



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
DISTRICT GOVERNMENT  
JHANG  
AUDIT YEAR 2017-18**

**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

AASHTO	American Association of State Highway and Transportation Officials
ADC	Additional Deputy Commissioner
B&R	Buildings & Roads
CCB	Citizen Community Board
Cft	Cubic Feet
CSR	Composite Schedule Rate
C&W	Communication & Works
DA	Daily Allowance
DAC	Departmental Accounts Committee
DAO	District Accounts Office/Officer
DCO	District Coordination Officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DDSC	District Development Steering Committee
DGA	Directorate General Audit
EDO	Executive District Officer
FD	Finance Department
F&P	Finance & Planning
GST	General Sales Tax
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
JB	Jhang Branch
JMF	Job Mix Formula
LD	Liquidated Damages
LG&CD	Local Government and Community Development
LRMIS	Land Record Management Information System
MB	Measurement Book
MFDAC	Memorandum for Departmental Accounts Committee
M&R	Maintenance & Repair
NAM	New Accounting Model
NSL	Natural Surface Level
OFWM	On Farm Water Management

PAO	Principal Accounting Officer
PARCO	Pak Arab Refinery Company
PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PLGA	Punjab Local Government Act
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
PSI	Per Square Inch
PSTS	Punjab Sales Tax on Services
RDA	Regional Directorate of Audit
Rft	Running Feet
RR&MTI	Road Research & Material Testing Institute
Sft	Square Feet
S&GAD	Services and General Administration Department
TA	Travelling Allowance
TMA	Tehsil Municipal Administration
UA	Union Administration
UPS	Uninterrupted Power Supply

## **Preface**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 & 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditure of the Local Fund and Public Account of District Governments.

The report is based on audit of the accounts of various offices of the District Government, Jhang for the Financial Year 2016-17 (July, 2016 to December, 2016). The Directorate General of Audit, District Governments, Punjab (South), Multan conducted audit during Audit Year 2017-18 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in the Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The observations included in this Report have been finalized in the light of written responses of the management concerned and DAC directives.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 for causing it to be laid before the Provincial Assembly.

Islamabad  
Dated: **22.02.2018**

**-Sd-**  
**(Javaid Jehangir)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit, District Governments, Punjab (South), Multan, is mandated for carrying out audit of the City District Governments and District Governments in Punjab (South). The Regional Directorate of Audit (RDA), District Governments, Faisalabad, a Field Audit Office of the DGA, District Governments, Punjab (South), Multan carries out audit of District Governments Faisalabad, Jhang, Toba Tek Singh and Chiniot.

The Regional Directorate has a human resource of 17 officers and staff, constituting 4,784 mandays and the budget amounting to Rs 20.158 million was allocated in Audit Year 2017-18. The office is mandated to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly, RDA Faisalabad carried out audit of the accounts of various formations of District Government, Jhang for the financial year 2016-17 and the findings are included in the Audit Report.

The District Government, Jhang conducts its operations under Punjab Local Government Ordinance, 2001. The District Coordination Officer (DCO) is the Principal Accounting Officer (PAO) of the District Government and carries out functions of the District Government through group of offices as notified in Punjab Local Government Ordinance. According to the Ordinance, the District Government Fund comprises District Local Fund and Public Account. Due to delay of electoral process, Zila Nazim / Zila Council was not elected. Therefore, the Annual Budget Statement was authorized by the DCO, who has been notified as Administrator by the Government of the Punjab in February, 2010.

District Jhang is administratively divided into four tehsils namely Jhang, Shorkot, Ahmad Pur Sial and Athara Hazari.

## **Audit Objectives**

Audit was conducted with the objective to ensure that:

1. Money shown as expenditure in the accounts was authorized for the purpose for which it was spent.
2. Expenditure was incurred in conformity with the laws, rules and regulations framed to regulate the procedure for expending of public money.
3. Every item of expenditure was incurred with the approval of the competent authority in the Government.
4. Public money was not wasted.
5. The assessment, collection and account of revenue was made in accordance with prescribed laws, rules and regulations and accounted for in the books of accounts of the District Government.

### **a) Scope of Audit**

Out of total expenditure of the District Government, Jhang for the financial year 2016-17, auditable expenditure under the jurisdiction of Regional Director Audit, District Governments, Faisalabad, was Rs 572.932 million covering one PAO and 48 formations. Out of this, RDA Faisalabad audited an expenditure of Rs 164.930 million which, in terms of percentage, was 29% of total auditable expenditure. Regional Director Audit planned and executed audit of 05 formations, i.e. 100% achievement against planned audit activities.

Total receipts of the District Government, Jhang for the financial year 2016-17 were Rs 25.277 million. RDA, Faisalabad audited receipts of Rs 14.913 million which, in terms of percentage, were 59% of total receipts.

### **b) Recoveries at the Instance of Audit**

Recoveries of Rs 28.715 million were pointed out by Audit which were not in the notice of the management before audit. An amount of Rs 0.076 million was recovered and verified during year 2016-17, till the time of compilation of the Report.

However, recovery of Rs 23.162 million pertains to Paras (over one million) drafted in this Report. No further recovery has been made by the management till the time of compilation of this Report.

**c) Audit Methodology**

Audit was carried out against the standards of financial governance provided under various provisions of the Punjab Local Government Ordinance, 2001 (as amended), Punjab Financial Rules (PFR) Volume-I, II, Delegation of Financial Powers and other relevant laws, which govern the propriety of utilization of the financial resources of the District Government in accordance with the regularity framework provided by the relevant laws. On the spot examination and verification of record was also carried out in accordance with the applicable laws/rules and according to the INTOSAI auditing standards.

The selection of the audit formations was made keeping in view the significance and risk assessment, samples were selected after prioritizing risk areas by determining significance and risk associated with identified key controls.

**d) Audit Impact**

A number of improvements in record maintenance and procedures have been initiated by the departments concerned. However, audit impact in shape of change in rules could not be materialized as the provincial Public Accounts Committee has not discussed any Audit Report.

**e) Comments on Internal Control and Internal Audit Department**

Internal control mechanism of District Government, Jhang was not found satisfactory during audit. Many instances of irregularities and weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like overpayment to contractors and suppliers, unauthorized withdrawal of funds, violation of procurement rules and non-production of vouched account. Negligence on the part of District Government authorities may be captioned as one of important reasons for weak Internal Controls.



According to Section 115-A(1) of PLGO, 2001, Nazim of each District Government and Tehsil/Town Municipal Administration shall appoint an Internal Auditor but the same was not appointed in District Government, Toba Tek Singh.

**f) The Key Audit Findings of the Report**

- i. Irregularities and non-compliance of Rs 249.223 million were reported in 16 cases.<sup>1</sup>
- ii. Performance issues involving an amount of Rs 24.543 million were reported in one case.<sup>2</sup>
- iii. Internal Control Weaknesses involving an amount of Rs 41.642 million were reported in five cases.<sup>3</sup>

Audit Paras involving procedural violations including internal control weaknesses and other irregularities not considered worth reporting to the provincial Public Accounts Committee were included in Memorandum for Departmental Accounts Committee (MFDAC) Annexure-A.

**g) Recommendations**

PAO/District Government is required to:

- i. Effect recoveries pointed out during audit.
- ii. Comply with the Punjab Procurement Rules and other relevant rules for economical and rational procurement of goods and services.

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<sup>1</sup>Para: 1.2.1.1 to 1.2.1.16

<sup>2</sup>Para: 1.2.2.1

<sup>3</sup>Para: 1.2.3.1 to 1.2.3.5

- iii. Strengthen the existing internal controls to avoid recurrence of similar nature irregularities time and again.
- iv. Implement internal as well as financial controls in letter and spirit to avoid unauthorized withdrawal/utilization of funds.

## SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics**

(Rupees in million)

Sr. No.	Description	No.	Expenditure	Receipts	Total
1	Total Entities (PAOs) in Audit Jurisdiction	1	572.932	25.277	598.209
2	Total Formations in Audit Jurisdiction	48	572.932	25.277	598.209
3	Total Entities (PAOs) Audited	1	164.930	14.913	179.843
4	Total Formations Audited	05	164.930	14.913	179.843
5	Audit & Inspection Reports	05	164.930	14.913	179.843

**Table 2: Audit Observations Classified by Category**

(Rupees in million)

Sr. No.	Description	Amount Placed Under Audit Observation
1	Asset Management	-
2	Financial Management	273.766
3	Internal Controls	41.642
4	Others	-
<b>Total</b>		<b>315.408</b>

**Table 3: Outcome Statistics**

(Rupees in million)

Sr. No.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Salary	Non-Salary	Civil Works	Receipts	Total current year	Total Last year
1	Total Financial Outlay	0.628	345.363	97.081	129.860	25.277	598.209	8,838.047
2	Outlays Audited	0.320	31.197	23.076	110.337	14.913	179.843*	5,326.113
3	Amount Placed under Audit Observations/ Irregularities Pointed Out	-	1.541	173.287	140.580	-	315.408	709.313
4	Recoveries Pointed Out at the instance of Audit	-	1.541	-	21.621	-	23.162	64.608
5	Recoveries Accepted / Established at the instance of Audit	-	1.541	-	-	-	1.541	46.664
6	Recoveries Realized at the instance of Audit	-	-	-	-	-	-	0.162

\*The amount mentioned against Sr. No.2 in column of "Total" is the sum of Expenditure and Receipts whereas the total expenditure was Rs 164.930 million.

**Table 4: Irregularities Pointed Out**

(Rupees in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of rules and regulations and violation of principles of propriety and probity in public operations.	272.225
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from IPSAS <sup>4</sup> , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinion on the financial statements.	-
4	Quantification of weaknesses of internal control systems	41.642
5	Recoveries and overpayments, representing cases of established overpayments or misappropriations of public monies.	1.541
6	Nonproduction of record.	-
7	Others, including cases of accidents, negligence etc.	-
	<b>Total</b>	<b>315.408</b>

**Table 5: Cost Benefit**

(Rupees in million)

Sr. No.	Description	Amount
1	Outlays Audited (Items 2 of Table 3)	179.843
2	Expenditure on Audit	0.178
3	Recoveries realized at the instance of Audit	0.001
	Cost-Benefit Ratio	2.37:1

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<sup>4</sup>The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

## **CHAPTER 1**

### **1.1 Introduction**

As per the Punjab Local Government Ordinance, 2001, the District Governments/Local Governments established under the Ordinance shall function within the Provincial framework and adhere to the Federal and Provincial Laws. In performance of the functions, Local Governments carry out the functions devolved by the Provincial Government to the District Government level.

The District Governments consist of Zila Nazim/Administrator and District Administration. The District Government shall be competent to acquire, hold or transfer any property, movable and immovable, to enter into contract and to sue or be sued in its name through District Coordination Officer. The authority of the District Government comprises the management and control of offices of the devolved departments which are decentralized or set up under the Ordinance. The District Government exercises such authority within the District in accordance with general policy of the Government. The District Government is responsible to the people and is mandated for improvement of governance and delivery of services within the ambit of authority decentralized under this Ordinance.

The DCO is the Principal Accounting Officer of the District Government and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the District Coordination Group of Offices is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Administration.

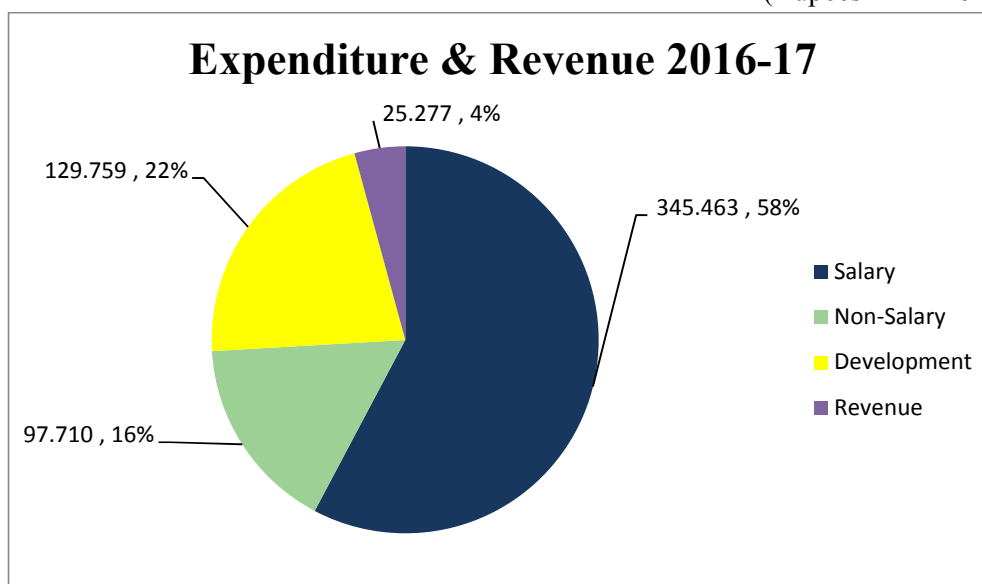
### 1.1.1 Comments on Budget and Accounts

The detail of budget & expenditure is given below in tabulated form.

(Rupees in million)

2016-17	Budget	Actual	Excess (+)/ Lapse (-)		% Excess / Lapse
Salary	724.177	345.463	(-)	378.714	52.30
Non-Salary	204.825	97.710	(-)	107.115	52.30
Development	292.542	129.759	(-)	162.783	55.64
<b>Total</b>	<b>1,221.544</b>	<b>572.932</b>	<b>(-)</b>	<b>648.612</b>	<b>53.10</b>
Receipts	79.800	25.277	(+)	54.523	68.32

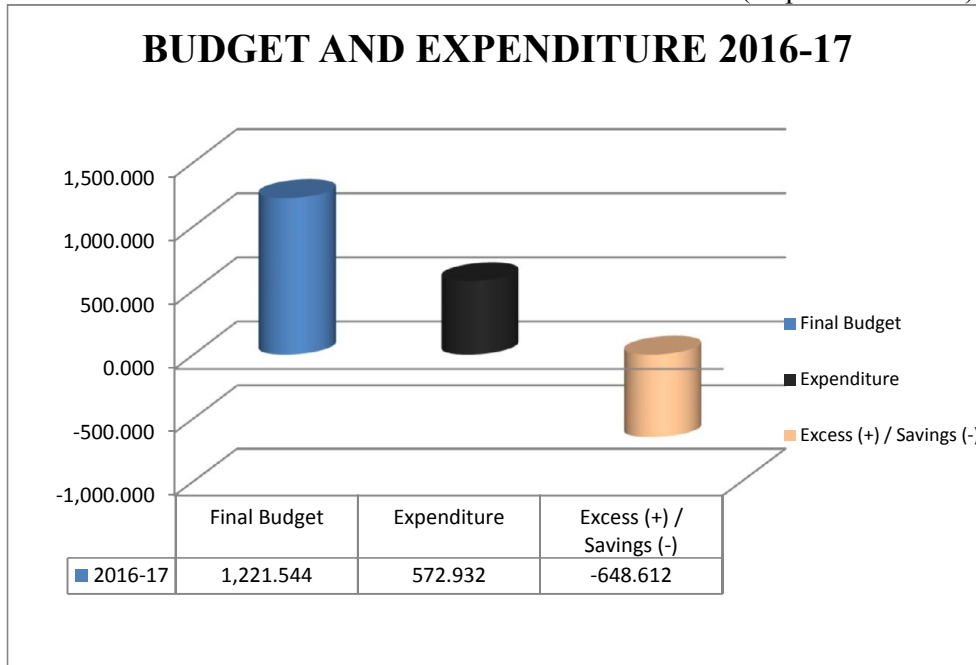
(Rupees in million)



As per the Appropriation Accounts 2016-17 of the District Government, Jhang, total original budget (Development & Non-Development) was Rs 1,220.152 million, Supplementary Grant of Rs 1.392 million was provided and the final

budget was Rs 1,221.544 million. Against the final budget, total expenditure of Rs 572.932 million was incurred by the District Government during 2016-17. A lapse of Rs 648.612 million came to the notice of Audit due to inefficient financial management in release of budget by EDO (Finance & Planning). The comparison of budget and expenditure for FY 2016-17 showing huge lapse is as under:

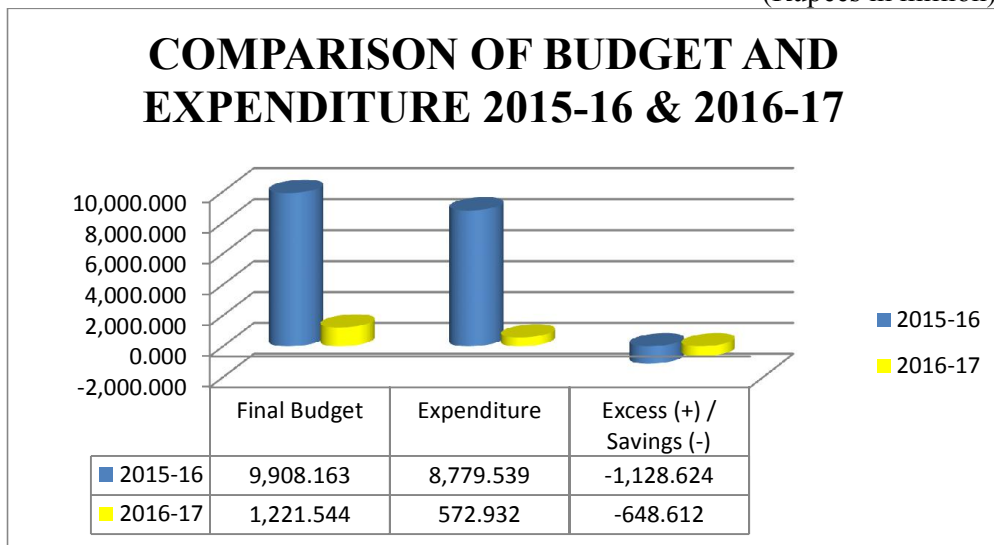
(Rupees in million)





The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Rupees in million)



### 1.1.2 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2016-17

Audit Paras reported in MFDAC of last year Audit Report, which have not been attended in accordance with the directives of DAC, have now been reported in Part-II of Annexure-A.

### 1.1.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to the following years were submitted to the Governor of the Punjab for causing it to be laid before the Provincial Assembly. PAC has not been constituted for Audit Reports of District Governments.

### Status of Previous Audit Reports

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2002-03	26	PAC not constituted
2	2003-04	24	PAC not constituted
3	2004-05	24	PAC not constituted
4	July, 2005 to March, 2008 Special Audit Report	192	PAC not constituted
5	2009-10	46	PAC not constituted
6	2010-11	50	PAC not constituted
7	2011-12	43	PAC not constituted
8	2012-13	15	PAC not constituted
9	2013-14	15	PAC not constituted
10	2014-15	17	PAC not constituted
11	2015-16	22	PAC not constituted
12	2016.17	61	PAC not constituted

\*Period covered in Special Audit for Financial Year 2005-08

## **1.2 AUDIT PARAS**

### **1.2.1 Irregularities and Non-Compliance**

#### **1.2.1.1 Unauthorized block allocation of development funds – Rs 148.744 million**

According to Rules 58(5) and 44(1) of the Punjab District Government and TMA (Budget) Rules, 2003, no lump sum provisions shall be made in the budget the details of which cannot be explained and expenditure can be incurred only on development projects for which administrative approval and technical sanction (for works) has been accorded and the development project has been included in the budget and approved by the Council.

Executive District Officer (F&P), Jhang made lump sum provision/block allocation of development funds amounting to Rs 148.744 million in Annual Budget Estimates of the Financial Year 2016-17. However, detail of schemes in support of the block allocation, administrative approval and approval of the Council thereof was not given in Annual Development Plan for the Financial Year 2016-17.

Audit is of the view that due to lack of due diligence, block allocation of development funds was made in the Annual Budget Estimates without provision of details of development schemes.

Block allocation of development funds amounting to Rs 148.744 million without ancillary details resulted in violation of rules and unauthentic expenditure therefrom.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that the Provincial Government indicated block allocation for Development Schemes in PFC award during July, 2017 therefore, Annual Budget was approved accordingly. Subsequently schemes were identified and formally approved by the Competent Forum. The reply was not tenable because Annual Budget was approved in

violation of rules. DAC directed ADC (F&P) to produce relevant record in support of reply and get the matter regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of the matter from the Competent Authority.

[AIR Para: 2]

### **1.2.1.2 Irregular payment of bituminous items – Rs 22.210 million**

According to Government of the Punjab, Communication & Works (C&W) Department, letter No.PA/SECY(C&W)26.05/2009 dated 25.05.2009, the bitumen to be used should be tested from the Road Research & Material Testing Institute (RR&MTI) to ensure that it meets the American Association of State Highway and Transportation Officials (AASHTO) Standards. Further, according to Government of the Punjab, C&W Department Notification No.SOH-I(C&W)1-49/2012(G) dated 13.06.2014, approval was accorded for use of “Parco Biturox” produced by Pak Arab Refinery Limited (PARCO), Mehmood Kot District Muzaffargarh, in projects to be executed by C&W Department, having grade 60/70 & grade 80/100 in addition to bitumen of National Refinery Karachi.

District Officer (Roads), Jhang made payment of Rs 22.210 million to different contractors for execution of bituminous items in nine works for construction, repair and improvement of roads in Jhang during 2015-17. Contrary to the above, works were executed and payments were made without getting the quality of bitumen tested from the RR&MTI. Documentary evidence for procurement and consumption of bitumen from approved refinery was also not forthcoming from the record. The detail is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Amount</b>
1	Construction of road from Jamali Khurd to Jamali Kalan	1.134
2	Construction of road from Pull Nainawala to Pull Budheywala	4.676

<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Amount</b>
3	Construction of link road from Jhang Bhakkar road Near Shahzad Hotel 18-Hazari to Abadi Sarfaraz Khan Mouza Malkana	1.058
4	Construction of road from Abadi Atta Shahdat to Mouza Pero	0.947
5	Construction of link road from Uch Gul Imam to Abbas Wala	1.021
6	Construction of road from Sufi More Arrianwali Pull To New Bye Pas via Abadi Tehrianwali Chak No.270/JB	0.678
7	Rehabilitation/repair of road from Adda Pir Abdul Rehman to Abadi Pir Abdul Rehman	6.676
8	Rehabilitation/ widening of road Darul Skeena Road Railway Crossing to Jhang Toba Road Railway Crossing	1.342
9	Rehabilitation/Repair of road from Ahmed Pur Sial Pull Jhal to Sang-Wali Pull	4.678
<b>Total</b>		<b>22.210</b>

Audit is of the view that due to weak monitoring mechanism, the quality of bituminous items was not got tested from RR&MTI and utilization of approved quality bitumen was also not ensured.

Utilization of bitumen without testing and ensuring quality resulted in irregular expenditure amounting to Rs 22.210 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that bitumen from National Refinery Karachi was used at sites. The Sub Divisional Officers had been directed to produce the invoices/documentary evidence in support of reply. The reply was not tenable because the quality of bitumen was required to be ensured before making payments. DAC directed DDO concerned to produce relevant record in support of reply to Audit for verification besides quality test reports of bitumen. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Para: 2]

### 1.2.1.3 Irregular payment of non-schedule items – Rs 19.919 million

According to Government of the Punjab, Finance Department's instructions vide letter No.RO(Tech)FD-18-23/2004 dated 21.09.2004 read with Notification No.RO(TECH)FD-2-3/2004 dated 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and approved by the Competent Authority not below the rank of Superintending Engineer/Chief Engineers. However, rates shall not be more than the market rates. Further, according to conditions of Acceptance Letters of the works issued by District Officer (Buildings) and District Officer (Roads), Faisalabad, the rates of non-standardized items were subject to final approval by the Competent Authority i.e. EDO (W&S), Faisalabad.

District Officer (Buildings) and Executive District Officer (F&P), Jhang got executed ten civil works of construction/repair/renovation of buildings, raising of boundary walls, construction of overhead reservoir through contractors and CCBs during 2014-17. Technically sanctioned estimates and execution of the works included non-schedule items costing Rs 19.919 million. Contrary to the above, these non-schedule items were provided and executed in works without preparation and approval of analysis of rates from the Competent Authority. Resultantly, non-scheduled items were executed and payment was made to contractors on unapproved rates. The detail is as under:

(Rupees in million)

Sr. No.	Name of DDOs	Cost of Non-Schedule Items
1	District Officer (Buildings), Jhang	6.272
2	Executive District Officer (F&P), Jhang	13.647
<b>Total</b>		<b>19.919</b>

Audit is of the view that due to weak management and internal controls, non-standardized items were executed and paid without preparation and approval of analysis of rates

Execution of non-standardized items without preparation and approval of analysis of rates resulted in irregular payment of Rs 19.919 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that payment was made as per provisions of technically sanctioned estimates and approval of the authority. The reply was not tenable because items were executed and paid either without preparation of analysis of rates on competitive market rates or without approval of the Competent Authority. DAC directed DDOs concerned to get the expenditure regularized from the Competent Authority besides compliance and produce record to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 1, 6, 7, 9]

#### **1.2.1.4 Non-credit of lapsed security deposits into the Government Treasury – Rs 14.243 million**

According to Rule 12.7 of the Punjab Financial Rules, Volume-I read with Article 127 of the Account Code, Volume-II, all balances, unclaimed for more than three complete account years will, at the close of June in each year, be credited to the Government by means of transfer entries in the Accountant General's office.

Contrary to the above, District Officer (Roads), Jhang did not credit the security deposits amounting to Rs 14.243 million to the Government Treasury even after lapse of more than three years.

Audit is of the view that due to weak financial controls, lapsed security deposits were not credited to the Government Treasury.

Non-credit of lapsed deposits of Rs 14.243 million as Government revenue resulted in violation of rules besides non-realization of revenue.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied due to closure of Account-IV the compliance could not be made. The reply was not tenable because matter under observation relates to previous period and at that time Account-IV was operative. DAC directed Executive engineer concerned to take up the matter with the Provincial Government for compliance and crediting of Lapsed Security Deposits. No progress was intimated to Audit till finalization of this Report.

Audit recommends credit of lapsed security deposits into the Government Treasury at the earliest.

[AIR Para: 11]

#### **1.2.1.5 Unauthorized expenditure on behalf of Provincial Government – Rs 12.567 million**

According to Rule 3(2) of the Punjab District Government Rules of Business, 2001 read with Serial No. 12(ii)(g) and (h) of Schedule II of the rules *ibid*, business allocated to the District Works & Services Department includes construction, maintenance/repairs, water supply and sanitary works pertaining to the Government buildings (except provincial assets), construction, maintenance, repairs and improvement of roads, bridges, culverts, causeways etc. under control of the District. Further, according to Section 109(2) and (3) of the Punjab Local Government Ordinance, 2001, a Local Government may transfer approved budgeted amounts to any Local Government, Village Council or Neighborhood Council or Citizen Community Board, within its local area. No Local Government shall transfer monies to a higher level of Government except by way of repayment of debts.

District Officer (Roads), District Officer (Buildings) and Executive District Officer (F&P), Jhang incurred expenditure of Rs 12.567 million for execution of four civil works during 2015-17. Contrary to the above rules,



expenditure was incurred either on buildings of Provincial Government or on Provincial funded scheme. The detail is as under:

(Rupees in million)

Sr. No.	Name of DDOs	Name of Works	Amount
1	District Officer (Roads), Jhang	Construction of road from Nainwala to Pull Budheywala	9.230
2	District Officer (Buildings), Jhang	Construction of waiting shed in Zila Council Building temporarily occupied by LRMIS Center, Jhang	1.458
		Re-construction of boundary wall at New Civil Courts (Old Flats Residence), Jhang	1.339
3	Executive District Officer (F&P), Jhang	Security arrangements in District Courts, Jhang	0.540
<b>Total</b>			<b>12.567</b>

Audit is of the view that due to weak financial management, expenditure was incurred beyond the ambit of District Government.

Execution of works beyond the ambit resulted in unauthorized expenditure amounting to Rs 12.567 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that due to security reasons and works of paramount importance the schemes were funded by the District Government after approval from DDC. The reply was not tenable because District Government incurred expenditure either on schemes funded by the Provincial Government or on provincial buildings beyond its ambit. DAC directed DDOs concerned get the expenditure regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 9, 5, 3]

### 1.2.1.6 Non-imposition/recovery of penalty for delay in completion of works – Rs 6.367 million

According to Clause 39 of the Contract Agreement, the time limit for carrying out the work as entered in the tender shall be strictly observed by the contractor. The contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to a maximum of ten per cent or such smaller amount as the engineer-in-charge may decide, for every day that the work remains un-commenced or unfinished after the proper date.

District Officer (Roads) and District Officer (Buildings), Jhang awarded six works costing Rs 63.668 million for construction, improvement and repair of roads and buildings during 2014-17. However, contractors failed to complete the works within stipulated period provided in the agreements. Contrary to the above, District Officers (Roads) and Buildings did not impose penalty amounting to Rs 6.367 million for delay in completion of schemes. The detail is as under:

(Rupees in million)

Sr. No.	Name of DDOs	No. of Works	Agreement Cost	Penalty @ 10%
1	District Officer (Roads), Jhang	4	50.708	5.071
2	District Officer (Buildings), Jhang	2	12.960	1.296
<b>Total</b>		<b>6</b>	<b>63.668</b>	<b>6.367</b>

Audit is of the view that due to weak management and monitoring mechanism, works remained incomplete or completed after stipulated date and penalty was not imposed/recovered.

Non-imposition/recovery of penalty resulted in loss to the Government exchequer amounting to Rs 6.367 million.

The matter was reported to the PAO and DDOs concerned in August, 2017. In DAC meeting held in December, 2017, it was replied that in some cases time extension was granted by the Competent Authority and in one case penalty was imposed. The reply was not tenable because penalty was not imposed

according to provisions of agreement and documentary evidence in support of reply was not produced to Audit for verification. DAC directed DDOs concerned to produce documentary evidence besides imposition/recovery of penalty. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 6.367 million from the concerned.

[AIR Paras: 10, 10]

**1.2.1.7 Execution of additional work without retendering – Rs 5.865 million**

According to Rule 59(c)(iv) of the Punjab Procurement Rules, 2014, a procuring agency may utilize the alternative method of “Direct Contracting” for procurement of goods, services and works, through “Repeat Orders” not exceeding 15 percent of the original procurement. Further, according to Inter Departmental Committee of the Public Accounts Committee decision dated 17.11.2001, the management is not empowered to award a new work as an additional work to an existing contractor without calling open tenders.

District Officer (Roads), Jhang awarded two works for repair/rehabilitation of roads to contactors at original agreement cost of Rs 28.613 million during 2015-16. Subsequently, schemes were revised and scope of works was enhanced to the extent of Rs 34.478 million during June, 2016. Additional works costing Rs 5.865 million were awarded to the same contractors without inviting fresh tenders. It was pertinent to mention that in both cases, enhancement in cost of the schemes was made even after stipulated dates of completion. The detail is given in the following table:

(Rupees in million)

Sr. No.	Name of Scheme	Original Work		Additional Work		Amount of Additional Work	Percentage
		Cost of Original Work	Stipulated Date of Completion	Date of Award of Additional Work	Cost of Work After Enhancement		
1	Rehabilitation/repair of road from Adda Pir Abdul Rehman to Abadi Pir Abdul Rehman	19.321	06.09.2015	20.06.2016	23.611	4.290	22%
2	Rehabilitation/repair of road from Ahmad Pur Sial Pull Jhal to Sang Wali Pull	9.292	06.09.2015	20.06.2016	10.867	1.575	17%
<b>Total</b>		<b>28.613</b>	-	-	<b>34.478</b>	<b>5.865</b>	-

Audit is of the view that due to non-compliance of procurement rules and lack of due diligence, additional works were awarded without open competition.

Award of works without open competition resulted in mis-procurement amounting to Rs 5.865 million besides depriving the Government from the lowest possible rates.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that additional works were executed on the approval of DDC after technical sanction of estimate by the EDO (W&S). The reply was not tenable because additional work was executed in violation of PPRA rules and standing instructions of the PAC. DAC directed Executive Engineer concerned to get the expenditure regularized from the Competent Authority besides fixing of responsibility. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Para: 5]

#### **1.2.1.8 Execution of items not provided in estimates – Rs 4.136 million**

According to Para 1.59 of the West Pakistan Buildings and Roads Department Code, Divisional Officers are strictly prohibited from commencing the

construction of any works or expending public funds without the sanction of Competent Authority; also from making or permitting any material deviations from any sanctioned design in the course of execution without specific authority.

District Officer (Buildings), Jhang executed four civil works for improvement/renovation of buildings, raising of boundary wall and provision of missing facilities costing Rs 11.101 million during 2016-17. However, payment of Rs 4.136 million was made to the contractors for execution of such items which were not provided in technically sanctioned estimates of the works. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Upto Date Payment	Excess Payment
1	Improvement/renovation of Circuit House, Jhang	2.924	1.096
2	Renovation of DCO Camp Office, Jhang	2.914	1.352
3	Provision of missing facilities at Government Girls Elementary School Basti Dewan Wali, Jhang	4.036	1.230
4	Raising of boundary wall for purpose of security at Education Complex, Jhang	1.227	0.458
<b>Total</b>		<b>11.101</b>	<b>4.136</b>

Audit is of the view that due to lack of due diligence, items were executed in works and paid to contractors which were not provided in technically sanctioned estimates.

Execution of items not provided in estimates and payment thereof resulted in excess payment of Rs 4.136 million to the contractors.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that due to site requirements some items were executed beyond the provisions of estimates the same would be incorporated in revised technically sanctioned estimates. The reply was not tenable because no payment was to be made beyond the provisions of estimates except with the approval of the Competent Authority. DAC directed Executive Engineer concerned to get the expenditure regularized from the

Competent Authority besides production of revised estimates to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 3, 4, 11, 15]

### **1.2.1.9 Expenditure on patch work material without maintenance of Accounts – Rs 2.900 million**

According to Rule 6.59 of the Departmental Financial Rules (DFR), supply of road metal should be measured and paid for in the same way as supplies of other material for work besides maintenance of quantity account in Form DFR-16, Statement of receipts, issues and balances of road metal. Further, according to Rule 3(2) of rules *ibid*, accounts of the receipts and expenditure of Local Government shall be kept in such form and in accordance with such principles and methods as the Auditor General of Pakistan has prescribed in the Manual or NAM.

District Officer (Roads), Jhang made procurements of road material including crush, fuel wood and bitumen costing Rs 2.900 million during 2016-17 for patch work/repair/maintenance of roads. However, material was procured and utilized without maintenance of accounts and other ancillary record i.e. stock statements, issuance and balances in quantity account, indents, inward outward registers etc. The detail is as under:

(Rupees in million)

Sr. No.	Description	Work Order No./Date	Amount
1	Supply of crushed Bajor and Bajri from Kirana Queray and fuel wood at Jhang/Shorkot Store	7976/01.10.2016	0.799
2	Supply of bitumen 80/100 grade packed in drums from PARCO Muzaffargarh to High Ways Division, Jhang	7463/10.09.2016	1.916
3	Hire charges of tractor for patch work at road Kot Bahadur to Baher	8218/14.11.2016	0.050
4	Supply of Bajri and fuel wood for patch work Allah Chowk to Sultan Bahoo Darbar, Garh Maharaja	264/05.10.2016	0.094
		7904/18.10.2016	0.041
<b>Total</b>			<b>2.900</b>

Audit is of the view that due to weak financial management and negligence, material was purchased and utilized without maintenance of accounts and other ancillary record.

Withdrawal of funds without maintenance of record resulted in unauthentic expenditure amounting to Rs 2.900 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that due to promulgation of Local Government Act, 2013, the relevant record was transferred to M&R Division, Faisalabad which would be produced. The reply was no tenable because record was required to be produced at the time of Audit. DAC directed Executive Engineer to investigate the matter for fixing responsibility and report progress to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends maintenance and production of complete record besides fixing responsibility on the person(s) at fault.

[AIR Para: 21]

#### **1.2.1.10 Expenditure without advertisement and non-reimbursement from the Provincial Government – Rs 2.697 million**

According to Rule 12(1) of the Punjab Procurement Rules, 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of 2 million rupees on the website of the authority in the manner and format specified by regulation but if deemed in public interest, the procurement in at least one national daily newspaper. Further, according to Government of the Punjab, Home Department letter No.SO(IS-III)6-3/2015 (Funds) dated 07.04.2016, security duty claims of Army / Rangers troops during

Moharram Duty be sent to this department alongwith vouched accounts for initiating a summary to the Chief Minister for sanction / release of requisite funds.

Executive District Officer (F&P), Jhang incurred expenditure of Rs 2.696 million through Secretary, District Road Transport Authority, Jhang during 2015-16 on hiring of vehicles and provision of POL. However, the expenditure was incurred for internal security arrangements during Chehlum and Local Body Elections 2015 on behalf of the Provincial Government. Contrary to the above provisions, the expenditure was incurred without advertisement/open competition and same was not got reimbursed from the Provincial Government.

Audit is the view that due to non-compliance of PPRA Rules and financial indiscipline, expenditure was incurred without advertising/open competition besides non-imbursement from the Government concerned.

Procurement without advertisement and non-reimbursement of the funds resulted in irregular/uneconomical expenditure of Rs 2.696 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that the expenditure was incurred on the directions of PAO on Local Bodies Election. The reply was not tenable because expenditure was incurred in violation of procurement rules and not get reimbursed from the Provincial Government. DAC directed ADC (F&P) to get the matter regularized from the Competent Authority besides reimbursement of the amount. No progress was intimated to Audit till finalization of this Report.

Audit recommends reimbursement of expenditure besides regularization of the matter from the Competent Authority.

[AIR Para: 7]



### **1.2.1.11 Irregular execution of works without maintaining previous history – Rs 2.283 million**

According to Paras 2.6 and 2.36 of the West Pakistan Buildings and Roads Department Code, projects for roads when submitted for sanction should be accompanied by report detailing history, design, etc. An application for administrative approval should be submitted to the authority competent to accord it, accompanied by a preliminary report, a rough cost estimate, preliminary plans, information as to the site and other details as may be necessary, fully to elucidate the proposals and the reasons thereof.

District Officer (Roads), Jhang incurred expenditure amounting to Rs 2.283 million for rehabilitation of road from Dar-ul-Sakeena Road Railway Crossing to Jhang Toba Road Railway Crossing during 2016-17. The work was executed without maintaining road register and history of the road. In the absence of relevant record, it was difficult to ascertain the planned life of the road, ownership, other work(s) executed in previous periods and previous expenditure incurred on repair/maintenance of the road.

Audit is of the view that due to weak management and monitoring controls, road register and history sheet of the road were not maintained.

Execution of scheme without maintenance of previous record and history of the road resulted in irregular expenditure of Rs 2.283 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that scheme was approved by the DDC after fulfilling all codal formalities. The reply was not tenable because work was executed without previous history and reasons for want of repair. DAC directed Executive Engineer concerned to produce relevant record in support of reply to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Para: 8]

**1.2.1.12 Unauthentic expenditure due to improper maintenance of stock register – Rs 1.861 million**

According to Rule 15.5 of the Punjab Financial Rules, Volume-1, when materials are issued from stock for departmental use, the Government servant in charge of the stores should see that an indent has been made by a properly authorized person, examine it carefully with reference to any orders or rules for the issue of stores and sign it after making suitable alterations under his dated initials in the description and quantity of materials. The indent should be returned at once to the requisitioning Government servant for signature and a written acknowledgment should be obtained from the person or from his duly authorized agent.

District Coordination Officer, Jhang incurred expenditure of Rs 1.861 million during 2016-17 on account of procurement of stationery, printing & publications, entertainment etc. However, material was accounted for in stock register but issuance of the same was made without obtaining indent and acknowledgement of the concerned.

Audit is of the view that due to weak financial controls, stores were issued without obtaining indent/acknowledgement of the concerned.

Issuance of stores without indent and acknowledgement resulted in unauthentic expenditure of Rs 1.861 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that compliance had been made and record would be produced. Audit stressed to produce record in support of reply. DAC directed DDO concerned to produce relevant record in

support of reply to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends investigation and fixing responsibility on the person(s) at fault.

[AIR Para: 7]

### **1.2.1.13 Irregular execution of works without sanction of estimates – Rs 1.833 million**

According to Para 2.82 of the West Pakistan Buildings and Roads Department Code, no work shall be commenced unless Administrative Approval by the Competent Authority is given and properly detailed design and estimate have been sanctioned, allotment of funds made and orders of its commencement issued by the Competent Authority.

District Officer (Buildings), Jhang executed two civil works for improvement and repair of buildings costing Rs 1.833 million during 2015-17. However, works were awarded and executed without preparation and sanction of estimates. The detail is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Work</b>	<b>Expenditure</b>
1	Improvement/renovation of Shahbaz Shareef Library	0.599
2	Repair of building of Dar-ul-Aman, Jhang	1.234
<b>Total</b>		<b>1.833</b>

Audit is of the view that due to weak management, works were executed without preparing and getting the estimates technically sanctioned from the Competent Authority.

Execution of civil works without technical sanction of estimates resulted in irregular expenditure of Rs 1.833 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that works were

executed after getting the estimates technically sanctioned from the Competent Authority. The reply was not tenable because no record was provided at the time of Audit. DAC directed Executive Engineer concerned to produce relevant record in support of reply to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of expenditure from the Competent Authority besides fixing responsibility on the person(s) at fault.

[AIR Para: 17]

#### **1.2.1.14 Non-deduction of 10% House Rent Charges from occupants of above entitled residences – Rs 1.541 million**

According to Para 6 of Government of the Punjab, Finance Department letter No, FD(M-I)1-15/AR-DI dated 15.01.2000, in case the Government servant is allotted the Government residence above entitlement he will not be allowed to draw House Rent Allowance and will pay 10% House Rent Charges on maximum of the scale for which the residence is meant.

Six employees of different pay scales were residing in the above than entitled residences under the control of District Coordination Officer, Jhang since 2001. Contrary to the above instructions, the employees did not deduct/pay House Rent Charges @ 10% of maximum of scale for which the residence is meant amounting to Rs 1.541 million.

Audit is of the view that due to lack of due diligence, House Rent Charges @ 10% of maximum of scale for which the residence is meant was not deducted/paid.

Non-deduction/payment of 10% House Rent Charges resulted in excess payment to the employees amounting to Rs 1.541 million.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, no reply was submitted. Audit

stress on recovery at the earliest. DAC directed ADC (F&P) to effect recovery at the earliest. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of House Rent Charges amounting to Rs 1.541 million from the concerned at the earliest.

[AIR Para: 8]

#### **1.2.1.15 Excess payment beyond the provisions of estimates – Rs 1.046 million**

According to Para 1.59 of the West Pakistan Buildings and Roads Department Code, Divisional Officers are strictly prohibited from commencing the construction of any works or expending public funds without the sanction of Competent Authority; also from making or permitting any material deviations from any sanctioned design in the course of execution without specific authority.

District Officer (Buildings), Jhang executed two civil works for re-construction of dangerous buildings costing Rs 13.188 million during 2016-17. However, payment of Rs 1.046 million was made to the contractors for execution of such items quantities of which were executed beyond the provisions of estimates. The detail is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Work</b>	<b>Agreement Cost</b>	<b>Excess Payment</b>
1	Reconstruction of dangerous building of Government Girls High School Mohallah Sultanwala	9.735	0.724
2	Reconstruction of dangerous building of Government Elementary School Kot Dewan	3.453	0.322
<b>Total</b>		<b>13.188</b>	<b>1.046</b>

Audit is of the view that due to weak financial management and negligence, excess quantities of items were executed beyond the provisions of technically sanctioned estimates.

Execution of excess quantities of items beyond the provisions of estimates resulted in excess payment of Rs 1.046 million to the contractors.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that due to site requirements some items were executed beyond the provisions of estimates the same would be incorporated in revised technically sanctioned estimates. The reply was not tenable because no payment was to be made beyond the provisions of estimates except with the approval of the Competent Authority. DAC directed Executive Engineer concerned to get the expenditure regularized from the Competent Authority besides production of revised estimates to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 12, 13]

#### **1.2.1.16 Non-recovery of price variation from the contractors – Rs 1.011 million**

According to Government of the Punjab, Finance Department letter No.RO(Tech)F.1-2/83-VI(P) dated 11.01.2007, where any variation (increase or decrease), to the extent of 5 percent or more, in the price of bitumen and diesel (among other items) takes place after the acceptance of tender and before the completion of contract, the amount payable under the contract shall be adjustable to the extent of actual variation in the cost of the item concerned.

District Officer (Roads), Jhang awarded six works for construction and rehabilitation/repair of roads in Jhang during May, 2015 to April, 2016. The contractors executed the works from June, 2015 to September, 2016. However, during execution of works, there was more than 5 percent decrease in prices of bitumen and diesel as per monthly price variation notifications issued by Government of the Punjab, Finance Department. Contrary to the above, District

Officer (Roads) did not recover/adjust price variation amounting to Rs 1.011 million in the bills of contractors. The detail is as under:

(Rupees in million)

Sr. No.	Name of Scheme	Work Order No. & Date	Tender Date	Amount
1	Rehabilitation/repair of road from Ahmad Pur Sial Pull Jhal to Sang Wali Pull	2571 dated 10.06.2015	07.05.2015	0.189
2	Construction of road from Jamali Khurd to Jamali Kalan ( missing portion)	3987 dated 07.09.2015	13.08.2015	0.252
3	Construction of road from Sufi More Arrianwali Pull To New Bye Pass via Abadi Tehrianwali Chak No.270/JB	5903 dated 01.04.2016	02.03.2016	0.135
4	Construction of road from Pull Nainawala to Pull Budheywala	2430 dated 12.06.2015	02.05.2015	0.11
5	Rehabilitation/repair of road from Adda Pir Abdul Rehman to Abadi Pir Abdul Rehman	2709 dated 16.06.2015	07.05.2015	0.311
6	Rehabilitation of road from Rustam Sargana to Peer Wala	1760 dated 06.05.2015	11.04.2015	0.014
<b>Total</b>				<b>1.011</b>

Audit is of the view that due to weak financial management and negligence, recovery/adjustment of price variation was not made in the bills of contractors.

Non-recovery/adjustment of price variation resulted in excess payment of Rs 1.011 million to the contractors.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that due to closure of Account-IV amount was not recovered. Audit stressed for recovery at the earliest. DAC directed Executive Engineer concerned to take up the matter with the Provincial Government for recovery. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of overpaid amount of Rs 1.011 million from the concerned.

[AIR Para: 1]

## 1.2.2 Performance

### 1.2.2.1 Non-rendering of vouched accounts by different executing agencies – Rs 24.543 million

According to Rule 4(2) of the Punjab Local Governments (Accounts) Rules 2008, Principal Accounting Officer shall be responsible for all transactions relating to the District Fund/Local Fund and for the maintenance of accounts correctly and in accordance with the provisions of the Ordinance and the rules made thereunder. Further, according to Rule 3(2) of rules *ibid*, accounts of the receipts and expenditure of Local Government shall be kept in such form and in accordance with such principles and methods as the Auditor General of Pakistan has prescribed in the Manual or NAM.

Executive District Officer (F&P), Jhang transferred funds amounting to Rs 31.103 million to different executing agencies other than the Local Government during 2016-17 for execution of various civil works. The said agencies incurred expenditure of Rs 24.543 million. Contrary to the above rules, the executing agencies did not submit the vouched accounts pertaining to the expenditure incurred. Further, record of remaining funds amounting to Rs 6.560 million was also not available. The detail is as under:

(Rupees in million)

Executing Agency	Cost Center	Releases	Actual Expenditure	Remaining Funds
Assistant Director LG&CD, Jhang	JN6021	9.903	3.343	6.560
Executive Engineer Public Health Engineering Department, Jhang	JN6025	21.200	21.200	-
<b>Total</b>		<b>31.103</b>	<b>24.543</b>	<b>6.560</b>

Audit is of the view that due to weak financial management and controls, vouched accounts were not submitted by the executing agencies.

Non-submission of vouched accounts resulted in irregular utilization of funds amounting to Rs 24.543 million.



The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that executing agencies concerned had been directed to produce vouched accounts and same would be submitted for verification. Audit stressed for early compliance and production of vouched accounts. DAC directed ADC (F&P) to produce relevant record in support of reply to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides production of vouched accounts for Audit scrutiny.

[AIR Para: 4]

### 1.2.3 Internal Control Weaknesses

#### 1.2.3.1 Irregular expenditure on works against defective agreements – Rs 21.326 million

According to Rule 63(b) of the Punjab Procurement Rules, 2014, a procurement contract shall come into force from the date on which the signatures of both the procuring agency and the successful bidder are affixed to the written contract and such affixing of signatures shall take place within a reasonable time. Further, according to Clause 6 of the Contract Agreement, the contractor shall enter into and execute a Contract Agreement on a form as per specimen provided in the contract form for execution of work.

District Officer (Roads), Jhang executed three civil works during 2015-17 and made payments amounting to Rs 21.326 million to contractors. Contrary to the above, defective agreements having following discrepancies were executed with the contractors:

- i. Stamp papers, for execution of agreements, were purchased/issued after the stipulated date of agreement/completion of the works; and
- ii. Agreements were executed without mentioning the date of agreement on the face of stamp papers.

The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Acceptance No. & Date	Stipulated Completion Date	Stamp Papers Issuance Date	Cost of Work
1	Construction of road from Sufi More Arrian Wali Pull to New Bye Pass via Abadi Tehrian Wali Chak No. 270/JB	5903 dated 01.04.2016	30.09.2016	21.10.2016	7.943
2	Widening / improvement and strengthening of road from 18-Hazari Nawan Kot Road Abadi Ali Chowk to Jamali Khurd	4923 dated 15.12.2015	14.06.2016	01.08.2016	12.402

Sr. No.	Name of Work	Acceptance No. & Date	Stipulated Completion Date	Stamp Papers Issuance Date	Cost of Work
3	Rehabilitation of road from Rustam Sargana to Peerwala Road	1760 dated 06.05.2015	05.06.2015	28.11.2016	0.981
<b>Total</b>					<b>21.326</b>

Audit is of the view that due to weak internal controls and inefficient management, defective agreements were executed.

Execution of works against defective agreements resulted in irregular payment of Rs 21.326 million to the contractors.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that compliance would be made before finalization of works. The reply was not tenable because payments were made without formal written agreements. DAC directed Executive Engineer concerned to investigate the matter and fix responsibility besides getting the matter regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Para: 4]

### **1.2.3.2 Utilization of bricks without ensuring standard specifications and testing – Rs 14.678 million**

According to the Composite Schedule Rates (CSR)-1964, standard crushing strength for 1st class bricks is 2,000 pounds per square inch (PSI). Further, according to Superintending Engineer, Provincial Buildings Circle, Faisalabad letter No.1848-49 dated 20.06.2015, the brick kiln owners mix the 1st class bricks with inferior quality bricks and supply the same to contractors who accept the same being in their benefit. Therefore, quality of bricks be got tested to ensure specified crushing strength of 2,000 PSI.

District Officer (Buildings) and District Officer (Roads), Jhang executed 20 civil works for construction of buildings, roads, etc. during 2015-17. Bricks costing Rs 14.678 million were used in these works but no methodology was adopted to measure strength, standard and specification of the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of 1st class bricks could not be proved.

Audit is of the view that due to negligence and ineffective monitoring, works were executed without observing specifications and testing of bricks.

Utilization of bricks costing Rs 14.678 million without ensuring required strength, quality and standard of bricks resulted in execution of sub-standard works.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that standard quality bricks were used in the works. The reply was not tenable because documentary evidence regarding assuring quality of the bricks was not forthcoming from record. DAC directed Executive Engineer concerned to investigate the matter and fix responsibility besides getting the expenditure regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 2, 7]

### **1.2.3.3 Irregular expenditure on repair/maintenance of the Government buildings – Rs 2.403 million**

According to Paras 2.50 & 2.51 of the West Pakistan Buildings and Roads Department (B&R) Code, a Standard Measurement Book should be kept in the office of each Divisional Officer, showing the detailed measurements of each kind of work. Annual and periodical repairs of buildings should be provided for as a percentage on the capital cost of the building on which the standard rent is based,

which will be held to include provision for all ordinary repairs likely to be needed every year. Special repairs should be provided for by special estimates prepared when necessary. Further, according to Para 2.41 of the Code *ibid*, repairs are ordinarily of three different kinds i.e. those which as a matter of routine are carried out every year, those which are not done every year but are due after four years and such occasional/special repairs as become necessary from time to time which may have to be carried out between times of periodical repairs like renewal of roof, renewal of door etc.

District Officer (Buildings), Jhang incurred expenditure of Rs 2.403 million on ordinary and special repair/improvement of the Government buildings during 2016-17. Contrary to the above provisions, the works were executed and payments were made without:

1. Maintenance of Standard Measurement Books, describing plinth area and capital cost of each building;
2. Inventory register to show key installed items etc. in each building;
3. Keeping the complete record regarding history of previous repairs of each building;
4. Installation of air conditioners, air coolers, room heaters, water coolers was executed out of M&R budget in office buildings;
5. Funds were incurred time and again on M&R of DCO Office and unnecessary/luxurious non-standardized items like dinner sets costing Rs 60,000, commode set costing Rs 20,640, fancy hanging light costing Rs 26,000, wall light costing Rs 42,000, glob light costing Rs 25,920, fancy lights costing Rs 15,720 etc. were provided. Further, UPS costing 74,600 and converter costing Rs 20,600 parallel to solar system costing Rs 385,500 was also provided; and
6. Preparation of utilization plan, based on prescribed yardstick, for maintenance and repair (M&R) budget.

Audit is of the view that due to weak internal controls and poor monitoring mechanism, expenditure was incurred without maintaining proper record.

Execution of works amounting to Rs 2.403 million without keeping proper record resulted in irregular expenditure.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that works were executed after the approval of the Competent Forum. The reply was not tenable because repair works were executed without fulfilling above said codal formalities. DAC directed Executive Engineer concerned to investigate the matter and fix responsibility. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Para: 8]

#### **1.2.3.4 Execution of earthwork without detailed estimation – Rs 1.810 million**

According to Serial No.14 of instructions for posting in Measurement Book (MB), all quantities should be clearly traceable into the document on which payments are made. Further, according to Paras 1.59, 4.5.5 and 4.5.6 of the West Pakistan Buildings and Roads Department Code, every officer making or ordering payment should satisfy himself that work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment. Divisional Officers are strictly prohibited from commencing the construction of any works or expending public funds without the sanction of the Competent Authority; also from making or permitting any material deviations from any sanctioned design. Further, according to Condition 6 of the Work Order issued vide letter No. 1-C/6708 dated 14.06.2016, Natural Surface Level (NSL) must be recorded on the Measurement Book by joint visit with the contractor before start of the work.

District Officer (Buildings) and District Officer (Roads), Jhang executed two civil work for construction of road and provision of missing facilities in school building during 2016-17. However, execution of works included items of earthwork costing Rs 1.810 million. Contrary to above provisions, items were provided in estimates and executed in works without provision of detail of area, layout plan, NSL and calculation of X-sections, L-sections. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Description	Quantity (Cft)	Rate	Amount
1	Construction of link road from Jhang Bhakkar Road near Shahzad Hotel 18-Hazari to Abadi Sarfaraz Khan Mouza Malkana	Earthwork in ordinary soil for making embankments including compaction upto 95% to 100% AASHTO	116,000	4,564.850	0.530
3	Provision of missing facilities at Government Girls Elementary School Basti Dewan Wali, Jhang	Filling of earth in low laying area by barrow pit excavation of undressed	147,889	8653.400	1.280
<b>Total</b>					<b>1.810</b>

Audit is of the view that due to negligence and weak internal controls, item was provided/executed without detailed measurements in violation of rules.

Violation of rules resulted in irregular payment of Rs 1.810 million to contractors.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that work was executed and item was paid as per provisions of estimate. The reply was not tenable because the item was provided in estimate without detailed calculation and paid to contractor without recording NSL. DAC directed Executive Engineer concerned to produce relevant record in support of reply otherwise effect recovery of overpaid quantity of item. No progress was intimated to Audit till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 9, 18]

### **1.2.3.5 Non-obtaining of Additional Performance Security – Rs 1.425 million**

According to Government of the Punjab, Finance Department notification No.RO(Tech)FD-1-2/83(VI)(P) dated 06.04.2005 read with notification of even number dated 24.01.2006, if total tender amount is less than 5% of the approved estimated amount, the lowest bidder will have to deposit Additional Performance Security from the scheduled bank, ranging from 5% to the extent lowest quoted rate, within 15 days of issuance of notice or within expiry period of bid.

District Officer (Roads), Jhang awarded work for construction of road from Uch Gul Imam to Abbas Wala to contractor costing Rs 3.875 million during 2015-16. The work was awarded to contractor @ 26.866% below the estimated cost. Contrary to the above instructions, Additional Performance Security amounting to Rs 1.425 million was not obtained from the contractor.

Audit is of the view that due to weak internal controls and negligence, Additional Performance Security was not obtained.

Non-obtaining of Additional Performance Security amounting to Rs 1.425 million resulted in violation of standing instructions of the Government.

The matter was reported to the PAO and DDO concerned in September, 2017. In DAC meeting held in December, 2017, it was replied that work was awarded after obtaining of Additional Performance Security. Audit stressed to produce relevant record for verification. DAC directed Executive Engineer concerned to produce relevant record in support of reply to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides regularization of the matter from the Competent Authority.

[AIR Para: 3]



## ANNEXURE

### Annexure-A

#### Part-I

### Memorandum for Departmental Accounts Committee Paras Pertaining to Current Audit Year 2017-18

(Rupees in million)

Name of Formation	Sr. No.	Para No.	Title of Para	Amount
District Officer (OFWM) Jhang	1	1	Overpayment of Conveyance Allowance	0.057
	2	2	Irregular expenditure against POL of vehicle	0.089
	3	3	Non-deduction of Sales Tax on Services	0.009
	4	4	Non-reimbursement of expenditure incurred on POL from Election Commission of Pakistan	0.014
	5	5	Irregular release and incurrence of expenditure on development schemes without administrative approval	-
	6	6	Unauthorized payment of Conveyance Allowance during leave period	0.006
	7	7	Loss to Government due to non recovery/return of store items	-
EDO/A.D.C (Finance & Planning) Jhang	8	1	Unauthorized provision of supplementary grants against NIL Budget	-
	9	5	Loss to Government, due to unjustified reduction of receipt targets of License Fee/Permit & Licensing Profession & vocation	-
	10	6	Loss to Government due to non recovery under different heads of receipt	-
	11	8	Loss due to less collection of local receipt of District Government	-
	12	10	Excess payment due to utilization of local sand	0.073
DCO Jhang	13	1	Irregular / unauthentic expenditure under head of POL	0.846
	14	2	Irregular expenditure on telecom services obtained from private operators	0.074
	15	3	Irregular drawl of TA/DA bills	0.195
	16	4	Non / less deduction of Income Tax	0.045
	17	5	Irregular expenditure without calling quotations / tenders	0.490
	18	6	Payment of personal expenditure out of Government funds	0.233
	19	9	Drawl of inadmissible honorarium	0.101
District Officer (Buildings) Jhang	20	10	Irregular expenditure on Camp Office	0.016
	21	14	Excess payment to contractor due to recording wrong measurement in Measurement Book	0.181

<b>Name of Formation</b>	<b>Sr. No.</b>	<b>Para No.</b>	<b>Title of Para</b>	<b>Amount</b>
	22	16	Excess payment due to utilization of local/Chenab sand	0.236
	23	18	Excess payment to contractors due to charging of excessive rates	0.175
District Officer (Roads) Jhang	24	6	Non-obtaining of fresh Additional Performance Security after expiry of bank guarantee	-
	25	12	Non/less-deduction of Punjab Sales Tax on Services	0.322
	26	13	Less deduction of Income Tax	0.968
	27	14	Non-deduction of Social Security Contribution	-
	28	15	Non-forfeiture of Bid Security due to non-deposit of Additional Performance Security and non-execution of work	0.233
	29	16	Irregular refund of lapsed security deposits	0.778
	30	17	Non-recovery of compensation from the contractors	0.937
	31	19	Non-maintenance of record of rental charges of petrol pumps	0.370
	32	20	Non-recovery of penalty for delay in renewal of enlistment	0.112

**Part-II**

**[Para-1.1.3]**

**Memorandum for Departmental Accounts Committee Paras not Attended  
in Accordance with the Directives of DAC Pertaining to Audit Year 2016-17**

(Rupees in million)

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
RHC, Haveli Bahadar Shah	1	5	Unauthorized payment of General Sales Tax	0.294
	2	14	Non-verification of General Sales Tax	0.249
	3	15	Non-auction of trees	-
Deputy DEO (MEE), Jhang	4	4	Non-deduction of Income Tax and Sales Tax	0.053
	5	7	Overpayment due to drawl of pay in higher scale	0.045
	6	9	Overpayment due to drawl of inadmissible Special Allowance	0.168
	7	10	Unauthorized drawl of Charge Allowance	0.154
EDO (Health), Jhang	8	13	Irregular hiring of temporary teacher	0.513
	9	4	Non-recovery of penalty imposed	0.096
THQ, Ahmed Pur Sial	10	9	Unauthorized drawl of Personal Allowance	0.018
	11	4	Unknown whereabouts of funds drawn from Government Treasury	0.379
	12	13	Less deduction of Income Tax	0.084
District Officer (OFWM), Jhang	13	16	Excess payment of Travelling Allowance	0.011
	14	1	Expenditure on bricks without certification of crushing strength of bricks	-
	15	2	Irregular execution of works without administrative approval by the authority	-
	16	3	Excess use of bricks in construction of water courses	0.135
	17	5	Non-utilization of funds	0.356
	18	6	Unauthorized drawl of pay after transfer	0.172
	19	7	Unauthorized drawl of Conveyance Allowance	0.009
Government Girls High School Wasu Astana, Jhang	20	8	Non-Recovery of unspent balance	0.007
	21	5	Non deposit of profit in Government treasury	0.046
	22	7	Overpayment of General Sales Tax	0.011
	23	8	Non auction of trees	-
RHC Rodu Sultan	24	9	Non preparation / reconciliation of expenditure statements	-
	25	4	Unauthorized drawl of Practice Compensatory Allowances	0.103
	26	6	Unauthorized payment of General Sales Tax	0.144
EDO Education, Jhang	27	11	Less deduction of Income Tax	0.060
	28	1	Unauthorized transfer of funds to School Councils	-
	29	8	Non-credit of profit earned in Account-IV	0.578

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
	30	11	Irregular expenditure without tenders	0.234
	31	12	Overpayment due to purchase of Literacy Kit items at excessive rates	0.172
	32	13	Overpayment due to purchase of Literacy Kit items at excessive rates	0.219
	33	14	Non-recovery of inspection fee from the registered private schools	0.445
	34	16	Irregular expenditure on transportation of goods	0.090
	35	17	Non deduction of Sales Tax and Income Tax on services	0.083
	36	18	Non-recovery/deposit of amount under observation	0.093
Deputy DEO (WEE), Shorkot	37	19	Non-preparation/reconciliation of expenditure statements	-
	38	1	Appointment of teacher on fake documents	3.256
	39	5	Unauthorized purchase from unregistered firms / persons	0.590
	40	6	Non / less deposit of General Sales Tax	0.358
	41	9	Non-auction of Government vehicle	0.300
	42	10	Non-deposit of fines and non-implementation of decision / penalties of competent authority	0.080
	43	11	Non-deduction of Income Tax at source	0.056
Deputy DEO (MEE), 18-Hazari	44	12	Suspicious expenditure on the purchase of uniforms, school bags	0.077
	45	1	Recovery of non-deduction of Benevolent Fund and Group Insurance	0.034
	46	3	Unauthorized drawl of Charge Allowance	0.031
	47	6	Irregular expenditure against POL of vehicle	0.274
	48	7	Non-deduction of Income Tax	0.035
RHC Waryam Wala, Jhang	49	10	Unjustified drawl of funds from Government Treasury	0.397
	50	11	Overpayment of General Sales Tax	0.079
	51	6	Non-verification of General Sales Tax	0.164
DHQ Hospital, Jhang	52	7	Non-deposit of hospital receipts into Government Treasury	0.787
	53	8	Loss to Government due to liberal time extensions to the contractor of car/motor cycle and cycle stand	0.630
	54	9	Irregular sanction of expenditure on residential buildings beyond powers	0.680
	55	13	Unauthorized appointment of security guards	0.729
	56	14	Loss to Government due to non-maintenance of residential record	0.422
Deputy DEO (WEE), Ahmed Pur Sial	57	18	Unauthentic maintenance of generator POL record	0.729
	58	6	Non-deduction of Income Tax and Sales Tax	0.060
	59	9	Non-verification of General Sales Tax	0.213
	60	10	Non-deposit of auction money	0.096
	61	6	Irregular procurement from unregistered firms	0.353

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
Deputy DEO (WEE), Jhang	62	8	Non-recovery of penalty imposed	0.050
RHC Mukhiana, Jhang	63	5	Unauthorized payment of General Sales Tax	0.105
	64	6	Non-verification of General Sales Tax	0.200
RHC Garh Maharaja, Jhang	65	2	Drawl of inadmissible allowances	0.085
	66	7	Procurement from inactive / unregistered Sales Tax supplier	1.612
	67	15	Non-deduction of Income Tax	0.054
Deputy DEO (MEE), Shorkot	68	8	Non/less deposit of General Sales Tax	0.358
	69	9	Non-auction of trees	0.338
	70	10	Suspicious expenditure on the purchase of uniforms, school bags	0.328
	71	11	Loss to Government due to non-accountal of material items	0.319
	72	12	Non-deduction of Income Tax at source	0.042
	73	13	Unauthorized expenditure out of school fund / grant	0.037
	74	14	Suspicious procurement by schools	0.231
	75	15	Non-deposit of fine	0.007
District Officer (Accounts), Jhang	76	1	Outstanding share of Pension Contribution remittance	-
	77	2	Overpayment on account of inadmissible Conveyance Allowance	0.120
	78	3	Unauthorized splitting of expenditure	0.299
	79	4	Unauthorized deduction of withholding tax	0.079
	80	5	Non-preparation/reconciliation of expenditure statements	-
	81	6	Non-recovery of Penal Rent	0.212
	82	7	Excess drawal of pay	0.050
Deputy DEO (WEE), 18-Hazari, Jhang	83	2	Irregular expenditures under head of POL	0.125
	84	4	Irregular operation of FTF bank account by single signatory	0.734
	85	5	Unknown whereabouts of Farogh-e-Taleem Funds	0.168
District Officer (Social Welfare), Jhang	86	1	Irregular expenditures under head of POL	0.941
	87	2	Excess drawl of pay due to irregular appointment	0.012
	88	3	Unauthorized drawl of Conveyance Allowance	0.019
	89	4	Non-deduction of Sales Tax on services	0.020
	90	5	Less deduction of Income Tax	0.010
Government Islamia School, Jhang	91	6	Unauthorized change of site of work	0.837
	92	7	Undue retention of Government funds in DDO bank account	0.068
	93	8	Non-deduction of Income Tax and General Sales Tax	0.080
Deputy DEO (MEE), Ahmed Pur Sial	94	9	Non-deduction of Income Tax	0.024
	95	11	Non-verification of General Sales Tax	0.157
EDO (F&P), Jhang	96	2	Unauthorized block allocation of funds	-
	97	4	Loss due to less collection of local receipt of District Government	4.717

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
	98	7	Irregular expenditure due to non-approval of authorized expenditure during the year 2015-16	-
	99	8	Less deduction of Income Tax	0.003
	100	9	Non-completion of development scheme involving expenditure	1.246
DCO, Jhang	101	6	Less deduction of Income Tax	0.820
	102	7	Non-deduction of Punjab Sales Tax on Services	0.010
	103	8	Unknown whereabouts of funds drawn	0.795
	104	9	Unjustified withdrawal of Conveyance Allowance	0.045
	105	10	Non recovery of pay and allowances	0.079
	106	11	Non deduction of House Rent Charges	0.038
	107	12	Unauthentic expenditure on POL of generator	0.866
	108	13	Irregular expenditure on repair of transport	0.149
Government High School, Jhang City	109	1	Proposed procurement for financial year not announced	1.953
	110	6	Non-deposit of General Sales Tax	0.213
	111	7	Unauthorized drawl of Science Teaching Allowance during vacation	0.166
	112	11	Unauthorized advance payment to FESCO	0.120
	113	12	Irregular / suspicious expenditure on the repair of furniture and fixture	0.200
	114	13	Irregular procurement of photocopier, printer, scanner and generator without specification	0.075
	115	14	Irregular / suspicious expenditure on the repair of machinery and equipment	0.150
	116	15	Loss to Government due to non-accountal of material items	3.432
RHC Bagh, Jhang	117	9	Less deduction of Income Tax and General Sales Tax	0.304
	118	12	Unjustified expense of injectable at Out Patient Department	0.763
	119	16	Irregular payment without inspection of medicine by the inspection committee	-
District Officer (Health), Jhang	120	1	Unauthorized payment of Health Sector Reform Allowance	0.103
	121	11	Less deduction of Income Tax	0.039
	122	12	Non-deduction of Sales Tax on Services	0.148
	123	15	Irregular expenditure on the repair of transport	0.341
	124	17	Less-deduction of House Rent Charges	0.009
	125	18	Irregular recruitment of paramedical staff	-
THQ Hospital (Shorkot)	126	7	Less deduction of Income Tax	0.185
	127	8	Irregular drawl of Health Sector Reforms Allowance	0.450
	128	10	Doubtful drawl of funds without actual incurrence of expenditure	0.062
	129	15	Non-deduction of Sales Tax on services	0.023
	130	16	Un-necessary expenditure against advertisement charges	0.023
	131	22	Irregular carry forward of current year liabilities	0.632

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
	132	23	Irregular drawl of salary by Hospital Pharmacist without performing duty at health facility	0.512
	133	24	Irregular payment without inspection of medicine by the inspection committee	-
District Officer (Buildings), Jhang	134	4	Non-imposition of penalty for delay in commencement of works	1.524
	135	5	Excess payment to contractor due to charging of excess rates	0.481
	136	15	Non-recovery of compensation from the contractors	0.650
	137	16	Excess payment of House Rent Allowance and Conveyance Allowance	0.090
	138	17	Payment of inadmissible Adhoc Relief Allowance 2011	0.014
	139	19	Non-recovery of Penalty on delay in renewal of enlistment	0.257
	140	18	Excess payment due to non-reduction in rate of local sand	0.035
	141	20	Unknown whereabouts of old building material	-
	142	25	Unjustified retention of performance security	0.220
District Officer (Roads), Jhang	143	9	Expenditure excess than agreement	0.600
	144	10	Execution of work without provision of detailed calculation in estimate	0.842
	145	11	Advance payment to contractor without work done at site	0.98
	146	12	Earthwork without recording NSL before execution of work	0.714
	147	13	Earthwork without recording NSL before execution of work	0.647
	148	14	Earthwork without recording NSL before execution of work	0.405
	149	16	Irregular expenditure out of M&R Budget	0.878
	150	17	Recovery of Conveyance Allowance from Officers provided with Government Vehicle	0.08
	151	18	Non-Recovery of Rental Charges from the Owners of Petrol Pumps	0.185
MS, District Headquarter Hospital, Jhang	152	3	Irregular purchase of medicines from bulk purchase of medicine budget from local market	5.199
Deputy District Education Officer (EE-M), Jhang	153	12	Irregular expenditure excess than authorized limit by School Council	0.592
Deputy District Education Officer (EE-M), 18-Hazari	154	4	Irregular expenditure excess than authorized limit by School Council	0.259
Headmaster, Government Islamia High School, Jhang	155	4	Irregular expenditure excess than authorized limit by School Council	1.683
EDO (Education)	156	2	Sanction of expenditure beyond competency	-

## Annexure-B

### Summary of Appropriation Accounts by Grants for the Financial Year 2016-17

(Amount in Rupees)

Grant No.	Name of Grant	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	(+) Excess (-) Saving
3	Provincial Excise	11,740,000	0	11,740,000	3,955,407	(-) 7,784,593
5	Forests	38,671,000	0	38,671,000	23,393,367	(-) 15,277,633
7	Charges on A/c of M. Veh. Act	5,814,000	1,392,048	7,206,048	5,877,715	(+) 1,328,333
8	Other Taxes & Duties	6,369,000	0	6,369,000	2,770,328	(-) 3,598,672
10	General Administration	251,489,000	0	251,489,000	46,200,279	(-) 205,288,721
17	Environment Protection	5,357,000	0	5,357,000	2,452,444	(-) 2,904,556
18	Agriculture	134,602,000	0	134,602,000	65,970,014	(-) 68,631,986
19	Fisheries	3,575,000	0	3,575,000	1,282,176	(-) 2,292,824
20	Veterinary	166,756,000	0	166,756,000	100,107,490	(-) 66,648,510
21	Co-operation	24,039,000	0	24,039,000	14,397,142	(-) 9,641,858
22	Industries	3,364,000	0	3,364,000	1,239,531	(-) 2,124,469
23	Miscellaneous Departments	5,678,000	0	5,678,000	1,097,454	(-) 4,580,546
24	Civil Works	63,900,000	0	63,900,000	19,296,292	(-) 44,603,708
25	Communications	160,481,000	0	160,481,000	86,519,956	(-) 73,961,044
26	Housing & Physical Planning	3,899,000	0	3,899,000	1,387,741	(-) 2,511,259
31	Miscellaneous	36,532,000	0	36,532,000	14,255,961	(-) 22,276,039
32	Civil Defence	5,344,000	0	5,344,000	2,764,726	(-) 2,579,274
3	Provincial Excise	11,740,000	0	11,740,000	3,955,407	(-) 7,784,593
<b>Total Non-Development:</b>		<b>927,610,000</b>	<b>1,392,048</b>	<b>929,002,048</b>	<b>392,968,023</b>	(-) <b>536,034,025</b>
36	Development.	146,658,818	0	146,658,818	94,892,596	(-) 51,766,222
41	Highways, Roads & Bridges	66,578,000	0	66,578,000	32,724,792	(-) 33,853,208
42	Government Buildings	79,305,000	0	79,305,000	52,346,939	(-) 26,958,061
<b>Total Development:</b>		<b>292,541,818</b>	<b>0</b>	<b>292,541,818</b>	<b>179,964,327</b>	(-) <b>112,577,491</b>
<b>Grand Total:</b>		<b>1,220,151,818</b>	<b>1,392,048</b>	<b>1,221,543,866</b>	<b>572,932,350</b>	(-) <b>648,611,516</b>