



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT GOVERNMENT
SHEIKHUPURA**

AUDIT YEAR 2013-14

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

ACL	Audit Command Language
AIR	Audit Inspection Report
B&R	Building & Road
BHU	Basic Health Unit
C&W	Communication and Works
CCB	Citizen Community Board
CD	Community Development
DAC	Departmental Accounts Committee
DCO	District Coordination officer
DDO	Drawing and Disbursing Officer
DEO (EE-M)	District Education Officer (Elementary Education-Male)
DGA	Director General Audit
DHO	District Health Officer
DO	District Officer
DHQ	District Headquarters
EDO	Executive District Officer
FD	Finance Department
F&P	Finance and Planning
HR	Human Resource
HRA	House Rent Allowance
LP	Local Purchase
MB	Measurement Book
MLC	Medico-legal Certificate
MS	Medical Superintendent
MSD	Medical Store Depot
MRS	Market Rate Schedule
NAM	New Accounting Model
OFWM	On-Farm Water Management
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
P&D	Planning and Development
PFR	Punjab Financial Rules
PDSSP	Punjab Development Social Services Program

PDG & TMA	Punjab District Governments & Tehsil Municipal Administration
PEEDA	Punjab Employees Efficiency, Discipline & Accountability Act
PHSRP	Punjab Health Sector Reforms Program
PESRP	Punjab Education Sector Reform Programme
PFR	Punjab Financial Rules
PLGO	Punjab Local Government Ordinance
PMDGP	Punjab Millennium Development Goals Program
POL	Petroleum Oil and Lubricants
PPRA	Punjab Public Procurement Rules Authority
PVMS	Product Vocabulary of Medical Store
PW	Public Works
RHC	Rural Health Center
Rs	Rupees
SAP	System Application Product
S&GAD	Services and General Administration Department
SMC	School Management Council
SMO	Senior Medical Officer
SWM	Solid Waste Management
TA	Travelling Allowance
THQ	Tehsil Headquarters
TMA	Tehsil Municipal Administration
TS	Technical Sanction
W&S	Works and Services
WUA	Water Users Association
ZAC	Zila Accounts Committee

PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to audit the accounts of the Provincial Governments and the accounts of any authority or body established by, or under the control of the provincial government. Accordingly, the Audit of all Receipts and Expenditures of the District Government Fund and Public Account of District Government is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of various offices of the District Government, Sheikhupura for the financial year 2012-13. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2013-14 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs1.00 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in the Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

The Audit results indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to prevent recurrence of such violations and irregularities.

The observations included in this Report have been finalized in the light of written responses and discussion in DAC meetings.

The Audit Report is submitted to the Governor of Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 to cause it to be laid before the Provincial Assembly of Punjab.

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit (DGA), District Governments, Punjab (North), Lahore is responsible to carry out the Audit of District Governments, Tehsil / Town Municipal Administrations and Union Administrations of three City District Governments and sixteen District Governments. Its Regional Directorate of Audit, Lahore has Audit jurisdiction of District Governments, TMAs and UAs of one City District Government i.e. Lahore and four District Governments i.e. Kasur, Sheikhupura, Okara and Nankana Sahib.

The Regional Directorate has a human resource of 20 officers and staff, total 5706 man-days and the annual budget of Rs17.073 million for the Financial Year 2013-2014. It has mandated to conduct Financial Attest, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes / projects & receipts. Accordingly, RDA Lahore carried out Audit of accounts of District Government, Sheikhupura for the Financial Year 2012-2013.

The District Government, Sheikhupura conducts its operations under Punjab Local Government Ordinance, 2001. It comprises one Principal Accounting Officer (PAO) i.e. the District Coordination Officer (DCO) covering six groups of offices i.e. Agriculture, Community Development, Education, Finance & Planning, Health, and Works & Services. The financial provisions of the Punjab Local Government Ordinance, 2001 require the establishment of District Government fund comprising Local Government Fund and Public Account for which Annual Budget Statement is authorized by the Nazim / Council / Administrator in the form of budgetary grants.

Audit of District Government, Sheikhupura was carried out with the view to ascertain that the expenditure was incurred with proper authorization, in conformity with laws / rules / regulations, economical procurement of assets and hiring of services etc.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules, resulting in no leakage of revenue.

a) 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 were framed to regulate the procedure for expending public money.
3. Every item of expenditure was incurred with the approval of the competent authority in the Government for expending the public money.
4. Public money was not wasted.
5. The assessment, collection and accountal of revenue is made in accordance with prescribed laws, rules and regulations.

b) Audit Methodology

Audit was performed through understanding the business process with respect to functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field Audit activity. Audit used desk Audit techniques for analysis of compiled data and review of permanent files / record. Desk Audit greatly facilitated identification of high risk areas for substantive testing in the field.

c) Audit of Expenditure and Receipts

Total expenditure of the District Government Sheikhpura for the Financial Year 2012-13, was Rs5,938.056 million covering one PAO and 286 formations. Out of this, RDA Lahore audited expenditure of Rs2,135.717 million, which in terms of percentage, was 36% of the total expenditure. Regional Director Audit planned and executed Audit of thirty (30) formations i.e. 100% achievement against the planned Audit activities.

Total receipts of the District Government Sheikhpura for the Financial Year 2012-13 were Rs29.004 million. RDA Lahore audited receipts of Rs14.35 million which was 49% of total receipts.

d) Recoveries at the Instance of Audit

Recovery of Rs37.849 million was pointed out during Audit. An amount of Rs2.032 million was recovered and verified during the year 2013-14, till the time of compilation of report.

e) The key Audit findings of the report

- i. Non-production of record of Rs39.958 million was noted in one case.¹
- ii. Irregularity and non-compliance of Rs231.162 million was noted in 15 cases.²
- iii. Recovery of Rs37.849 million was noted in 07 cases.³
- iv. Analysis of budget and expenditure of District Government Sheikhpura for the financial year 2012-13 revealed the original budget was Rs6,025.479 million, supplementary grant was Rs292.165 million and the final budget was Rs6,317.644 million. Non-development expenditure of Rs5,348.269 million was incurred against final budget of Rs5,524.937 million and Development Expenditure of Rs589.788 million was incurred against the final budget of Rs792.708 million resulting in savings of Rs176.668 million and Rs202.920 million respectively in comparison with final budget. Total expenditure of Rs5,938.056 million was incurred against the final budget of Rs6317.644 million, resulting in overall savings of Rs379.588 million which in terms of percentage was 6%.

Source: Appropriation Accounts for the year 2012-13

Audit paras for the audit year 2013-14 involving procedural violations including internal control weaknesses, unsound asset management and irregularities not considered worth reporting are included in MFDAC (Annexure-A).

f) Recommendations

- i. Head of the District Government needs to conduct physical stock taking of fixed and current assets.
- ii. Departments need to comply with the Public Procurement Rules for economical and rational purchases of goods and services.

¹ Para 1.2.1.1

² Para 1.2.2.1, 1.2.2.2, 1.2.2.4, 1.2.2.5, 1.2.2.6, 1.2.2.7, 1.2.2.8, 1.2.2.9, 1.2.2.10, 1.2.2.11, 1.2.2.13, 1.2.2.14, 1.2.2.16, 1.2.2.17, 1.2.2.21

³ Para 1.2.2.3, 1.2.2.12, 1.2.2.15, 1.2.2.18, 1.2.2.19, 1.2.2.20, 1.2.2.22

- iii. Inquiries need to be held to fix responsibility for fraud, misappropriation, losses, theft and wasteful expenditure.
- iv. The PAO needs to make efforts for expediting the realization of various Government receipts.
- v. The PAO and his team need to ensure proper execution and implementation of the monitoring system.
- vi. The PAO needs to take appropriate action for non-production of record.
- vii. The PAO needs to rationalize its budget with respect to utilization.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

Rs in Million

Sr. No.	Description	No.	Budget
1	Total Entities (PAOs) under Audit Jurisdiction	01	6317.644
2	Total formations under Audit Jurisdiction	286	6317.644
3	Total Entities (PAOs) Audited	01	2,135.717
4	Total formations Audited	30	2,135.717
5	Audit & Inspection Reports	30	2,135.717
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

* Figures at Serial no. 3, 4 & 5 represents expenditure

Table 2: Audit Observations Classified by Categories

Rs in Million

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset management	-
2	Financial management	37.849
3	Internal controls	-
4	Others	271.120
TOTAL		308.969

Table 3: Outcome Statistics

Rs in Million

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year	Total Last year
1	Outlays audited	29.110	425.321	14.35	1,681.286	2,150.067	1,922.447
2	Amount placed under audit observation / Irregularities of audit	122.265	94.190	2.659	89.855	308.969	78.008
3	Recoveries pointed out at the instance of audit	0.000	30.046	2.659	5.144	37.849	17.389
4	Recoveries accepted / established at the instance of audit	0.000	30.046	2.659	5.144	37.849	13.567
5	Recoveries realized at the instance of audit	-				2.032	0.243

* The amount mentioned against serial No.1 in column of Total Current Year is the sum of Expenditure and Receipts whereas the expenditure audited for the current year was Rs 2,135.717 million.

Table 4: Irregularities Pointed Out

Rs in Million

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operations	231.162
2	Reported cases of fraud, embezzlement, theft and misuse of public resources	-
3	Accounting Errors (accounting policy departure from NAM ¹ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of Audit opinions on the financial statements	-
4	Quantification of weaknesses of internal controls systems	-
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money	37.849
6	Non-production of record	39.958
7	Others, including cases of accidents, negligence etc.	-
TOTAL		308.969

¹ The Accounting Policies and Procedures prescribed by the Auditor General.

CHAPTER-1

1.1 District Government, Sheikhpura

1.1.1 Introduction of Departments

Activities of District Government are managed through offices of District Coordination Officer and Executive District Officers under Punjab Local Government Ordinance 2001 (PLGO 2001). Each Group of District Offices consists of an Executive District Officer (EDO). The EDO by means of a standing order distributes the work among the offices, branches and sections of each district office. Following is the list of Departments which manage the activities of District Government.

1. District Coordination Officer (DCO)
2. Executive District Officer (Agriculture)
3. Executive District Officer (Community Development)
4. Executive District Officer (Education)
5. Executive District Officer (Finance & Planning)
6. Executive District Officer (Health)
7. Executive District Officer (Works & Services)

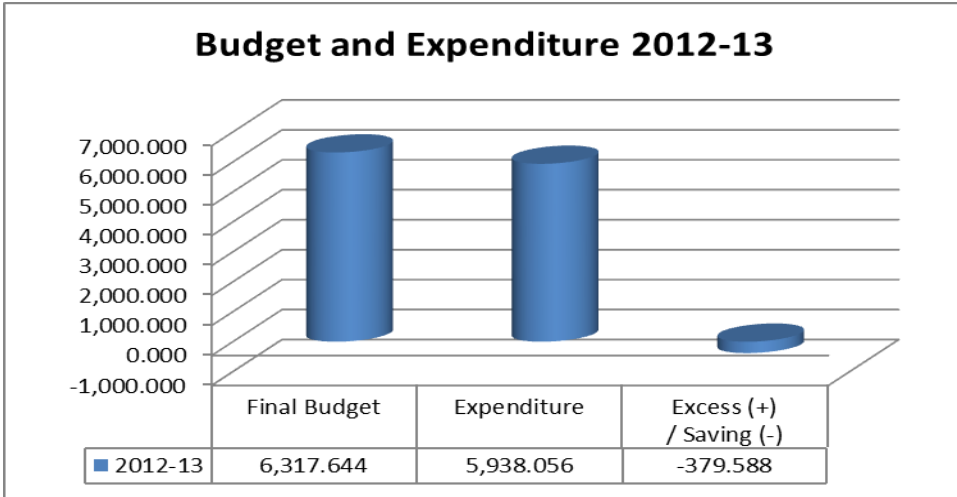
Under Section 29(k) of the PLGO 2001, Executive District Officer (EDO) acts as Departmental Accounting Officer for his respective group of offices and is responsible to the District Accounts Committee of the Zila Council.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

During FY 2012-13 budgetary allocation for the District Government was Rs6,317.644 million where as the expenditure incurred during the FY was Rs5,938.056 million, showing a saving of Rs379.588 million for the period, which in terms of percentage was 6% of the final budget as detailed below:

2012-13	Budget (Rs)	Expenditure (Rs)	(+) Excess (-) Saving (Rs)	%age of Savings
Salary	5,303,111,435	5,133,536,537	169,574,898	3.20
Non Salary	221,825,250	214,732,057	7,093,193	3.20
Development	792,707,699	589,787,830	202,919,869	25.60
TOTAL	6,317,644,384	5,938,056,424	379,587,960	6.01

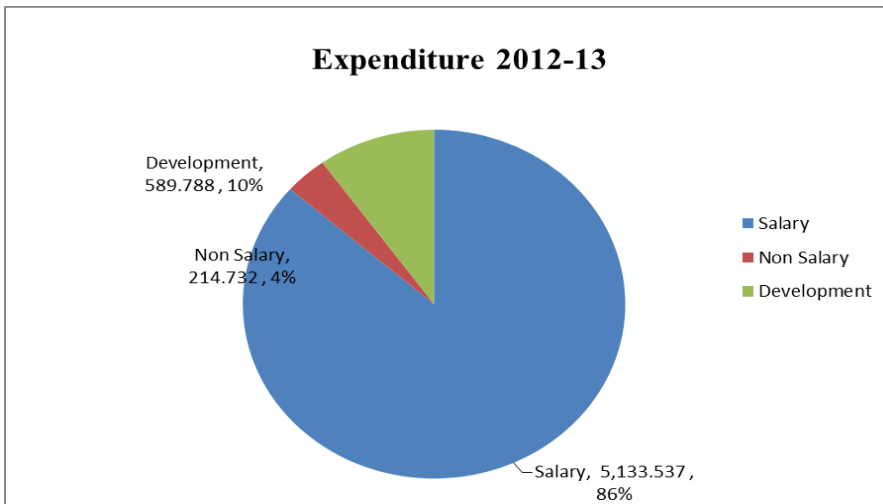
Rs. in million



As per Appropriation Accounts 2012-13 of District Government, Sheikhpura the original budget was Rs6,025.479 million, supplementary grant was Rs292.165 million and the final budget was Rs6,317.644 million. Against the final budget total expenditure incurred by the District Government during 2012-13 was Rs5,938.056 million as detailed at Annexure-B.

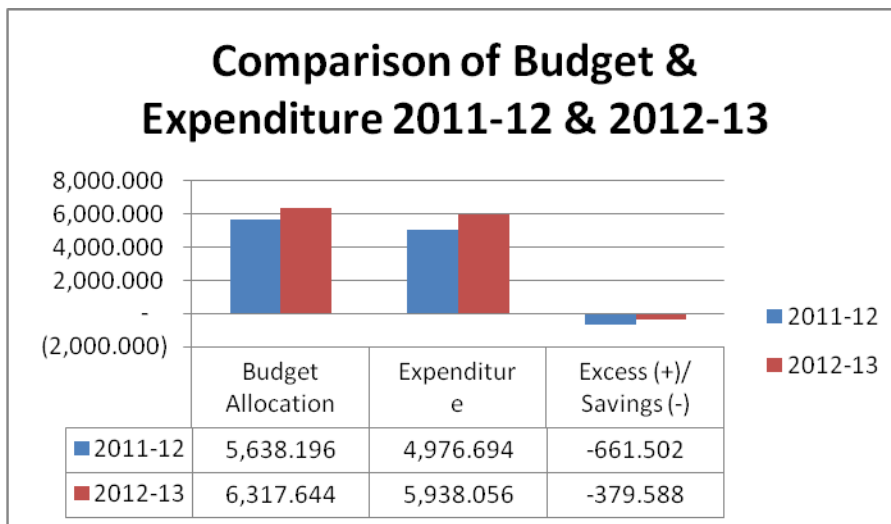
The salary, non-salary and development expenditure comprised 86%, 4% and 10% of the total expenditure respectively.

Rs. in million



The comparative analysis of the budget and expenditure of current and previous Financial Years showed that there was 0.05% decrease in Budget Allocation and 10.79% increase in Expenditure respectively.

Rs in million



1.1.3 Brief Comments on the Status of Compliance with PAC/ZAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab:

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC/ZAC Meetings
1	2002-03	33	Not convened
2	2003-04	18	Not convened
3	2004-05	24	Not convened
4	01/07/2005 to 31/03/2008 Special Audit Report*	139	Not convened
5	2009-10	58	Not convened
6	2010-11	43	Not convened
7	2011-12	38	Not convened
8	2012-13	17	Not convened

* Special Audit Report: The title of the Audit Report reflects the Financial Year instead of the Audit Year which was 2008-2009.

1.2 AUDIT PARAS

1.2.1 Non-production of Record

1.2.1.1 Non-production of Record – Rs39.958 million

According to Section-115(5) & (6) of PLGO, 2001, at the time of audit, the officials concerned shall provide all record for audit inspection and comply with any request for information in as complete a form as possible and with all reasonable expedition. Further, according to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Following formations incurred expenditure of Rs39.958 million but vouched accounts of the expenditure were not produced for audit scrutiny. In the absence of vouched account, authenticity, validity, accuracy and genuineness of expenditure worth Rs39.958 million could not be verified.

Formations	Financial Year	Description	Amount (Rs in million)
RHC Kala Shah Kaku	2010-13	Purchase and consumption of medicines	28.730
EDO (H)	2012-13	Purchase of machinery and equipment	9.350
Special Education Center Sharqpur	2008-13	Log books and tour programs	1.112
Govt. Slow Learner SKP	2012-13	Log books and tour programs	0.766
Special Education Center Sharqpur	2008-13	Cash Books, Stock registers, Budget control register and Service Books of Non-gazetted staff	-
RHC Kala Shah Kaku	2007-13	Receipt record	-
Total			39.958

Audit holds that relevant record was not produced which was the violation of constitutional provisions and was deliberate on the part of the auditee and also due to defective financial discipline.

In the absence of vouched account, authenticity, validity, accuracy and genuineness of expenditure worth Rs39.958 million could not be verified.

Management of Special Education Center Sharqpur and Slow learner Center Sheikhupura did not submit any reply. Other DDOs replied that record would be produced in due course of time.

The matter was reported to the DCO in November, 2013. DAC in its meeting held in December 2013 directed the departments to produce record. No compliance was shown till finalization of this report.

Audit emphasis upon production of record for audit besides fixing responsibility, against the person (s) at fault under intimation to Audit.

[AIR Para No. 01,06,07,07,04 & 13]

1.2.2 Irregularity / Non-compliance

1.2.2.1 Irregular award of work – Rs57.626 million

Further, according to Government of the Punjab LG&CD Department letter No. S.O.D.G(Dev)(LG)9-7/2009 dated 23rd December 2010, District Tender Board, comprising the EDO of concerned department, representative of Divisional Commissioner, representative of DCO, EDO (F&P), EDO (W&S) and DO of executing agency is required to be constituted in all the Districts of the Punjab for issuing, receiving and opening of tenders.

During audit of DO (Buildings) Sheikhupura for the period 2012-13, it was observed that some development projects were advertised in newspaper as well as at PPRA website. The expenditure on development projects was held unauthorized because District Tender Board was not constituted for issuing, receiving and opening of tenders in violation of instructions *ibid*. The detail is as under:

Description	Amount (Rs)
ADP – Education	21,937,000
Government Buildings	10,691,000
Health	20,532,000
Livestock	4,466,000
Total	57,626,000

Audit holds that requisite District Tender Board was not constituted due to defective administrative and financial controls.

This resulted in irregular award of works worth Rs57.626 million.

The observation was discussed with the management. It was simply noted without offering any comment.

The matter was reported to the DCO in November 2013. DO (Buildings) did not attend DAC meeting held in December 2013.

Audit recommends fixing responsibility for irregular expenditure against the person(s) at fault under intimation to Audit.

1.2.2.2 Irregular Purchase of Machinery and Equipment– Rs53.420 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

Scrutiny of record of EDO (Health) Sheikhupura, it was noticed that a sum of Rs53.420 million was expended on account of purchase of

machinery and equipment during 2012-13. The expenditure was held irregular due to the following reasons:

- i. A tender was published by the EDO (Health) in newspaper on 01-04-2013 inviting bidders to submit tenders till 18-04-2013 for purchase of medical equipment. An amendment was published on 07-04-2013 regarding extension of closing date to 22-04-2013 without approval of the DCO and without recording any reason which was required under Rule 27 of PPRA. EDO (Health) invited bids from manufacturer and dealers of imported products made in Japan, Italy and Germany etc. as evident from specifications of products provided along with tender documents. Obviously, manufacturer of imported products were located in other countries. Hence, it was an international competitive bidding for which minimum 30 days response time was required but the department provided only 17 days initially & 21 days after the extension as response time, in violation of Rule 13 of PPRA.
- ii. Rule 37 (c) of PPRA rules clearly states that two stage – two envelopes method shall be used for procurement where alternative technical proposal are possible such as certain types of machinery and equipment but EDO(H) adopted single stage two envelop method in violation of PPRA specific guideline.
- iii. Government of the Punjab, Finance Department letter No. SO (H-I) 7-33/2011-12 dated 11th June 2013 required from the Administrative Department to certify that machinery and equipment under these schemes would be delivered before 30th June 2013. In response to aforementioned letter, EDO (Health), certified even without delegated powers from the DCO (Administrative Department) certified that all equipment would be delivered before 30-06-2013 under his office letter No. 6560 dated 11-06-13 but items purchased were not received from the contractor till the date of audit i.e. 30th September 2013.
- iv. According to Rule 23 of PPRA, procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid but EDO (Health) himself formulated and provided a bidding document to contractors without approval of PAO/ Administrative Department and it contained a lot of ambiguities as detailed at **Annex-C**. One bidder made a complaint against procuring agency to the PPRA that the bidding documents were not available to the bidders immediately after the publication.

After considering the facts PPRA directed EDO (Health) to cancel the whole process. But the purchases were made without retendering.

- v. According to Govt. of the Punjab, LG&CD letter No. S.O.D.G (Dev)(LG)9-7/2009 dated 23-12-2010, a district tender board was required to be constituted for issuing, receiving and opening of tenders. District tender Board comprises EDO of client office, EDO (W&S), EDO (F&P), DCO and representative of Commissioner but tenders were issued, received and opened without presence of the board in violation of instruction *ibid*.
- vi. According to Govt. of Punjab Health Department letter No. P&E-II/1-2/12-13/ADP (Gen) dated 20-06-2012, only those imported items can be purchased which have no local substitute or local substitute is quality wise too poor. The department purchased imported items without recording any reasons.
- vii. Expenditure of Rs45.700 million was incurred during financial year 2012-13 on account of THQ Hospital Ferozewala, Muridke, BHU Jabran and 20 bedded Hopital Manawala out of development schemes of SDA but their PC-I were approved by the district authorities instead of provincial authorities that provided funds for the purpose. Moreover, Administrative Approvals were neither available on record nor shown to audit.
- viii. Purchases were made with the help of LC but LCs were neither available on record nor shown to audit.

Audit holds that codal formalities were not fulfilled due to defective financial discipline and weak internal controls.

This resulted in irregular purchase of machinery and equipment worth Rs53.420 million.

Management replied that the purchases were made with approval of the DCO. The reply was not satisfactory because approval of the DCO was not substitute to fulfillment of codal formalities.

The matter was reported to the DCO in November 2013. EDO (Health) did not attend DAC meeting held in December 2013.

Audit recommends proper enquiry of the case and strict disciplinary action under the rules along with recovery where possible.

1.2.2.3 Loss due to Non-imposition of Penalty – Rs22.015 million

As per clause 39 of contract agreement, the contractor shall pay, as compensation, an amount equal to one percent of the amount of the contract subject to the maximum of 10% or such smaller amount as the Engineer in-charge may decide, for delay in completion of work.

Management of the following formations awarded different works to various contractors during the financial year 2012-13. Neither the works were completed within stipulated time nor extension (in time limit) was applied by the contractors. This resulted in loss of revenue because of non-imposition of penalty for delay in completion of works @ 10% amounting to Rs22.015 million as detailed below:

Sr. No.	Name of Formation	AIR Para No.	No. of Schemes	Amount of Penalty (Rs in million)
1	DO Roads	1	9	16.284
2	DO Buildings	4	8	5.731
Total				22.015

Audit holds that non-imposition of penalty was due to defective planning and weak internal controls.

The loss of Rs22.015 million to the Government and non-completion of schemes deprived the community of the desired benefits of the schemes.

Management of offices noted the observation without offering any comment. Matter was reported to the DCO in November 2013. DAC in its meeting held in December 2013 directed the departments for recovery.

Audit recommends early recovery besides fixing responsibility against the person(s) at fault.

1.2.2.4 Irregular purchase of machinery and equipment without competition-Rs20.611 million

Rule 37 (a) read with 36 (b)(ix) and 2 (h) of PPRA states that in case of single stage two envelop method, bids are evaluated on technical and financial grounds and price is taken into account after technical evaluation. Moreover, lowest evaluated bid would be accepted. Lowest Evaluated Bid means a bid which is closely conforming to the evaluation criteria and having lowest evaluated cost. Lowest Evaluated Cost means lowest cost in comparison from all competitors and without competitor,

lowest evaluated cost could not be achieved. Moreover, According to Rule 31(1) of PPRA, procuring agency may seek and accept clarification to the bid that does not change the substance of the bid.

EDO (Health) expended Rs20.611 million on account of purchase of Auto Claves, Mobile Emergency Shadow Less Lights, Baby Resuscitation Trolleys, X-ray Film Processors, Gynecology Tables and Stethoscopes through single stage two envelop method. The purchases were held irregular on the following grounds:

- i. EDO (Health) awarded the contract to a single supplier without price competition rejecting all other bidders on the basis of technical evaluation by applying wrong assessment/evaluation criterion.
 - a) Financial bids of Alam Medix, Med Sure Technologies and Medi Urge that were the bidder for Auto Claves, Mobile Emergency Light and Baby Resuscitation Trolley respectively were not opened as these were declared unqualified on the basis of technical proposal as 60% score was not awarded to them against unapproved assessment parameters but Alam Medix, Med Sure Technologies and Medi Urge were entitled for 67, 65 and 67 score respectively because evaluator assigned zero score or less score against the parameters where they entitled for more score as detailed in **Annexure-D, E & F**.
 - b) Financial bid of Quintex Medical that was bidder for Gynecology Tables and Stethoscopes was not opened as it was knocked out on the basis of less than one year business history from authorization. Quintex Medical submitted its clarification within due course of time that it had more than one year business history with the principal and the authorization letter was renewed for one year as a routine matter and provided the copy of authorization letter for last year but EDO (Health) did not accept clarification.

- c) Tender documents, technical proposal and financial proposal of Radiant Medical that was bidder for Baby Resuscitation Trolley and tender documents, financial bids, comparative statements and technical reports of all the bidders on account of Electric Sterilizer were neither available on record nor shown to audit.
- ii.** All the bills of Auto Clave were invoiced on 03-06-2013 and through same purchase process but rate charged per item at THQ Sharqpur was Rs2.252 million, whereas rate charged per item at THQ Muridke was Rs2.185 million. This resulted in overpayment of Rs0.067 million due to charging higher rate at THQ Muridke.
- iii.** All the bills of Mobile Emergency Light were invoiced on 04-06-2013 and through same purchase process but rate charged per item at BHU Jabran was Rs0.668 million, whereas rate charged per item at 20 Bedded Hospital Manawala, THQ Muridke and Sharqpur was Rs0.696 million. This resulted in overpayment of Rs0.224 million due to charging higher rate at 20 Bedded Hospital Manawala, THQ Muridke and Sharqpur.

Audit holds that equipments were purchased without fair competition and at higher rates due to defective financial discipline and weak internal controls.

This resulted in purchases of Rs20.611 million without considering/ completing the requisite formalities.

Management replied that the purchases were made with approval of the DCO. The reply was not satisfactory because approval of the DCO was not substitute to the codal formalities.

The matter was reported to the DCO in November 2013. EDO (Health) did not attend DAC meeting held in December 2013.

Audit recommends proper enquiry and fixing responsibility for irregular purchases besides recovery.

1.2.2.5 Purchases without Advertisement at PPRA website– Rs15.799 million

According to Rule 12(1) of Punjab Procurement Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA’s website in the manner and format specified by PPRA regulation from time to time.

Management of the following formations expended Rs15.799 million on procurement of different items during the financial year 2012-13 without advertisement on the PPRA website. The detail is as detailed below:

Sr. No.	Formation Name	Amount (Rs in million)
1	Zila Health Officer	13.703
2	Special Education Centre Ferzewala	0.233
3	Special Education Centre Muridke	0.230
4	THQ Hospital Muridke	1.526
5	RHC Jandiala Sher Khan	0.107
	Total	15.799

Audit holds the purchases without open competition as irregular which was because of defective financial discipline and weak internal controls.

Special Education Centre Ferozewala and Muridke did reply and other DDOs simply noted the observations for compliance. Lapse and negligence was admitted by the departments.

The matter was reported to the DCO in November, 2013. DAC in its meeting held in December 2013 directed the departments for regularization. No compliance was made till finalization of this report.

Audit recommends fixing responsibility for purchases without advertisement on the PPRA website.

[AIR Para No.1,3,4,6 & 3]

1.2.2.6 Irregular purchase of machinery and equipment without PV Numbers-Rs15.749 million

Purchases of medical equipment/ instruments are to be made as per Product Vocabulary of Medical Store (PVMS) according to Government of Punjab, Health Department letter No. SO(DC)1-33/2005 dated 1st

September, 2005. Moreover, according to Rule 31(1) of PPRA, procuring agency may seek and accept clarification to the bid that does not change the substance of the bid.

EDO (Health) drew Rs15.749 million on account of purchase of Operation Tables and Suction Machines from Med Sure Technologies during financial year 2012-13. Product Vocabulary Numbers of the equipments purchased were neither available in the supply orders and bills nor mentioned at specifications which were provided to the bidders. The features in the specification were prepared itself by the procuring agency without getting approval from standardization committee.

- i.** In case of Operation Tables, tender of Eastern Medical who was the lowest bidder, was rejected with the reason that base of the table was not covered with stainless steel. This feature was not mentioned in Product Vocabulary Book of Operation Tables. Absence of such characteristics in the Product Vocabulary Book clearly indicated that the characteristics did not affect the intrinsic work of the Operation Table.
- ii.** In case of Suction Machines, tender of Medi Urge (PVT) Ltd. was rejected with the reason that Triple flow safety device was not available whereas Medi Urge provided the characteristic of overflow safety valve in technical offer. Hence, rejection of tender of Medi Urge was not correct because the feature of overflow safety device / valve was available in the Suction Machine of Medi Urge. Similarly the financial bid of Quintex Medical for suction machine was not opened as it was rejected on the ground that it possessed less than one year business history from authorization. Although the Quintex Medical submitted its clarification within due course of time that it had more than one year business history. A copy of the authorization letter for the previous year was also provided but EDO (Health) did not accept clarification.
- iii.** In case of Operation Table, financial bid of Alam Medix was not opened as it was declared unqualified on the basis of technical grading as 60% score was not awarded to them against unapproved assessment parameters but Alam Medix was entitled for 67 score because evaluator assigned zero score or less score against the

parameters where it entitled to obtain more score as detailed in **Annexure-G**.

- iv. All the bills of Operation Table were invoiced on 03-06-2013 and through same purchase process but rate charged per item at BHU Jabran and THQ Ferozewala was Rs1.220 million, whereas rate charged per item at 20 Bedded Hospital Manawala, THQ Muridke and Sharqpur was Rs1.271 million. This resulted in overpayment of Rs0.225 million due to charging higher rate at 20 Bedded Hospital Manawal, THQ Muridke and Sharqpur.
- v. EDO (Health) SKP purchased fourteen Suction Machines during 2012-13 @ Rs0.542 million each whereas the same specification machine was purchased by district government Faisalabad @ Rs0.090 million. Comparison of rate of both districts showed that same specification suction machines were purchased by EDO (Health) SKP at exorbitantly higher rate of Rs0.452 million. This resulted in loss of Rs6.328 million (Rs0.452 x 14) to the Government.

Audit holds that equipments were purchased without mentioning PV numbers due to defective financial discipline and weak procurement planning.

This resulted in purchases of Rs15.749 million without PV numbers and healthy competition.

Management replied that the purchases were made with approval of the DCO. The reply was not satisfactory because approval of the DCO was not substitute to the codal formalities.

The matter was reported to the DCO in November 2013. EDO (H) did not attend DAC meeting held in December 2013.

Audit recommends proper enquiry and fixing responsibility for irregular purchases besides effecting early recovery.

1.2.2.7 Purchase of medicines without DTL Reports – Rs13.961 million

According to Health Department's policy letter No. SO (P-I) H/RC 2001-2002/01, dated 29th September, 2001, no drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on account of Drugs / Medicines shall be released to the suppliers only on receipt of standard / positive DTL report.

Following formations expended Rs15.961 million on account of purchase of medicines without DTL report. Acceptance, payment and use of medicines without positive lab reports were against the above instructions.

(Rs in million)

Sr. No.	Formation Name	Amount
1	DHQ Hospital	10.576
2	THQ Hospital Muridke	0.309
3	DO (Health)	2.962
4	RHC Sharqpur	0.114
	Total	13.961

Audit holds that purchase of medicines without positive lab reports against policy instructions was due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure of Rs13.961 million besides putting the lives of hundreds of patients at stake.

Managements replied that payments were made after obtaining DTL Reports but no documentary evidence was provided in support of replies.

The matter was reported to DCO in November 2013. In DAC meeting held in December 2013 directed the departments for production of DTL reports. But no compliance was reported till finalization of the report.

Audit stresses fixing responsibility against the person(s) at fault.

1.2.2.8 Unauthorized Purchase of Foreign Assembled / Imported Ambulance Vans without obtaining NOC from Federal Government–Rs12.562 million

Foreign assembled and imported vehicles for use as ambulance shall not be purchased except after obtaining NOC from the Federal Government according to S&GAD, Government of the Punjab Notification No. SO (Proc)(S& GAD) 8-2/2005 dated 8th April, 2006 read with Govt. of Pakistan Cabinet Division letter No. 6-1 (4)/05-M-II dated 28-02-2006.

During audit of EDO (Health), it was observed that an amount of Rs12.562 million was expended during financial year 2012-13 for purchase of two Toyota ambulance vans of Japan made. The expenditure was held unauthorized due to the following reasons:

- i.** Vehicles were imported from Japan without getting NOC from Federal Government as required under the above notification.
- ii.** Ambulances were purchased @ Rs4,199,000 each at district Lahore during the same financial year. Comparison of rates charged by this office and that by the City District Government Lahore in the same year showed that the ambulances were purchased at exorbitantly higher rate than the rate charged by District Lahore i.e. Rs2.082 million each. This resulted in loss of Rs4.164 million to the Government.
- iii.** Government of the Punjab, Finance Department letter No. SO (H-I) 7-33/2011-12 dated 11th June 2013 required from Administrative Department to certify that machinery and equipment under these schemes would be delivered before 30th June 2013. In response of aforementioned letter, EDO (Health) without delegated powers from the DCO/ Administrative Department certified that all equipments would be delivered before 30-06-2013 under his office letter No. 6560 dated 11-06-13 but items purchased were not received from the contractor till the date of audit i.e. 30th September 2013.
- iv.** Rule 37 (c) of PPRA clearly states that two stage two envelop method shall be used for procurement where alternative technical proposal are possible such as certain types of machinery and equipment but EDO(H) adopted single stage two envelop method in violation of PPRA specific guideline.
- v.** In case of single stage two envelop method, bids are evaluated on technical and financial grounds and price is taken into account after technical evaluation as per Rule 37 (a) of PPRA. Contrary to this, procuring agency did not consider price competition in case of purchase of ambulances and awarded the works without competition of price because only one firm was declared technically feasible. Hence, purchases were made without considering lowest evaluated bid and price competition.
- vi.** Tender register showed that tenders were sold on account of purchase of transports to Ozawa Traders and Toyota Ravi Motors whereas comparative statement showed there were 3 bidders in the bidding process of purchase of transport.
- vii.** Financial bids of Toyota Ravi Motors and Med Express were not opened as these were declared unqualified on the basis of technical proposal as 60% score was not awarded to them against

unapproved assessment parameters. Tender documents, technical proposal and financial proposal of Med Express were neither available on record nor shown to audit whereas Toyota Ravi Motors was entitled for 76 score because evaluator assigned zero score or less score against the parameters where it entitled for more score as detailed in **Annexure-H**.

- viii.** 66 score was awarded to Ozawa Traders and declared qualified on the basis of technical proposal as 60% or more was eligible for further technical scrutiny but it was entitled for 46 score because evaluator assigned more score than admissible as detailed in **Annexure-I**.
- ix.** Rule 37 (c) of PPRA clearly states that two stage two envelop method shall be used for procurement where alternative technical proposal are possible such as certain types of machinery and equipment but EDO(H) adopted single stage two envelop method in violation of PPRA specific guideline.
- x.** In case of single stage two envelop method, bids are evaluated on technical and financial grounds and price is taken into account after technical evaluation as per Rule 37 (a) of PPRA. Contrary to this, procuring agency did not consider price competition in case of purchase of ambulances and awarded the works without competition of price because only one firm was declared technically feasible. Hence, purchases were made without considering lowest evaluated bid and price competition.

Audit holds that codal formalities were not fulfilled in letter and spirit due to defective financial discipline and weak internal controls.

This resulted in unauthorized purchase of foreign assembled / imported ambulance vans without obtaining NOC from federal government Rs12.562 million

Management replied that the purchases were made with approval of the DCO. The reply was not satisfactory because approval of the DCO was not substitute to fulfillment of codal formalities.

The matter was reported to the DCO in November 2013. EDO (H) did not attend DAC meeting held in December 2013.

Audit recommends fixing responsibility for unauthorized expenditure without fulfillment of codal formalities.

1.2.2.9 Advance Drawal of Funds on account of purchase of furniture-Rs9.525 million

It is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time. It is also not permissible to draw advances from the treasury to prevent the lapse of appropriations according to Rule 2.10 (b) (5) and 17.19 of PFR VoI-I.

Scrutiny of record of EDO (Education) revealed that a sum of Rs9.525 million was drawn from treasury in June 2013 under the object code of furniture without support of any bill of the contractor and the same was transferred to bank accounts of eight head of the schools. Record regarding approval/ permission from finance department for opening of bank accounts was also neither available on record nor shown to audit.

Audit holds that amount was drawn under the object code of furniture but transferred to the bank accounts of head of the schools due to defective financial discipline and weak internal controls.

This resulted in not only advance drawal of funds on account of purchase of furniture but also irregular transfer of funds in bank accounts for which permission was not available.

The observation was discussed with the department and it was received without offering any comment.

The matter was reported to the DCO in November, 2013. DAC in its meeting held in December 2013 directed the departments for regularization besides provision of approval of opening of bank accounts. No compliance was made till finalization of this report.

Audit recommends fixing responsibility for making advance payment and irregular transfer of funds.

1.2.2.10 Advance Drawal without approval of Finance Department -Rs7.358 million

It is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time. It is also not permissible to draw advances from the treasury to prevent the lapse of appropriations according to Rule 2.10 (b) (5) and 17.19 of PFR VoI-I.

During audit of EDO (Health), scrutiny of paid vouchers of machinery and furniture revealed that Rs55.297 million was drawn in advance from treasury during the Financial Year 2012-13 on account of purchase of machinery and furniture whereas the department got approval of advance drawal from the Finance Department to the tune of Rs47.939 million for purchase of machinery with the condition that all machinery and equipment under the following schemes would be delivered before 30th June 2013 but no equipment was received in this office till the date of audit.

(Rs in million)

Description	Approval for Advance Drawal	Amount Drawn	Advance drawal without approval
P/O machinery for THQ Sharqpur	12.406	12.717	0.311
P/O machinery for THQ Ferozwala	0.305	1.220	0.915
P/O machinery for THQ Muridke	26.078	26.889	0.811
P/O machinery for 20 Bedded Hospital Manawala	7.262	7.340	0.078
P/O machinery for BHU Jabran	1.888	1.888	0.000
Total- Purchase of machinery	47.939	50.054	2.115
Purchase of furniture	0	5.243	5.243
Grand total	47.939	55.297	7.358

Audit holds that advance drawal without approval of Finance Department and without fulfillment of conditions was due to defective financial discipline and weak internal controls.

This resulted in advance drawal without fulfillment of conditions on account of purchase of machinery and equipments worth Rs50.054 million and drawal of advance without approval from Finance Department worth Rs7.358 million.

Management replied that the purchases were made with approval of the DCO. The reply was not satisfactory because approval of the DCO was not substitute to fulfillment of codal formalities.

The matter was reported to the DCO in November 2013. EDO (H) did not attend DAC meeting held in December 2013.

Audit recommends fixing responsibility for unauthorized expenditure without fulfillment of codal formalities.

1.2.2.11 Irregular Expenditure without Approval of the Finance Department -Rs6.518 Million

According to para 5.19 of Chapter 5 of B & R Code, no excess over a revised estimate sanctioned by the government in the irrigation, communication and works department can be sanctioned without the concurrence of the Finance

During scrutiny of record of DO (Roads) Sheikhpura, it was observed that the work was awarded to the various contractors. The project scope and cost was enhanced without approval of the Finance Department.

Audit holds that project scope and cost enhanced without approval of the Finance Department was due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure without approval of the Finance Department Rs6.518 million.

The observation was discussed with department. It was noted without offering any comment. The reply was not satisfactory being evasive.

The matter was reported to the DCO in November 2013. In DAC meeting held in December 2013 directed the department for approval of competent authority. No progress was intimated till the finalization of this report.

Audit recommends fixing responsibility against the person(s) at fault.

1.2.2.12 Overpayment for Bricks – Rs6.420 million

According to approved PWD specification (Chapter 5 of Composite Schedule Rates), 25 cft cement sand mortar is required for construction of 100 cft. bricks masonry.

DO (OFWM) paid Rs6.420 million on account of construction of water courses by measuring 500 bricks for construction of one cubic meter watercourse without setting off 25% per cubic meter against consumption of cement sand mortar during 2012-13 **Annexure-J**.

Audit held that excess payment was made due to poor financial controls.

Non-deduction of 25% per cubic meter against consumption of cement sand mortar resulted in excess measurement of bricks involving overpayment of Rs6.420 million.

The observation was discussed with the department, it was replied that the payment was made according to PC-I.

The matter was reported to the DCO in November, 2013. DAC in its meeting held in December 2013 directed the departments to obtain clarification of the matter from quarter concerned. No compliance was made till finalization of this report.

Audit recommends recovery besides fixing responsibility for excess measurement of bricks under intimation to audit.

(AIR Para No. 1)

1.2.2.13 Unauthorized Drawl of Pay and Allowances – Rs6.316 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

Officers and officials of different formations drew pay and allowances without their admissibility, resulting in overpayment of Rs6.316 million as detailed below:

Sr. No.	Name of Formation	Description	Amount (Rs in million)
1	EDO (Education)	Conveyance Allowance	0.665
2	DO Livestock	Conveyance Allowance	0.036
3	Special Education Centre Sharqpur	Conveyance Allowance	0.020
4	Special Education Centre Ferozewala	Conveyance Allowance	0.024
5	DHQ Hospital	HRA and 5% of pay	0.556
6	DHQ Hospital	Conveyance Allowance	0.381
7	T.B. Hospital	House Rent Allowance	0.113
8	General Nursing School	Mess Allowance	0.028
9	General Nursing School	Conveyance Allowance	0.049
10	DO (H)	Drawing Non-practicing Allowance @ Rs4000 PM instead of Practice Compensatory Allowance @ Rs2500	0.036
11	DO (H)	HSRA during leave period	0.069

12	DO (H)	Conveyance Allowance	0.105
13	RHC Narang	HRA and 5% of pay	0.069
14	RHC Narang	Conveyance Allowance	0.101
15	RHC Kala Shah Kaku	Conveyance Allowance and 5% of pay	1.404
16	RHC Kala Shah Kaku	Social Security Benefit	0.192
17	RHC Kala Shah Kaku	HRA	0.244
18	RHC Sharqpur	Social Security Benefit	0.288
19	RHC Sharqpur	Conveyance Allowance	0.198
20	RHC Sharqpur	HRA and 5% of pay	0.147
21	RHC Manawala	5% of pay	0.052
22	RHC Kharianwala	HRA and 5% of pay	0.065
23	RHC Jandiala Sher Khan	HRA and 5% of pay	0.104
24	RHC Farooqabad	HRA and 5% of pay	0.057
25	RHC Farooqabad	Conveyance Allowance	0.153
26	EDO (H)	Conveyance Allowance and HRA	1.160
	Total		6.316

Audit holds that pay and allowances were drawn without admissibility due to defective financial discipline and weak internal controls.

This resulted in overpayment of Rs6.316 million to the officers / officials.

Managements admitted the recovery.

The matter was reported to the DCO in November 2013. In DAC meeting held in December 2013 directed the departments for recovery.

Audit stresses fixing responsibility against the person(s) at fault.

1.2.2.14 Unauthorized Payment due to Unauthorized Up-gradation of posts-Rs4.374 million

According to Sr. No. 5 clause (l) Schedule-II of Punjab District Government Rules of Business 2001, service and administrative matters, having financial implications, of employees of the district governments in accordance with the rules and policies of the government and creation/up-gradation of posts, either permanently or temporarily with approval of the Finance Department falls within the allocated business of Finance & Planning Wing of the District Government. Further, Rule 13(1) of Punjab District Government Rules of Business 2001 states that no district office shall, without previous consultation with the District Finance and Budget Office, authorize any order which in particular involves expenditure for

which no provision exists.

During audit of RHC Sharqpur, it was noticed that various posts of RHC were up-graded without consultation with the Finance Department of District Government. Audit holds that posts up-graded without approval of the Finance Department were due to defective financial discipline and weak internal controls.

This resulted in unauthorized up-gradation of posts and irregular payment of Rs4.374 million as detailed at **Annexure-K**.

The observation was discussed with the management. It was replied that notification of Finance Department would be provided. The reply was not acceptable because no documentary evidence was provided in support of reply.

The matter was reported to the DCO in November 2013. In DAC meeting held in December 2013 directed the department for approval of competent authority. No progress was intimated till the finalization of this report.

Audit recommends fixing responsibility for unauthorized up-gradation of posts.

1.2.2.15 Non-credit of Lapse Deposits to Government Revenue-Rs4.054 million

According to Rule 5.4 of Departmental Financial Rules (DFR) read with Rule 12.7 of Punjab Financial Rules, Vol-I and Finance Department's letters No. IT (FD)3-4/2002 dated 27th August, 2002 and 23rd September, 2002, Public Works Deposits unclaimed for more than three account years will, at the close of June in each year, be lapsed and credited to Government revenue.

Scrutiny of Deposit Register of DO (Roads) revealed that an amount of Rs4.054 million was lying unclaimed for more than three years but the same was not deposited to Government revenue. No efforts were made to adjust the same into Government Deposit.

Audit holds that non-credit of lapse deposits to Government Revenue was due to defective financial discipline and weak internal controls.

This resulted in non-credit of lapse deposits to government revenue Rs4.054 million.

The observation was discussed with departmental representative. It was noted without offering any comment. The reply was not satisfactory being evasive.

The matter was reported to the DCO in November 2013. In DAC meeting held in December 2013 directed the department for crediting into PWD Deposit within four months. No progress was intimated till the finalization of this report.

Audit recommends fixing responsibility against the concerned officers for not initiating timely action for adjustment / credit of lapsed deposits to government revenue.

1.2.2.16 Expenditure without sanction of Competent Authority – Rs3.110 million

According to Finance Department Government of Punjab Notification No. FD (FR) 11-2/89; dated 1st November, 2001, Category-II Officer is competent to sanction expenditure for purchase of pharmaceuticals (rate contract) up to Rs150,000.

During audit of THQ Hospital Muridke for the year 2012-13, it was noticed that expenditure of Rs3.110 million (detailed below) was incurred on purchase of medicines. The expenditure was held unauthorized because sanction of the competent authority was neither available on record nor shown to audit.

Date of Drawl	Description	Amount (Rs)
13.06.2013	Purchase of Drugs & Medicines	1,275,750
17.05.2013	Purchase of Drugs & Medicines	1,147,255
12.06.2013	Purchase of Drugs & Medicines	686,500
Total		3,109,505

Audit holds that expenditure incurred without sanction of competent authority was due to defective financial discipline and weak internal controls.

This resulted in unauthorized expenditure of Rs3.110 million.

Management of THQ Hospital Muridke did not furnish the reply.

The matter was reported to the DCO in November 2013. In DAC meeting held in December 2013 directed the department for regularization. No compliance was intimated till finalization of this report.

Audit stresses regularization besides fixing responsibility against the person(s) at fault under intimation to Audit.

1.2.2.17 Unauthorized Purchase of Equipment Beyond the Scope of Approved Scheme – Rs3.040 million

The Head of offices in District Government is responsible for ensuring that the funds allotted are spent on the activity for which the money was provided according to Rule 4 (3) (v) of PDG & TMA (Budget) Rules, 2003.

Scrutiny of PC-1 and purchase vouchers of scheme THQ Hospital Sharqpur and 20 bedded Hospital Manawala revealed that EDO (H) purchased below mentioned items beyond the scope and specific provision of PC-1 of the schemes.

Audit holds that purchases made beyond the scope of approved schemes were due to defective financial discipline and weak internal controls.

This resulted in unauthorized purchase of Rs3.040 million as detailed below:

Name of Scheme	Equipments purchased	Qty as per PC-I	Qty Purchased	Excess Qty purchased	Rate (Rs)	Amount (Rs)
THQ Sharqpur	X-ray film processor	-	01	01	824,100	824,100
THQ Sharqpur	Shadow less Light	01	03	02	695,956	1,391,912
20 Bedded Hospital Manawala	X-ray Film processor	-	01	01	824,100	824,100
Total						3,040,112

Management replied that the purchases were made with approval of the DCO. The reply was not satisfactory because the DCO was not competent to revise PC-I on account of SDA schemes and funds were not spent on the activity for which it was provided for.

The matter was reported to the DCO in November 2013. EDO (H) did not attend DAC meeting held in December 2013.

Audit recommends fixing responsibility for unauthorized expenditure without fulfillment of codal formalities.

1.2.2.18 Overpayment for RCC due to Non-reduction of Rates – Rs1.611 million

According to Remarks No. 4 against Sr. No.6 (a)(i) of Chapter “Concrete” of MRS, the rates of RCC shall be reduced by Rs12 and Rs7 per cft if local sand or Chenab sand is respectively used.

During audit of DO Buildings Sheikhpura for the period 2012-13, it was noticed that 134,225 cft of RCC was used under different schemes. The amount was overpaid because rates were not reduced by Rs12 per cft for use of local sand in RCC. Audit holds that non-reduction of RCC rate for use of local sand in RCC was due to defective financial discipline and weak internal controls.

This resulted in overpayment for RCC due to non-reduction of rates Rs1.611 million.

The observation was discussed with the management. It was noted without offering any comment.

The matter was reported to the DCO in November 2013. DO (Buildings) did not attend DAC meeting held in December 2013.

Audit recommends fixing responsibility for overpayment of RCC due to non- reduction of rates.

1.2.2.19 Non-recovery of renewal fee from private school– Rs1.375 million

As per memo No. 3593/D/A.B dated 18th April, 2000 of Directorate Public Instructions (EE) Punjab, Lahore, read with Notification No. SO (A-I) 7-21/81 dated 24th August, 1998 of the Government of the Punjab, Education Department and Govt. of the Punjab, Schools Education Department letter No. SO (A-II) 3-3/99 (P) dated 22-01-2009, whoever runs an institution without registration or after refusal or cancellation of registration, shall be punished with fine which may extend to Rs100.00 for each day during which contravention continues and where the contravention continues for a period of 3 months, the institution shall be liable to closure by registering authority. Besides, an amount of Rs7,000 on account of registration and Rs1000 p.a. on account of inspection fees was required to be collected from the private schools and initial registration of private institutions was only for 05 years.

During audit of EDO (Education), scrutiny of registration record of private school revealed that:-

A. 275 schools required renewal but the same were running without renewal resulting in non-recovery of inspection fees @ Rs5000 per school for five year worth Rs1.375 million.

B. Registration fee and Inspection fee recovered during financial year 2012-13 was also not got verified from DAO, Sheikhpura.

C. Survey report to determine how much private schools were running in district Sheikhpura was neither available on record nor shown to audit. Due to which audit was not in a position to state about running of non-registered schools.

The observation was discussed with the department and it was received without offering any comment.

Audit holds that non-recovery of renewal fee and non-conducting survey to determine number of private schools running in district Sheikhpura was due to defective financial discipline and poor planning.

Running of private schools without renewal resulted in non-recovery of renewal fee for Rs1.375 million and non-conducting of survey to determine number of private schools might resulted in running of private schools without registration.

Audit recommends fixing responsibility for non-renewal of private schools.

[AIR Para No.6]

1.2.2.20 Less Realization / Non-deposit of Government Revenue – Rs1.284 million

According to Rule 76 of PDG & TMA (Budget) Rules 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head. Further, a demand and collection register shall be maintained in Form A-XIII by the collecting officer of a Local Government. The demand shall be recorded on debit side of the register and when money is received against any demand necessary entry shall be made in the register on the credit. At the beginning of each year, arrears of the previous year shall be carried forward and included in the demand for the year.

A. During audit of EDO (F&P), it was noticed that District Government Sheikhpura collected Rs6,796,535 from shopkeepers and tenants through tax collectors on account of license fee, rent of shops, godowns rent and rent of land against demand of Rs8,021,230 during financial year 2012-13. It is worth mentioning that Demand and Collection Register was neither available on record nor shown to audit, due to this arrear receivables could not be identified.

B. During audit of EDO (Health) Sheikhpura, it was observed that crops were found growing in the premises of residence of EDO Health at 30 kanal areas. No record was found regarding its sale proceeds and deposit into government treasury. This resulted in approximate loss of Rs300,000 (approximate area 30 Kanal X Rs 1000 per annum X 10 Years)

C. During scrutiny of record of DHQ Hospital Sheikhpura for the year 2012-13, it was observed that MLCs were issued but government share from the realized income was not deposited into government treasury amounting to Rs163,890.

Audit holds that less realization / non-deposit of income was due to defective financial discipline and weak internal controls.

This resulted in less realization/ non-deposit of Rs1.284 million.

The observations were discussed with the departments, EDO (F&P) replied that 84% of the targets were realized, the remaining amount was under process. The non-recovery was admitted by the department. MS DHQ Hospital and EDO (H) did not offer any comment.

The matter was reported to the DCO in November 2013. In DAC meeting held in December 2013, recovery of Rs405,458 was deposited into government treasury by the office of EDO (F&P). MS DHQ Hospital admitted non-deposit of government share of MLC fee and EDO (H) did not reply. DAC directed the departments for recovery.

Audit stresses fixing responsibility against the person(s) at fault besides making recovery of the loss.

1.2.2.21 Irregular Expenditure on account of POL worth – Rs1.193 million and Embezzlement of POL – Rs571,669

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, Rule 4 (4) of the Rules for the Use of Staff Cars 1980 requires that a trained licensed

driver shall be engaged for the staff car in accordance with the recruitment policy laid down in Rule 12 (2). Further, under Serial No. 3 of Punjab Delegation of Financial Powers Rules, 2006 stipulates that sanctioned strength of vehicles as approved by the Finance Department should be maintained in the department.

During audit of EDO (Health) Sheikhpura for the financial year 2012-13, scrutiny of log books of vehicles and generator revealed that:

- A.** A sum of Rs1.069 million was drawn on account of purchase of POL of four vehicles during 2012-13 as detailed at **Annexure-L** whereas only two post of drivers was sanctioned / available in the office of EDO (H) budget. Sanctioned strength of vehicles was neither available on record nor shown to audit. Average consumption certificate was not found recorded on log books of concerned vehicles. No inspection reports / minutes of meeting or any other documentary evidence was found that showed the purpose or outcome of travelling up to 420 km a day along with attending meetings.
- B.** An amount of Rs447,431 was embezzled and fraudulently withdrawn from Government treasury as detailed at **Annexure-L** because mileage was recorded in log books excess than the actual distance taken from Google map service through internet.
- C.** An amount of Rs124,265 was drawn on account of POL for generator but no generator was found installed in office premises. However, it was actually installed at the residence of EDO Health (snaps attached as evidence). Log Book of the generator was available but without signature of any authority. Average consumption certificate was also not found recorded on Log Book.

Audit holds that POL was embezzled due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure on account of POL worth Rs1.193 million and embezzlement on account of POL worth Rs571,669.

Management replied that vehicles were used by different officers of EDO (H) office. However, excess drawal would be investigated. The reply was not satisfactory because POL was drawn without fulfillment of codal formalities and fake POL was also drawn.

The matter was reported to the DCO in November 2013. EDO (H) did not attend DAC meeting held in December 2013.

Audit recommends fixing responsibility for fake drawal of POL besides recovery thereof.

1.2.2.22 Non-deduction of Penalty –Rs1.090 million

According to Government of Punjab Health Department Notification No.S.O(P-I) H/3-64/2008 dated 18.10.2008, the shelf life in case of imported items must not be less than 80% and in case of local items 90% at the time of delivery. However, in case of imported medicines, the stores may be accepted up to 70 % shelf life and in case of locally manufactured / packed drugs up to 80 % at the time of supply / delivery subject to 1 % penalty charges for the actual short fall.

Scrutiny of record of DHQ Hospital Sheikhpura for the year 2012-13, it was observed that medicines valuing Rs18.586 million were accepted at the shelf life below 90 % and penalty @ 1% against the short fall was also not deducted from the contractor at the time of payment.

Name of medicine/ Supplier	Shelf life at the time of supply (%)	Below 90%	Amount (Rs)	Penalty (Rs)
Anti Rabbits Vaccine	67	13%	4,630,000	601,900
Methergin and Rapipur	86	4%	4,655,500	186,222
General Pharma	83	7%	117,517	1,226
Glitz Pharma	83	7%	583,700	40,859
Hermann Pharma	87	3%	265,000	7,950
FYNL Pharma	83	7%	180,000	12,600
Fresenius Medical Care	86	4%	1,665,000	66,600
-	83	7%	692,000	48,440
Elate CC Karachi	88	2%	5,447,300	108,946
Macter Int.	87	3%	219,500	6,585
-	83	7%	130,000	9,100
	Total		18,585,517	1,090,428

Audit holds that non-deduction of penalty was due to weak internal controls and poor financial management.

This resulted in overpayment of Rs1.090 million to the contractors.

The observation was discussed with the department but management did not offer any comment.

The matter was reported to the DCO in November 2013. DAC in its meeting held in December 2013 directed the department for recovery.

Audit stresses fixing responsibility on the person(s) at fault besides recovery under intimation to Audit.

ANNEXURES

MFDAC

Sr. No.	Formation Name	Description	Nature of Observation	Amount (Rs in million)
1	DCO	Unauthorized Allotment of District Government Residences	Irregularity	-
2	DO (Civil Defence)	Loss to Government due to theft of Motorcycle	Irregularity	0.050
3	EDO (Education)	Encroachment of Education Department land	Irregularity	4.330
4		Non disbursement of funds	Irregularity	11.054
5		Unauthorized creation of posts	Irregularity	-
6	DO (Sports)	Irregular payment of Cash Incentive	Irregularity	0.053
7	DO (OFWM)	Overpayment by excess measurement of bricks masonry	Recovery	2.450
8		Overpayment for sand	Recovery	0.194
9		Overpayment for cement	Recovery	0.658
10	Special (Edu) Center HIC SKP	Verification of General Sales Tax	Irregularity	0.050
11		Unauthorized Expenditure due to Misclassification	Irregularity	0.040
12		Wastage of Government Resources	Irregularity	3.000
13	Special (Edu) Center Sharaqpur	Loss to the Government due to splitting of Expenditure	Irregularity	0.977
14		Irregular payment of repair of Machinery and Equipment & Furniture & Fixture	Irregularity	0.012
15		Irregular payment on Repair of vehicle	Irregularity	0.083
16		Unjustified Distribution of Scholarship	Irregularity	0.799
17		Loss to the Government due to splitting of Expenditure	Irregularity	0.296
18		Verification of Sales tax	Irregularity	0.172
19		Unauthorized Expenditure due to Misclassification	Irregularity	0.155
20		Unauthorized Purchase of Machinery & Equipment	Irregularity	0.079
21		Unauthorized Expenditure	Irregularity	3.711
22		Unjustified payment of TA / DA	Irregularity	0.092
24	Govt. Slow	Loss to the Government due to	Irregularity	0.414

	Learner SKP	splitting of Expenditure		
25		Irregular payment of repair of Machinery and Equipment	Irregularity	0.055
26		Irregular payment on Repair of vehicle	Irregularity	0.029
27		Loss to the Government due to splitting of Expenditure	Irregularity	0.135
28		Loss to Government	Irregularity	3.000
29		Unjustified Distribution of Scholarship	Irregularity	0.481
30		Verification of Sales Tax	Irregularity	0.056
31		Unauthorized Expenditure due to Misclassification	Irregularity	0.053
32		Unauthorized Purchase of Machinery & Equipment	Irregularity	0.044
33	Govt. Special Education Center Ferozwala	Excess Expenditure incurred over and above budget allocation	Irregularity	0.396
34		Unauthorized payment on account of rent of office building	Irregularity	0.422
35		Non disbursement of scholarships	Irregularity	0.451
37		Bogus and doubtful process of procurement	Irregularity	0.233
38		Unauthorized expenditure	Irregularity	0.047
39		Payments without acknowledgements / copy of paid cheque/ proof of crossed cheque	Irregularity	0.223
40		Non-surrender of savings	Irregularity	0.425
41		Non obtaining of schedules of payment	Irregularity	-
42		Non taking annual physical stock	Irregularity	-
43		Non disposal of non serviceable items	Irregularity	-
44		Unjustified expenditure on Repair of Vehicles	Irregularity	0.050
45	Govt. Special (Edu) Center Muridke	Lapse of Funds	Irregularity	0.050
46	EDO (W&S)	Non reconciliation of Expenditure	Irregularity	8.931
47	DHQ Hospital SKP	Unauthorized payment on account of Non Practicing Allowance	Irregularity	2.232

48		Unauthorized Expenditure due to Misclassification	Irregularity	0.048
49		Unjustified Expenditure due to Payment of Pending Liabilities	Irregularity	0.078
50		Unauthorized payment of Pay & Allowances	Irregularity	13.659
51		Loss due to non-imposition of liquidated damages on account of late delivery of medicine	Recovery	1.257
52		Unauthorized payment of cook and bearer	Irregularity	2.190
53		Non-Auction of old store causing loss to government	Recovery	0.167
54		Unauthorized payment of Road Journey Allowance	Irregularity	0.008
55		Loss to Government due to burnt of vehicle	Irregularity	-
56	T.B. Hospital	Doubtful Payment	Irregularity	0.500
57		Unjustified Expenditure on account of Sui-Gas Charges	Irregularity	0.739
58		Lapse of Funds	Irregularity	0.922
59	Principal General Nursing School	Irregular payment of mess allowance	Irregularity	0.930
60		Non surrendering of savings in the budget	Irregularity	1.016
61		Expenditure in excess of budget	Irregularity	0.977
62		Non-deposit of government receipts	Recovery	0.005
63	THQ Hospital, Muridke	Non-obtaining of security	Irregularity	0.553
64		Non-verification of General Sales Tax	Irregularity	0.058
65		Irregular drawl of 35% share of x-ray film Lab by the MS	Recovery	0.110
66		Unauthorized purchase of IV Canula	Irregularity	0.298
67		Loss of Govt. due to non disposal of ambulance	Irregularity	0.500
68		Unauthorized drawl of NPA	Irregularity	-
69		Non verification of Deposits	Irregularity	0.384
70	DO (H)	Loss due to non auction of unserviceable vehicles and equipments of thousands of rupees.	Irregularity	-
71		Unauthorized drawl of Non-practicing Allowance	Irregularity	0.360
72		Expenditure in excess of budget	Irregularity	1.340

73		Loss due to non deduction of Income tax	Recovery	0.149
74		Non-imposition of LD Charges	Recovery	0.328
75	Zila Health Officer	Lapse of Funds	Irregularity	6.931
76	RHC Narang	Loss due to non auction of unserviceable vehicles	Irregularity	0.200
77		Unauthorized expenditure on pay & allowances of Cook	Irregularity	0.250
78	RHC, Kala Shah Kaku	Lapse of budget	Irregularity	20.750
79		Unauthorized Expenditure on Pay & Allowances due to Shifting of Head Quarter	Irregularity	0.840
80		Loss to the government due to transfer of generator	Irregularity	3.000
81	RHC, Sharqpur	Payment of Pay and Allowances over and above / without Sanctioned Posts	Irregularity	1.169
82		Unauthorized Use of Ultrasound Machine	Irregularity	--
83		Unauthorized purchase of medicines without demand	Irregularity	--
84		Unauthorized transfer of human and material resources of RHC Sharqpur	Irregularity	-
85		Unauthorized Deposit of Government Money	Irregularity	2.380
86	RHC, Kharianwala	Unauthorized expenditure on pay & allowances of Cook	Irregularity	0.235
87		Expenditure in excess of budget	Irregularity	0.871
88		Non surrendering of savings in the budget	Irregularity	0.942
89	RHC, Jandiala Sher Khan.	Unauthorized payment to Cook	Irregularity	--
90	RHC, Farooqabad	Expenditure in excess of budget	Irregularity	6.484
91	EDO (F&P)	Preparation of unrealistic and unsound estimates	Irregularity	5541.379
92		Unauthorized transfer of money	Irregularity	0.980
93	DO (Roads)	Non-approval of Lead Chart by the Competent Authority for Earth Filling	Irregularity	10.748
94		Irregular Payment of Bitumen without obtaining documentary evidence	Irregularity	-
95		Non-obtaining of performance security from the contractor	Irregularity	-
96		Doubtful execution of work due to	Irregularity	-

		non-imposition of test reports		
97	DO (Buildings)	Unauthorized expenditure on RCC Raft/Strip Foundation	Irregularity	13.355
98		Unauthorized Expenditure Beyond TS Estimates	Irregularity	4.293
99		Unauthorized deduction of Performance Security from Contractor's Bills	Irregularity	2.958
100		Unauthorized execution of Repair & Maintenance Work in presence of original Development Projects	Irregularity	0.829
101		Unauthorized expenditure on Imported Tiles	Irregularity	0.525
102		Overpayment for RCC	Recovery	0.670
103		Unauthorized payment of Broken Glasses	Irregularity	0.267
104		Unauthorized expenditure on Tuff Tiles	Irregularity	0.188
105		Overpayment for Fair Face Work	Recovery	0.122
106	EDO (H)	Non-conducting of annual physical verification	Irregularity	-
107		Unauthorized transfer of vehicle	Irregularity	-
108		Likely embezzlement of Government assets	Irregularity	-
109		Unauthorized payment of salaries	Irregularity	-
110		Loss of Government assets by mismanagement	Irregularity	-
111		Irregular Purchase of Intensive Care Incubator	Irregularity	2.302
112		Irregular Purchase of Pulse Oximeter	Irregularity	0.432

Annexure-B

**Summary of Appropriation Accounts by Grants
District Government, Sheikhpura
For the financial year 2012-13**

Grant No.	Name of Grant	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Variation (+) Excess (-) Saving
Non Development						
3	Provincial excise	9,688,703	1,899,166	11,587,869	8,576,773	-3,011,096
5	Forest	4,575,739	0	4,575,739	4,687,771	112,032
7	Charges o A/c of motor Vehicle Tax	3,572,599	0	3,572,599	2,904,242	-668,357
8	Other Taxes and duties	10,066,621	0	10,066,621	9,469,697	-596,924
10	General Administration	114,596,642	0	114,596,642	80,219,599	-34,377,043
15	Education	3,578,392,791	138,010,226	3,716,403,017	3,797,407,634	81,004,617
16	Health services	1,002,565,789	111,468,397	1,114,034,186	963,298,997	-150,735,189
17	Public Health	9,523,076	0	9,523,076	7,024,335	-2,498,741
18	Agriculture	114,200,346	0	114,200,346	106,005,209	-8,195,137
19	Fisheries	2,946,880	23,638	2,970,518	2,873,185	-97,333
20	Veterinary	109,334,312	36,080,739	145,415,051	142,770,086	-2,644,965
21	Co-operative	25,534,676	1,790,774	27,325,450	24,826,175	-2,499,275
22	Industries	5,940,000	0	5,940,000	4,585,111	-1,354,889
23	Miscellaneous Department	13,486,392	0	13,486,392	12,372,095	-1,114,297
24	Civil works	50,341,956	508,725	50,850,681	43,512,319	-7,338,362
25	Communications	141,271,668	2,383,409	143,655,077	103,481,038	-40,174,039
31	Miscellaneous	28,366,131	0	28,366,131	25,959,665	-2,406,466
32	Civil Defence	8,367,200	0	8,367,200	8,294,663	-72,537
Total Non Development		5,232,771,521	292,165,074	5,524,936,595	5,348,268,594	-176,668,001
Development						
36	Development	294,855,586	0	294,855,586	234,626,483	-60,229,103
41	Highways, Roads and Bridges	266,916,113	0	266,916,113	220,039,779	-46,876,334
42	Government Buildings	230,936,000	0	230,936,000	135,121,568	-95,814,432
Total Development		792,707,699	0	792,707,699	589,787,830	-202,919,869
Grand Total		6,025,479,220	292,165,074	6,317,644,294	5,938,056,424	-379,587,870
Surrender / Withdrawals				0	0	
Net Total		6,025,479,220	292,165,074	6,317,644,294	5,938,056,424	-379,587,870

(Source: Appropriation Accounts for the financial year 2012-13)

Annexure-C

There were two types of conditions which were required to be fulfilled to a bidder.

(i) Knock out clauses. (ii) Evaluation Criteria.

Knockout Clauses:

The provision of this checklist was essential prerequisites to submit along with tenders:

Sr. No.	Description of clause	Comment of audit
1	Original receipt for purchase of tender	A bidder who attaches copy of receipt for purchase of tender will be rejected but no technical or financial impact was affected.
2	Minimum one year business history from the date of authorization	Procuring agency received a certificate of authorization which shows period of validity for agency instead of business history.
3	Bidder must indicate the country of origin	If a bidder did not indicate the country of origin, he will be disqualified but Rule 24 of PPRA requires that no reservation and preference would be made on the ground of nationality.

Evaluation Criteria:

The provision of this checklist provided assessment parameter, nothing available in writing regarding passing / qualifying score but orally departmental representative said 60 marks out of 100 is required to a bidder for qualification after fulfilling knock out clause.

Sr. No.	Assessment Parameter	Comment of audit
1	Financial soundness	Total marks were allowed against provision of NTN certificate, Bank Statement and Balance Sheet. No extra number was allotted to heavy bank statement, heavy balance sheet and a large amount of tax paid. Clause of Provision of NTN, Bank Statement and Balance Sheet was also mentioned in Knock out clauses. Thus, the organization which fulfill knock out clauses and become eligible for evaluation but already obtained full marks of financial soundness i.e.12.
2	Overall reputation of the product	Assessment parameter is ambiguous because procuring agency provided specification of the product. The product will be homogeneous in quality due to same specification; therefore it was not required to ask about reputation of the product. The question should ask about reputation of the supplier instead of the

		product.
3	Production specialization	None of the bidder obtained even a single mark against this parameter which shows the question is irrelevant.
4	Technical training	In tender documents, 05 marks are allotted for technical training. But in evaluation report, technical training parameter was not mentioned.

Annexure-D

Sr	Assessment Parameter	Comment of audit	Score Due	Score awarded	Score to be added
1	Technical Qualification: 05 score for at least two technical staff members, maximum score 10 on account of One additional number for every additional technical member	Evaluator assigned 04 score whereas list of 28 technical staff member was attached with the technical proposal. Hence, Alam Medix was entitled for full score in this assessment parameter	10	04	06
2	Technical Qualification: Qualification maximum marks=10, BSc in Engineering =01, Msc/ Master Degree =02	Evaluator assigned 05 score whereas scrutiny of list and copies of degrees revealed that 03 technical staff members were BSC in Engineering, one personnel was MSC, One was MBA and 03 technical staff members were Ph.D. Hence, Alam Medix was entitled for full score in this assessment parameter	10	05	05
3	Spare parts and Accessories	Evaluator assigned zero score whereas Aam Medix provided a certificate of spare parts availability in sufficient quantity for a period of 10 years. It is worth mentioning here that in the case of operational table, evaluator assigned full score to Alam Medix on the basis of this certificate. Hence, Alam Medix was entitled for full score in this assessment parameter on account of Auto Clave	08	0	08
4	Score already awarded				48
	Total Score after addition				67

Annexure-E

Sr. No.	Assessment Parameter	Comment of audit	Score Due	Score awarded	Score to be added
1	Technical Qualification: 05 score for at least two technical staff members, maximum score 10 on account of One additional number for every additional technical member	Evaluator assigned 02 score whereas list of 11 technical staff member was attached with the technical proposal. Hence, Med Sure Technologies was entitled for 09 score in this assessment parameter	09	02	07
2	Score already awarded				58
3	Total Score after addition				65

Annexure-F

Sr. No.	Assessment Parameter	Comment of audit	Score Due	Score awarded	Score to be added
1	Product Certification (03 score will be awarded on account of production of ISO 14000 certification)	Evaluator awarded zero score, despite copy of the Certificate of ISO 14000 was attached with Technical Proposal.	03	0	03
2	General overall sales in reference to the product (04 score will be awarded on account of sale to public sector and 04 score will be awarded on account of sale to private sector)	Evaluator awarded zero score but list of both public and private sector customers as well as copies of purchase orders from public sector were also attached with technical proposal.	8	0	08
3	Brand, make and model of the product (08 score will be awarded for local product with only local market and 10 score for local product with international market. 06 score for foreign product)	Evaluator awarded zero score, whereas evidence of the product with local market i.e. public sector purchase order was attached with the technical proposal.	8	0	08
4	05 score will be awarded for two technical staff members	Evaluator awarded 02 score, whereas detail of 48 certified technicians was attached with the technical proposal. Further, awarded score was also contradicted with another assessment parameter i.e. one additional score for every additional technical member was awarded -maximum up to 10. Evaluator awarded full 10 score from this clause to Toyota Ravi	05	02	03

		Motors.			
5	Overall reputation in reference to the product	Evaluator awarded full score of 10 to Ozawa Traders whereas zero score was awarded to Toyota Ravi Motors. Despite of the fact that Toyota Ravi Motors has a large share of market in supplying ambulances even all public sector hospital of district SKP purchased majority of ambulances from Toyota Ravi Motors	05 out of 10	0	05
6	Score already awarded				49
	Total Score after addition				76

Annexure-G

Sr. No.	Assessment Parameter	Comment of audit	Score Due	Score awarded	Score to be added
1	Technical Qualification: 05 score for at least two technical staff members, maximum score 10 on account of One additional number for every additional technical member	Evaluator assigned 02 score whereas list of 28 technical staff was attached with the technical proposal. Hence, Alam Medix was entitled for full score in this assessment parameter	10	02	08
2	Technical Qualification: maximum marks=10, BSc in Engineering =01, Msc/ Master Degree =02	Evaluator assigned 05 score whereas scrutiny of list and copies of degrees revealed that 03 technical staff members were BSC in Engineering, one personnel was MSC, One was MBA and 03 technical staff members were Ph.D. Hence, Alam Medix was entitled for full score in this assessment parameter	10	05	05
3	Score already awarded				54
4	Total Score after addition				67

Annexure-H

Sr. No.	Assessment Parameter	Comment of audit	Score Due	Score awarded	Score to be added
1	Technical Qualification: 05 score for at least two technical staff members, maximum score 10 on account of One additional number for every additional technical member	Evaluator assigned 04 score whereas list of 12 technical staff member and copies of degrees were attached with the technical proposal. Hence, Medi Urge was entitled for 10 score in this assessment parameter	10	02	08
2	Score already awarded				59
3	Total Score after addition				67

Annexure-I

Sr. No.	Assessment Parameter	Comment of audit	Score Due	Score awarded	Score to be deducted
1	General overall sales in reference to the product (04 score will be awarded on account of sale to public sector and 04 score will be awarded on account of sale to private sector)	Evaluator awarded 04 score due to supply of the product to public sector but purchase orders showed ambulance of other specification than requisites. Hence, zero score required to be credited to Ozawa Traders.	0	04	04
2	Overall reputation in reference to the product	Evaluator awarded full score of 10 to Ozawa Traders on account of providing performance certificate but these certificate did not relate to the product i.e. ambulance. As reputation in reference to the product could not be conceived, zero score required to be credited to Ozawa Traders.	0	10	10
3	Brand, make and model of the product (08 score will be awarded for local product with only local market and 10 score for local product with international market. 06 score for foreign product if product is supplied in two or more continents)	Evaluator awarded 06 score on account of foreign product which was supplied in two or more continents, whereas evidence/certificate of the principal of the product was not attached with technical proposal.	0	06	06
4	Score already awarded				66
Total Score after deduction					46

Annexure-J

W/C No.	Volume Measured	Bricks Paid @ 500/cm³	Bricks Admissible (375/cm³)	Excess Bricks paid	Rate (Rs)	Amount (Rs)
86524/L	368.36	184000	138135	45865	6900	316,469
9310TF	400.68	200300	150255	50045	6700	335,302
209370/L	210.13	105000	78798.75	26201.25	6800	178,169
16054/TF	1020.57	510000	382713.75	127286.25	6850	871,911
96800/L	346.72	173000	130020	42980	6900	296,562
78400/L	325.48	162500	122055	40445	6900	279,071
180200/L	30.33	15100	11373.75	3726.25	6475	24,127
150500/R	358.5	179000	134437.5	44562.5	6500	289,656
12500/R	325.05	176000	121893.75	54106.25	6600	357,101
21640/C	426.92	213200	160095	53105	6550	347,838
8780/R	350.85	175000	131568.75	43431.25	7100	308,362
55250/R	684.45	342000	256668.75	85331.25	6600	563,186
94963/L	159.35	79500	59756.25	19743.75	6830	134,850
8500/L	368.23	184000	138086.25	45913.75	6900	316,805
56650/L	37.17	18585	13938.75	4646.25	6900	32,059
43000-TR	795.57	397500	298338.75	99161.25	6980	692,146
39074/R	126.76	63000	47535	15465	6650	102,842
124000/L	257.22	128500	96457.5	32042.5	6800	217,889
4775-L	217.5	108500	81562.5	26937.5	6950	187,216
75950/R	33.61	16800	12603.75	4196.25	6900	28,954
40150-L	21.6	10500	8100	2400	6900	16,560
43200/L	116.64	58000	43740	14260	6600	94,116
28050-L	156.74	78300	58777.5	19522.5	6700	130,801
19750-L	119.75	59800	44906.25	14893.75	6270	93,384
35387-L	259.66	129500	97372.5	32127.5	6650	213,648
Total						6,429,021

Annexure-K

Name of Official	Designation	BPS as per Budget Book	as	BPS as per Payroll	as	Salary per month (Rs)	Amount (Rs)
M. Jamil	Dispenser	06		09		26,105	313,260
Shakeel Ahmed	Dispenser	06		09		24,430	293,160
Muhammad Boota	Vaccinator	06		09		26,225	314,700
Ghulam Mustafa	Vaccinator	06		09		26,225	314,700
Abdul Haq	Vaccinator	06		09		28,953	347,436
M. Boota	Vaccinator	06		07		25,175	302,100
Zafar Iqbal	Vaccinator	06		07		30,180	362,160
Shahid Abdullah	Radio Grapher	06		09		23,807	285,684
	Dresser	06		09		15,394	184,728
Muhammad Shafiq	Laboratory Technician	09		12		29,385	352,620
Samina Parveen	LHV	09		12		39,920	479,040
Nazia Mobeen	Dental Technician	09		12		17,758	213,096
M. Ilyas	Driver	04		06		25,769	309,228
Nasreen Akhtar	Mid wife	04		05		25,175	302,100
Total							4,374,012

Annexure-L

A. Detail of POL drawn

Vehicle No.	Amount (Rs)
SAJ 1003	36,456
X-67-AF	847,204
X-68-AF	89,197
Generator	124,265
X-67-AF (Suzuki Pothohar)	96,336
Total	1,193,458

B. Detail of POL for fake mileage

Description of Tour		Mileage Covered in km as per log book	Actual km as per Google Maps	Excess mileage in km
X-67-AF (Double cabin Toyora)				
05-07-12	Office to Jandiala Sher Khan to Jhabran to Ajnianwala to back to Office	120	66	54
07-07-12	Office to DG Health Services Lahore to back to Office	137	80	57
01-08-12	Office to DG Health Services Lahore to back to Office	191	80	111
02-08-12	Office to DHQ to DCO to DHO to DDOH Ferozewala to office	196	80	116
04-08-12	Office to Club Road to Kot Abdul Malik to back to Office	162	90	72
11-09-12	Office to Secretariat Lahore to Kot Abdul Malik to DCO SKP to Office	189	76	113
18-09-12	Office to RHC Farooqbad to Sacha soda to RHC Khanqah Dogran to Rehmanabad to Maryumabad to back to Office	253	110	143
20-09-12	Office to Joyanwala to Iqbal Town to Nain Sukh to Faizpur Khurd to Rana Bhatti to RHC Sharaqpur to BHU Madh Bhangwan to Chak 10 to Targay Wali to Dhaya More to RHC Kharianwala to DCO to Back	242	220	22
26-09-12	Office to Pump to DCO to DHO to DHQ to back to office	47	7	40
27-09-12	Office to Lahore to office	180	80	100
28-09-12	Office to Narang Mandi to DDO H Ferozewala to Office	280	210	70
29-09-12	Office to Khanqa Dogran to Safdarabad to Back to Office	198	118	80
02-11-12	Office to Narang to Muridke to Babukwal to Jandiala Kalsan to Maqbul pur miani to back to Office	399	235	164
07-11-12	Office to Muridke to Narang to back office to Sharaqpur to Khanqa dogran to Safdarabad to Manawala to Kharianwala to Office	420	360	60
40% of 3014 km = 1202km was fake / excess		3,014	1,812	1,202

	recorded			
	Total km covered (453840-409412 = 44428 X 40% = 17771)	44,428	26,657	17,771
Total POL consumed = Rs847204 X 40% excess / fake recorded		Rs 338,882		
SAG 1001				
03-05-13	Office to local duty SKP to Khanqa Dogran to Qila Mir Zaman to back to Office	240	110	130
08-05-13	Office to Lahore Secretariat to Sharaqpur to back to Office	260	110	150
11-05-13	Office to Ravi Rian to Muridke to back to Office	150	100	50
13-05-13	Office to Lahore Anti Corruption to DCO SKP to Office	160	80	80
01-06-13	Office to Sharaqpur to Kala Shah Kaku to Narang to SKP to Manawala to back to Office	310	210	100
03-06-13	Office to Lahore to office to Khanqa dogran to office to Safdarabad to Office	325	190	35
04-06-13	Office to Lahore to Muridke to Kharianwala to Office	285	140	185
05-06-13	Office to Lahore to Sharaqpur to Ferozewala to Muridke to Office	305	190	115
	42% of 10380 was excess / fake recorded	2,035	1,130	845
	Total km travelled during the period (10380 X 42% = 4360)	10,380	6,020	4,360
Total POL consumed = Rs36,456 X 42% excess / fake recorded		Rs 15,311		
SAE 7969 (Double Cabin Mitsubishi)				
10-07-12	Office to Secretariat to back to office	140	80	60
11-07-12	Office to Drugs Court to back to office	140	80	60
12-07-12	Office to High Court to back to office	140	80	60
13-07-12	Office to High Court to back to office	140	80	60
	43% of 560 km = 240 km was excess / fake recorded	560	320	240
	Total km travelled during the period (1554 X 43% = 668)	1,554	886	668
Total POL consumed Rs216,833 X 43% excess / fake recorded		Rs 93,238		
Total overpayment		Rs 447,431		