

AGRICULTURAL ENGINEERING & WATER MANAGEMENT

DRAFT PARAS BASED ON AUDIT INSPECTION REPORT FOR THE YEAR 2003-04 OF AGRICULTURE DEPARTMENT (DIRECTOR GENERAL AUDIT SINDH)

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AUDIT OBSERVATION

Para – 3.2.3. RECOVERY OF EXCESS PAYMENT OF RS. 0.134 MILLION.

According to Para – 28 General Finance Rules Volume – I, “no amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought”.

In the following office of the Agriculture Department, Government of Sindh, for the year 2003-04, it was observed that an amount of Rs. 0.134 million was paid to various officers/officials on account of conveyance allowance, special pay etc, whereas the recovery has not been made from the incumbents (Annexure –DP) *

When pointed out in August 2004, the above Department have replied that the recovery of excess amount will be made form the officials.

Conclusion.

The said recovery may be made under intimation to audit.

S. No.	Name of Office	Particulars	O.M. No.	Amount in million
1	Director General, Agricultural Engineering & Water Management Sindh Hyderabad.	Conveyance allowance also using GOVT: vehicles & Special Pay.	03 & 01	0.015
2	Director, On Farm Water Management Sindh Hyderabad.	House Purchase Advance and Car Maintenance Allowance and Special Pay.	15 & 13	0.119
			Total:-	0.134

AUDIT OBSERVATION

Para-3.2.10. IRREGULAR PAYMENT OF LIABILITY FROM CURRENT BUDGET RS. 3.780 MILLION.

According to Rule – 289 of Federal Treasury Rule, Volume – I, Charges must be paid and drawn at once and under no circumstances may they be allowed to stand over to be paid from the budget grant of the next year and under Clause (g) of the policy decision of the govt. of Sindh, bearing No. FD/B-I/22(3)/99-2000, dated 17-01-2000, for the previous year liability from the current budget shall be made without the prior approval of the Finance Department Government of Sindh.

In the following offices of government of Sindh, Agriculture Department, an amount of Rs. 3.780 million was cleared on account of previous year liability from current budget grant without obtaining sanction from Finance Department Government of Sindh (Annexure-DX). *

The irregularity was pointed out to the Department in the month of August 2004. In reply Director, On Farm Water Management Hyderabad have replied that Finance Department provided addition funds to clear the liability but documentary evidence have not been provided by Department. The other office has not yet replied.

Conclusion.

The matter may be justified and approval of Finance Department may be provided.

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S. No.	Name of Office	Particulars	O.M. No.	Amount in million
1	Director, Agriculture Engineering Hyderabad.	Various Vouchers	02	3.546
2	Director, On Farm Water Management Sindh Hyderabad.	Rent of Bunglow	04	0.234
			Total:-	3.780

AUDIT OBSERVATION.

Para-3.2.16. IRREGULAR OF RS. 137,313/= ON ACCOUNT OF ELECTRICITY CHARGES.

During scrutiny of the accounts of office of the Director, On Farm Water Management Sindh, Hyderabad Agriculture Department, Government of Sindh, for the year 2003 – 2004, it was noticed that payment of Rs. 137,313 pertaining to Sindh Seed Corporation Government of Sindh on account of Electricity Charges was made without the sanction / permission of the competent authority which needs to be justified to audit (Annexure – E4).

The matter was pointed out to the Department vide O.M. No. 03 in the month of August 2004, in reply the Department has stated that to avoid disconnection the payment of electricity was made.

Conclusion.

Separate meter for electricity may be installed and the payment should have been made on actual consumption and the electricity consumed by Sindh Seed Corporation may be recorded from them.

AUDIT OBSERVATION.

Para-3.2.17. UNAUTHORIZED PAYMENT OF RS. 71,000 ON ACCOUNT OF SHIFTING CHARGES.

According to Para – 10(I) & 11 of General Finance Rules, Volume –I, every officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money. He is responsible for observance and enforcing order and strict economy at every step.

During scrutiny of the accounts record of office of the Director, On Farm Water Management Sindh Hyderabad Agriculture Department, Government of Sindh, for the year 2003-04, it was noticed that an amount of Rs. 71,000 was paid to M/s Rameez Brothers on account of shifting charges (Annexure-E5).

The above amount was paid on account of shifting charges but summarized detail vouchers and supporting documents and purpose of shifting were not found in the local office.

When pointed out vide O.M. No. 02 in the month of August 2004, the Department has replied that old vehicle was shifted from District Office, Sukkur to Nareja Workshop Hyderabad as per verbal instructions of D.D(AE&WM). The reply is not satisfactory as no record /acknowledgement receipt or detail vouchers area available.

Conclusion.

Unauthorized payment may be justified to audit.

AUDIT OBSERVATION.

Para-3.2.18. IRREGULAR EXPENDITURE WITHOUT INVITING QUOTATIONS OF RS. 0.097 MILLION.

According to Rule – 178 of SFR Volume – I, tender / quotations are required to be obtained through Press to achieve the most economical rate from the local market further under Para 145 of General Finance Rules Volume – I, the purchase must be made in the most economical manner in accordance with the definite requirement of the public service stores should not be purchased in small quantities and periodical indent should be prepared and as many articles as possible should be obtained by means of such indents.

In the following offices of the Agriculture Department for the year 2003 – 2004, an amount of Rs. 0.097 million was incurred without obtaining quotations (Annexure – E6). *

When pointed out in the month of August 2004, the Departments have replied that quotations and stamps acknowledgement have now been obtained. Whereas stock entries are available with Assistant Agriculture Engineer.

Conclusion.

The original record may be produced along with the stock entries for verification to audit.

S. No.	Name of Office	Particulars	O.M. No.	Amount in million
1	Director, On Farm Water Management Sindh Hyderabad.	Purchase of Books	05	0.080
2	Director General, Agricultural Engineering &	Repair of Computer & Furniture	02	0.017

	Water Management Sindh Hyderabad.			
			Total:-	0.097

AUDIT OBSERVATION.

Para-3.2.21. IRREGULAR EXPENDITURE OF RS. 3.951 MILLION ON ACCOUNT OF REPAIR OF VEHICLE.

According to Rule – 6(I) of Sindh Finance Department (central) Rule 1980 and rule 146 of General Financial Rules Volume I, purchases should not be splitting up instead of inviting open tender.

In the following offices of the Agriculture Department for the year 2003 – 2004, it was noticed that amount of Rs. 3.951 million was incurred on account of repair of vehicle (Annexure – E9). *

The payment was found to be irregular of the following grounds.

- 1) The expenditure was splitted to avoid the sanction of the competent authority.
- 2) The NOC from Government workshop was not obtained by the Department.
- 3) The new as well as old replaced parts were neither recorded nor accounted in relevant stock register.

The irregularity was pointed out to the Department in the month of August 2004. The Department as serial No. 2 and 3 have replied that quotations, acknowledgement receipts have been obtained and the repair were minor so NOC was not necessary. The documentary evidence of quotations and acknowledgement receipt has not been provided for verification.

Conclusion.

The splitting up of purchases and non obtaining of quotations may be justified.

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S. No.	Name of Office	O.M. No.	Amount in million
1	Director, Agriculture Engineering Hyderabad.	01 & 07	3.951
2	Director, On Farm Water Management Hyderabad.	09	0.124
3	Director General, Agricultural Engineering & Water Management Sindh Hyderabad.	08	0.307
		Total:-	3.951

AUDIT OBSERVATION.

Para-3.2.22. IRREGULAR / UNAUTHORIZED EXPENDITURE ON PURCHASE OF P.O.L RS. 0.453 MILLION.

According to Para – 20 of Notification No. XV(CT)III/69 dated 9-10-1969 of Government of West Pakistan and Government of Sindh Services and General Administration Department circular No. CTC (S & GAD)-I(2)/90 dated 9-12-1991, the following record / books are to be maintained for each motor vehicle.

The Log Book of the vehicle in Form – A.
 History Sheet of the vehicle in Form – B.
 The Petrol consumption account in Form – C.
 Stamped acknowledgement receipts is also required under Rule – 25 of Sindh Financial Rules Volume – I.

In the following offices of the Agriculture Department, an amount of Rs. 0.453 million was incurred on P.O.L, but above record as per coddle requirement was not maintained during the financial year 2003 –2004 (Annexure – E10). *

The irregularity was pointed out to the Department in the month of August and September 2004, in reply the Director, On Farm Water Management have stated that log book have been maintained but no documentary evidence have been furnished.

Conclusion.

The Log Book and other relevant record should be maintained and produced to audit.

*

S. No.	Name of Office	O.M. No.	Amount in million
1	Director, Sindh Institute (Training & Research) On Farm Water Management Sindh, Sakrand.	06	0.061
2	Director On Farm Water Management Sindh, Hyderabad.	11	0.392
		Total:-	0.453

AUDIT OBSERVATION.

Para-3.2.23. IRREGULAR / UNAUTHORIZED EXPENDITURE OF RS. 0.016 MILLION ON ACCOUNT OF PURCHASE OF LIVERIES & UNIFORM.

According to Para – 148 of General Finance Rules, Volume –I, “all materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken and they should be taken in charge by a responsible Government Officer who should see that the quantities are correct and their quality is good and record a certificate to that effect.

The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”

In the office of Director, On Farm Water Management Hyderabad Agriculture Department, Government of Sindh for the year 2003 – 2004, it was observed that an amount of Rs. 0.016 million incurred on purchase of Liveries and uniform but following irregularities were pointed out by audit (Annexure – E 11).

NOC from jail Department was not obtained.

Quotations were not obtained.

Theses uniform were not accounted for in the stock register.

List of persons to whom it was issued was not available.

Acknowledgement receipt was not obtained.

The matter was pointed out vide O.M. No. 07 in the month of August 2004, but no reply was received.

Conclusion.

The matter may be justified to audit.

AUDIT OBSERVATION.

Para-3.2.25. IRREGULAR PAYMENT OF RS. 0.342 MILLION WITHOUT OBTAINING STAMPED ACKNOWLEDGEMENT.

According to Rule – 25 of General Finance Rule – Volume- I, stamped acknowledgement receipt were to be obtained from the payees.

In the following offices of the Agriculture Department, Government of Sindh for the year 2003 –2004, it was observed that an amount of Rs. 0.342 million was incurred but the acknowledgement receipt of payees was not found (Annexure – E 13). *

When pointed out in August 2004, in reply the above offices have stated that acknowledgement receipt have been obtained.

Conclusion.

The record may be provided for verification.

S. No.	Name of Office	Particulars	O.M. No.	Amount in million
1	Director, On Farm Water Management Sindh Hyderabad.	Repair of Furniture & Machinery	08	0.039
2	Director General, Agricultural Engineering & Water Management Sindh Hyderabad.	Repair of Vehicle & P.O.L	07	0.303
			Total:-	0.342

AUDIT OBSERVATION.

Para-3.2.26. NON SURRENDERING OF SAVING WELL IN TIME OF RS. 6.478 MILLION.

As per Rule 128 of Sindh Budget Manual and Para – 95 of G.F.R Volume – I, the Drawing and Disbursing Officer is personally responsible for surrendering the saving to the Government before the close of the financial year.

In the following offices of the Agriculture Department, savings worth Rs. 6.478 Million was not surrendered well in time to the Government so that it could be utilized somewhere else where needed (Annexure – E1). *

The irregularity was pointed out to the Department in the month of August and September 2004, but no reply was received.

Conclusion.

Non surrendering of savings well in time to the Government may be justified to audit.

S. No.	Name of Office	O.M. No.	Amount in million
1	Director, Sindh Institute (Training & Research) On Farm Water Management Sindh, Sakrand.	03	3.000

2	Director On Farm Water Management Sindh, Hyderabad.	12	3.478
		Total:-	06.478

AUDIT OBSERVATION.

Para-3.2.31. IMPROPER MAINTENANCE OF SERVICE BOOKS

As per para – 116, 117 121 of General Finance Rules, Volume – I, Sr-199 to 203 of Fundamental and supplementary Rule Volume – I a service book must be opened for every Government servant on his first entry into Government Service, so as to maintain a complete and authentic record of his service career.

In the following offices of the Agriculture Department, Government of Sindh for the year 2003 – 2004, it was observed that the service books were not properly maintained and following irregularities were notice.

Service books have not been completed and up dated.

Leave accounts have not been completed.

Service books have not been verified from Accountant General Sindh. *

Conclusion.

Improper maintenance of service books may be justified and service books may be maintained under intimation to audit.

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S. No.	Name of Office	O. M. No.
1	Director General, Agricultural Engineering & Water Management Sindh Hyderabad	05
2	Director, On Farm Water Management Sindh, Hyderabad.	10
3	Director, Agriculture Engineering Hyderabad.	14
4	Agriculture Engineering Agriculture Workshop Larkana.	22

AUDIT OBSERVATION.

Para-3.2.32. NON MAINTENANCE OF RECORD.

According to Rule 14 (2) the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001), the officer Incharge of any office or Department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with all reasonable expenditure.

In the office of the Director On Farm Water Management Hyderabad, for the year 2003 – 2004, it was observed that the following accounts record were not maintained.

- 1) G.P. Fund Register.
- 2) Dead Stock Register.
- 3) House Purchase Advance Register.
- 4) Contingent Register.
- 5) Expenditure have also not been reconciled.

The irregularity was pointed out the management in August 2004 vide O.M. 14, but no reply was furnished.

Conclusion.

The above record may be maintained under intimation to audit.

AUDIT OBSERVATION.

Para-3.2.33. NON SUBMISSION OF ADJUSTMENT VOUCHERS OF RS. 29,295/=

During scrutiny of account of the office of the Director, On Farm Water Management Sindh, Hyderabad for the year 2003 – 2004, it was noticed that an amount of Rs. 29,295/= was paid to various officials / officers for the office expenditure but adjustment vouchers / utilization accounts were not obtained (Annexure – E 18).

When pointed out O.M. No. 06 in August 2004, the Department has replied that relevant vouchers have been submitted by the concerned officers.

Conclusion.

Copies of relevant vouchers may be provided to audit.

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According to Rule – 289 of Federal Treasury Rule, Volume – I, Charges must be paid and drawn at once and under no circumstances may they be allowed to stand over to be paid from the budget grant of the next year and under Clause (g) of the policy decision of the govt. of Sindh, bearing No. FD/B-I/22(3)/99-2000, dated 17-01-2000, for the previous year liability form the current budget shall be made without the prior approval of the Finance Department Government of Sindh.

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Conclusion.

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3.2.3	<p><u>RECOVERY OF EXCESS PAYMENT OF RS. 0.134 MILLION.</u></p> <p>According to Para – 28 General Finance Rules Volume – I, “no amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought”.</p> <p>In the following office of the Agriculture Department, Government of Sindh, for the year 2003-04, it was observed that an amount of Rs. 0.134 million was paid to various officers/officials on account of conveyance allowance, special pay etc, whereas the recovery has not been made from the incumbents (Annexure –DP)</p> <p>When pointed out in August 2004, the above Department have replied that the recovery of excess amount will be made form the officials.</p> <p style="text-align: center;"><u>Conclusion.</u></p> <p>The said recovery may be made under intimation to audit.</p>

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Para No.	Audit Observation
1	2
3.2.18	<p><u>IRREGULAR EXPENDITURE WITHOUT INVITING QUOTATIONS OF RS. 0.097 MILLION.</u></p> <p>According to Rule – 178 of SFR Volume – I, tender / quotations are required to be obtained through Press to achieve the most economical rate from the local market further under Para 145 of General Finance Rules Volume – I, the purchase must be made with most economical manner in accordance with the definite requirement of the public service stores should not be purchased in small quantities and periodical indent should be prepared and as many articles as possible should be obtained by means of such indents.</p> <p>In the following offices of the Agriculture Department for the year 2003 – 2004, an amount of Rs. 0.097 million was incurred without obtaining quotations (Annexure – E6). *</p> <p>When pointed out in the month of August 2004, the Departments have replied that quotations and stamps acknowledgement have now been obtained. Whereas stock entries are available with Assistant Agriculture Engineer.</p> <p><u>Conclusion.</u></p> <p>The original record may be produced along with the stock entries for verification to audit.</p>

Para No.	Audit Observation
1	2
3.2.21	<p><u>IRREGULAR EXPENDITURE OF RS. 3.951 MILLION ON ACCOUNT OF REPAIR OF VEHICLE.</u></p> <p>According to Rule – 6(I) of Sindh Finance Department (central) Rule 1980 and rule 146 of General Financial Rules Volume I, purchases should not be splitting up instead of inviting open tender.</p> <p>In the following offices of the Agriculture Department for the year 2003 – 2004, it was noticed that amount of Rs. 3.951 million was incurred on account of repair of vehicle (Annexure – E9). *</p> <p>The payment was found to be irregular of the following grounds.</p> <ol style="list-style-type: none"> 7) The expenditure was splitted to avoid the sanction of the competent authority. 8) The NOC from Government workshop was not obtained by the Department. 9) The new as well as old replaced parts were neither recorded nor accounted in relevant stock register. <p>The irregularity was appointed out to the Department in the month of August 2004. The Department as serial No. 2 and 3 have replied that quotations, acknowledgement receipts have been obtained and the repair were minor so NOC was not necessary. The documentary evidence of quotations and acknowledgement receipt has not been provided for verification.</p> <p><u>Conclusion.</u></p> <p>The splitting up of purchases and non obtaining of quotations may be justified.</p>

Para No.	Audit Observation
1	2
3.2.22	<p><u>IRREGULAR/ UNAUTHORIZED EXPENDITURE ON PURCHASE OF P.O.L RS. 0.453 MILLION.</u></p> <p>According to Para – 20 of Notification No. XV(CT)III/69 dated 9-10-1969 of Government of West Pakistan and Government of Sindh Services and General Administration Department circular No. CTC (S & GAD)-I(2)/90 dated 9-12-1991, the following record / books are to be maintained for each motor vehicle.</p> <p>The Log Book of the vehicle in Form – A. History Sheet of the vehicle in Form – B. The Petrol consumption account in Form – C. Stamped acknowledgement receipts is also required under Rule – 25 of Sindh Financial Rules Volume – I.</p> <p>In the following offices of the Agriculture Department, an amount of Rs. 0.453 million was incurred on P.O.L, but above record as per coddle requirement was not maintained during the financial year 2003 –2004 (Annexure – E10). *</p> <p>The irregularity was pointed out to the Department in the month of August and September 20047, in reply the Director, On Farm Water Management have stated that log book have been maintained but no documentary evidence have been furnished.</p> <p><u>Conclusion.</u> The Log Book and other relevant record should be maintained and produced to audit.</p>

Para No.	Audit Observation
1	2

3.2.23	<p><u>IRREGULAR/ UNAUTHORIZED EXPENDITURE OF RS. 0.016 MILLION ON ACCOUNT OF PURCHASE OF LIVERIES & UNIFORM.</u></p> <p>According to Para – 148 of General Finance Rules, Volume –I, “all materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken and they should be taken in charge by a responsible Government Officer who should see that the quantities are correct and their quality is good and record a certificate to that effect.</p> <p>The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”</p> <p>In the office of Director, On Farm Water Management Hyderabad Agriculture Department, Government of Sindh for the year 2003 – 2004, it was observed that an amount of Rs. 0.016 million incurred on purchase of Liveries and uniform but following irregularities were pointed out by audit (Annexure – E 11).</p> <p>NOC from jail Department was not obtained.</p> <p>Quotations were not obtained.</p> <p>Theses uniform were not accounted for in the stock register.</p> <p>List of persons to whom it was issued was not available.</p> <p>Acknowledgement receipt was not obtained.</p> <p>The matter was pointed out vide O.M. No. 07 in the month of August 2004, but no reply was received.</p> <p><u>Conclusion.</u></p> <p>The matter may be justified to audit.</p>
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Para No.	Audit Observation
1	2
3.2.25	<p><u>IRREGULAR PAYMENT OF RS. 0.342 MILLION WITHOUT OBTAINING STAMPED ACKNOWLEDGEMENT.</u></p> <p>According to Rule – 25 of General Finance Rule – Volume- I, stamped acknowledgement receipt were to be obtained from the payees.</p> <p>In the following offices of the Agriculture Department, Government of Sindh for the year 2003 –2004, it was observed that an amount of Rs. 0.342 million was incurred but the acknowledgement receipt of payees was not found (Annexure – E 13).</p> <p>When pointed out in August 2004, in reply the above offices have stated that acknowledgement receipt have been obtained.</p> <p><u>Conclusion.</u></p> <p>The record may be provided for verification.</p>

Para No.	Audit Observation
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1	2
3.2.26	<p><u>NON SURRENDERING OF SAVING WELL IN TIME OF RS. 6.478 MILLION.</u></p> <p>As per Rule 128 of Sindh Budget Manual and Para – 95 of G.F.R Volume – I, the Drawing and Disbursing Officer is personally responsible for surrendering the saving to the Government before the close of the financial year.</p> <p>In the following offices of the Agriculture Department, savings worth Rs. 6.478 Million was not surrendered well in time to the Government so that it could be utilized somewhere else where needed (Annexure – E1). *</p> <p>The irregularity was pointed out to the Department in the month of August and September 2004, but no reply was received.</p> <p style="text-align: center;"><u>Conclusion.</u></p> <p>Non surrendering of savings well in time to the Government may be justified to audit.</p>

Para No.	Audit Observation
1	2
3.2.31	<p><u>IMPROPER MAINTENANCE OF SERVICE BOOKS</u></p> <p>As per para – 116, 117 121 of General Finance Rules, Volume – I, Sr-199 to 203 of Fundamental and supplementary Rule Volume – I a service book must be opened for every Government servant on his first entry into Government Service, so as to maintain a complete and authentic record of his service career.</p> <p>In the following offices of the Agriculture Department, Government of Sindh for the year 2003 – 2004, it was observed that the service books were not properly maintained and following irregularities were notice.</p> <p>Service books have not been completed and up dated.</p> <p>Leave accounts have not been completed.</p> <p>Service books have not been verified from Accountant General Sindh.</p> <p><u>Conclusion.</u></p> <p>Improper maintenance of service books may be justified and service books may be maintained under intimation to audit.</p>

Para No.	Audit Observation
1	2

3.2.32	<p><u>NON MAINTENANCE OF RECORD.</u></p> <p>According to Rule 14 (2) the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001), the officer Incharge of any office or Department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with all reasonable expenditure.</p> <p>In the office of the Director On Farm Water Management Hyderabad, for the year 2003 – 2004, it was observed that the following accounts record were not maintained.</p> <ul style="list-style-type: none"> 6) G.P. Fund Register. 7) Dead Stock Register. 8) House Purchase Advance Register. 9) Contingent Register. 10) Expenditure have also not been reconciled. <p>The irregularity was pointed out the management in August 2004 vide O.M. 14, but no reply was furnished.</p> <p><u>Conclusion.</u></p> <p>The above record may be maintained under intimation to audit.</p>
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Para No.	Audit Observation
1	2
3.2.33	<p><u>NON SUBMISSION OF ADJUSTMENT VOUCHERS OF RS. 29,295/=</u></p> <p>During scrutiny of account of the office of the Director, On Farm Water Management Sindh, Hyderabad for the year 2003 – 2004, it was noticed that an amount of Rs. 29,295/= was paid to various officials / officers for the office expenditure but adjustment vouchers / utilization accounts were not obtained (Annexure – E 18).</p> <p>When pointed out O.M. No. 06 in August 2004, the Department has replied that relevant vouchers have been submitted by the concerned officers.</p> <p><u>Conclusion.</u></p> <p>Copies of relevant vouchers may be provided to audit.</p>