay bills from CFO HESCO for the months 09/2022, 10/2022, 11/2022 and 01/2023 to 06/2023 (09 months) it was observed that pay bills of 170 Nos ghost employees were generated.	The matter may be investigated, responsibility fixed and recovery may be made from responsible employees under intimation to internal audit.	High Risk
RESPONSIBILITY	DAO/XEN		

02 CASH AND TREASURY MANAGEMENT

EMBEZZLEMENT OF HESCO FUNDS. UN-AUTHORIZED UTILIZATION OF EXCESS RELEASES

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
<table><tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr><tr><td>1</td><td>XEN UMERKOT</td><td>07-2022 TO 06-2023</td><td>143,537,459</td></tr><tr><td colspan="3">TOTAL</td><td>143,537,459</td></tr></table>	As reported in pervious para on account of bogus cash demands and excess released of funds during the period 07-2022 to 06-2023 this audit scrutinized the financial record i.e. bank statements and observed that a large Nos. of questionable cheques were issued from A/c # PK69UNIL0109000223914735 Titled Executive Engineer Operation Division HESCO Umerkot maintained at UBL Umerkot Branch and heavy amounts were debited against various beneficiaries, vendors, suppliers / private individuals as per Bank statement for the period 07/2022 to 06/2023.	Administrative Action may be taken against the responsible, after fixing the responsibility, as according to the Accounting Manual Chapter 4.9 (Contractor / Work Payments) and para 4.9.1.4. No work should be commenced or liability incurred until: - administrative approval has been obtained from the authority appropriate in each case. Funds to cover the expenditure during the year have been provided.	High Risk
RESPONSIBILITY	DAO/XEN		

03 GENERAL AND ADMINISTRATIVE EXPENSES

NON-CLEARANCE OF W.W. FUND (150116) FROM WAPDA TRUSTEE ACCOUNT

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	While checking the Trial balance and Ledger, the amounts were shown as recoverable from WAPDA Trustee on account W.W. FUND RECEIVEABLE HEAD OF ACCOUNT (150116) paid to Widows of WAPDA deceased employees from the Impress limit, but the amount was not get reimbursed from the WAPDA Trustees account Lahore as yet which is against the instructions and held under objection.	RO and XEN are requested to initiate necessary process for getting reimbursement from WAPDA Trustee Account so that receivable could be cleared under intimation to audit. Otherwise, the matter may be investigated, responsibilities may be fixed to the employees at fault and recoveries be made under intimation to Internal Audit.	Moderate Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	RO N. SHAH	07-2022 TO 06-2023	914,239
2	XEN UMERKOT	07-2022 TO 06-2023	909,421
3	R.O MIRPURKHAS	07-2022 TO 06-2023	423,620
4	R.O BADIN	07-2022 TO 06-2023	100,000
		TOTAL	**2,347,280**

RESPONSIBILITY	DAO/XEN

03 GENERAL AND ADMINISTRATIVE EXPENSES

IRREGULAR / UN JUSTIFIED DETECTION BILLS CHARGED TO THE CONSUMERS FOR 06 MONTHS WITHOUT DETECTION PERFORMA AND APPROVAL OF COMPETENT AUTHORITY

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
<table><tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr><tr><td>1</td><td>RO N. SHAH</td><td>07-2022 TO 06-2023</td><td>256,430,000</td></tr><tr><td colspan="3">TOTAL</td><td>256,430,000</td></tr></table>	During the course of audit, it was noticed that heavy detections units charged to various consumers accounts during the period under audit. While checking the detection proformas in detail, revealed that these detections were found irregular/abnormal and fictitious on the following grounds; - The detections were charged without any cogent reasons no any M&T Reports, Surveillance reports etc. were found attached. Detection Units bifurcated in 03 months in every month only to keep minimum rate every month, detection imposed for more than 03 months is irregular and violation detection policy and merits. Apparently, it appears that this practice is being continued by field staff to save the actual theft by imposing fake detections.	Facts was crystal clear that field staff violated detection policy and instructions of Authority in this regard. Hence the delinquent may be dealt administratively according to rules.	High Risk
RESPONSIBILITY	SDO/RO/XEN		

03 GENERAL AND ADMINISTRATIVE EXPENSES

NON-MAINTENANCE OF CP- 51 (SECURITY DEPOSIT DEMAND NOTICES CASH BOOK) AND CP- 26 (SECURITY DEPOSIT REGISTER) RESULTED INTO NON-VERIFICATION OF SECURITY DEPOSIT DEPOSITED BY THE CONSUMER

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	While auditing of the record of security deposit paid by the consumer, it was revealed that CP-51 (Security Deposit Demand Notices Cash Book) and CP-26 (Security Deposit Register) for the period under audit and to date were not being maintained by the concerned, which is very serious and disregards of instructions and Commercial Procedure.	Internal Audit recommend to maintain the above registers and produce to audit, along with all other relevant documents i.e. paid D.Ns Bank Scrolls, Bank Statement, CP-48 & 49 during stay period of Audit Party in this Division, besides stating the reasons of non-maintenance of auditable documents & responsibility be fixed and action taken.	Medium Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	RO N. SHAH	07-2022 TO 06-2023	2,389,956,160
		TOTAL	**2,389,956,160**

RESPONSIBILITY	DAO/RO

03 GENERAL AND ADMINISTRATIVE EXPENSES

NON-CANCELLATION OF UN CLEARED CHEQUES

<table>
<tr><th>IRREGULARITY DETAIL</th><th>AUDIT OBSERVATION</th><th>RECOMMENDATIONS</th><th>RATING</th></tr>
<tr>
<td>
<table>
<tr><th>S.#</th><th>NAME OF DIVISION</th><th>AUDIT PERIOD</th><th>AMOUNT</th></tr>
<tr><td>1</td><td>R.O M.P.K</td><td>07-2022 to 06-2023</td><td>27,270</td></tr>
<tr><td>2</td><td>R.O BADIN</td><td>07-2022 to 06-2023</td><td>75,000</td></tr>
<tr><td colspan="3">TOTAL</td><td>102,270</td></tr>
</table>
</td>
<td>As per instruction regarding cheques vide sub para 5.7 of para-5 of Accounting Manual “A cheque remaining unpaid for any cause for six months after the month of its issued should be cancelled and its amount written back in a similar manner is being issued in live of a cheque which have remained un paid for six months.</td>
<td>The instructions contained in the Accounting Manual regarding cancellation of uncleared cheques may be implemented.</td>
<td>Medium Risk</td>
</tr>
<tr><td>RESPONSIBILITY</td><td colspan="3">DAO/RO</td></tr>
</table>

03 GENERAL AND ADMINISTRATIVE EXPENSES

IRREGULAR/ UN JUSTIFIED PAYMENT OF OFF DAY WAGES / OVERTIME ALLOWANCE TO STAFF BY REVENUE OFFICE

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	During the checking of paid vouchers with reference to cash book of the period under audit, and monthly account, it was revealed that off day wages / overtime allowance was paid to the employees which was irregular/unjustified on the following facts and grounds. That any official is require to retain for performing specified work beyond office works, an office order be issued by the controlling officer, progress regarding recoveries, losses and office work may be intimated but it was not done. That off day/overtime are actually allowed to technical staff; other employees claim conveyance charges for late sitting after office hours or on holiday. Compensatory holiday be allowed to those workers who will perform duty on Saturday or Sunday instead of off day wages. Off day wages in respect of duties performed by worker during Festival holiday like (Eid, Ashura) is payable and minimum staff should be deployed	Compliance of policies regarding payment of Off-day wages and overtime allowance may be ensured.	Medium Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	RO N.SHAH	07-2022 to 06-2023	8,393
2	R.O M.P.K	07-2022 to 06-2023	250,578
3	R.O DIGRI	07-2022 to 06-2023	260,042
		TOTAL	**519,013**

RESPONSIBILITY	DAO/RO

04 PLANNING, BUDGETING AND FORECASTING

EXPENDITURE INCURRED IN EXCESS OF THE BUDGET GRANT

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	During the course of audit and scrutiny of sanctioned budget file, it was observed that expenditures on the various head of accounts had been incurred in excess of the budget grant Unauthorized at the end which was a serious irregularity. It was also noticed that further allocation against those heads was not made on account of re-appropriation.	According to the Accounting Manual "No transaction exceeding the value of available funds can be passed for payment. (Para 3.3.12.3). The expenditures in excess of the budget grants are not to be incurred and unless the re-appropriation of funds got approved from the competent authority well in advance before the close of financial year i.e. no later than 15th May. Excesses i.e. expenditures for which no provision has been made of the original budget in the current year should not be incurred. Re-allocation is not to or from the establishment (salaries & allowances) budget. (Para 3.3.12.7). Internal Audit recommends to carry out the investigation and fix the related responsibility.	High Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	RO N.SHAH	07-2022 to 06-2023	688,607
2	R.O M.P.K	07-2022 to 06-2023	5,427,000
3	RO N.SHAH	07-2022 to 06-2023	11,868,777
4	R.O BADIN	07-2022 to 06-2023	74,000
5	XEN UMERKOT	07-2022 to 06-2023	142,894,000
		TOTAL	**160,952,384**

RESPONSIBILITY	DAO/RO/ CFO Office

04 PLANNING, BUDGETING AND FORECASTING

NON-SURRENDERING THE SAVING BUDGET TO CFO OFFICE

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
	During the course of audit and scrutiny of sanctioned budget file, it has been observed that actual expenditures against various heads of accounts were quite less or zero than the sanctioned budget. Further observed that the savings in funds were not intimated / surrendered to CFO Office with the result that the budget was remained un-utilized and ultimately lapsed.	All anticipated savings must be surrendered immediately as they are foreseen, well in time i.e. 15th May of the year and should be held in reserve for possible future excesses.	Medium Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O M.P.K	07-2022 to 06-2023	1,219,000
2	R.O BADIN	07-2022 to 06-2023	1,362,000
3	XEN UMERKOT	07-2022 to 06-2023	38,212,000
		TOTAL	**40,793,000**

RESPONSIBILITY	DAO/RO/XEN

04 PLANNING, BUDGETING AND FORECASTING

EXPENDITURE INCURRED WITHOUT ALLOCATION OF BUDGET GRANT

IRREGULARITY DETAIL	AUDIT OBSERVATION	RECOMMENDATIONS	RATING
See table below	While checking General Ledger, Trial balance, Monthly account and sanctioned budget, it was noticed that under various heads of account an expenditure have been incurred without allocation of budget grant.	The reasons of incurring the expenditures without allocation of budget & without re-appropriation of funds may please be explained and expenditure incurred without allocation of budget be got regularized from Competent authority, under intimation to internal audit.	High Risk

S.#	NAME OF DIVISION	AUDIT PERIOD	AMOUNT
1	R.O M.P.K	07-2022 to 06-2023	7,851,574
2	R.O BADIN	07-2022 to 06-2023	12,500
		TOTAL	**7,864,074**

RESPONSIBILITY	DAO/RO

PREPARED BY	CHECKED BY	SEEN BY
ASSISTANT IR SECTION	INCHARGE IR SECTION	MANAGER INTERNAL AUDIT HESCO HYDERABAD