



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT EDUCATION AUTHORITIES
OF LAHORE REGION**

AUDIT YEAR 2021-22

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

| | |
|---------|--|
| ACL | Audit Command Language |
| AG | Accountant General |
| CEO | Chief Executive Officer |
| DAC | Departmental Accounts Committee |
| DAO | District Accounts Office |
| DEA | District Education Authority |
| FBR | Federal Board of Revenue |
| FD | Finance Department |
| GGHS | Government Girls High School |
| GI Pipe | Galvanized pipe |
| GST | General Sales Tax |
| HCM | Human Capital Management |
| HR | Human Resource |
| IT | Information Technology |
| NSB | Non-Salary Budget |
| PAC | Public Accounts Committee |
| PAO | Principal Accounting Officer |
| PFC | Provincial Finance Commission |
| PFR | Punjab Financial Rules |
| PLGA | Punjab Local Government Act |
| PLGO | Punjab Local Government Ordinance |
| PPRA | Punjab Procurement Regulatory Authority |
| SAP | Systems Applications & Products |
| S&GAD | Services and General Administration Department |
| SMC | School Management Council |
| SSB | Social Security Benefit |

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 108 of the Punjab Local Government Act 2013, require the Auditor General of Pakistan to audit the accounts of the Federation or of a Province or of a Local Government and the accounts of any Authority or body established by or under the control of the Federation or a Province.

The report is based on audit of the accounts of District Education Authorities of 05 districts of Lahore Region, for the financial year 2020-21. However, in some cases audit for the financial year 2019-20 and previous years was also conducted. The Directorate General of Audit, District Governments Punjab (North), Lahore conducted audit during 2021-22 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes the systemic issues and audit findings carrying value of Rs 1.00 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The audit observations listed in Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAOs do not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report. Sectoral analysis, covering strategic review and overall perspective of audit results has been added in this report.

For the first time Thematic Audit was conducted in one selected area and audit observations have been incorporated in Chapter 7 of this report.

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

Most of the observations included in this report have been finalized in the light of written responses and decisions of DAC meetings. However in some cases DAC meetings could not convened despite repeated requests.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, read with Section 108 of Punjab Local Government Act, 2013 for causing it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Muhammad Ajmad Gondal)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments Punjab (North), Lahore is responsible for carrying out the audit of Local Governments comprising Metropolitan Corporation, Municipal Corporations, Municipal Committees, District Councils, Union Councils, District Health Authorities and District Education Authorities of nineteen (19) Districts of Punjab (North) namely Attock, Bhakkar, Chakwal, Gujranwala, Gujrat, Hafizabad, Jhelum, Kasur, Khushab, Lahore, Mandi Baha-ud-Din, Mianwali, Nankana Sahib, Narowal, Okara, Rawalpindi, Sargodha, Sheikhpura, Sialkot and eight (08) Public Sector Companies of the department of Local Government and Community Development, Punjab i.e. Cattle Market Management & Waste Management Companies.

As per Section 17(6) of Punjab Local Government Act (PLGA) 2013, the Chairman and the Chief Executive Officer shall be personally responsible to ensure that business of the authority is conducted proficiently, in accordance with laws and to promote the objectives of the Authority. As per Section 92(3) of Punjab Local Government Act 2013, the Chief Executive Officer (CEO) is the Principal Accounting Officer of the District Authority.

District Education Authorities are formed to establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District and to constitute School Management Councils which may monitor academic activities. Audit of district education authorities & allied formations was conducted with the view to ascertaining how far the management:

1. ensured financial propriety while incurring expenditure with the approval of competent authority
2. complied with applicable laws, rules & regulations in discharge of official business
3. exercised due diligence in all financial matters with due consideration to budgetary provisions.

a) Scope of Audit

The Regional Directorate of Audit, Lahore Region is mandated to conduct audit of 1,262 formations working under 05 PAOs of District Education Authorities. Total expenditure of these formations was Rs 42,721.46 million for the financial year 2020-21. This report also includes results of thematic audit of ten formations of District Education

Authorities of Lahore Region. Thematic audit findings are given in Chapter 7 of this report.

Audit scope relating to expenditure for the financial year 2020-21 comprises 41 formations of 05 District Education Authorities having total expenditure of Rs 11,887.08 million. The audit coverage for expenditure was Rs 3,475.658 million which comes to 29.239% of auditable expenditure.

This report also includes audit observations resulting from the audit of:

1. Expenditure of Rs 587.522 million for the financial year 2019-20.
2. Expenditure of Rs 214.914 million pertaining to previous financial years.

In addition to this compliance audit report, Director General Audit, District Governments Punjab (North), Lahore conducted financial attest audits, performance audits and special audits. Reports of these audits are being published separately.

b) Recoveries at the instance of Audit

As a result of audit, recovery of Rs 448.587 million was pointed out in this report. Recovery effected from January to December 2021 duly verified by Audit was Rs 50.935 million.

c) Audit Methodology

Desk Audit techniques mentioned in FAM were applied intensively during the Audit Year 2021-22. ACL was used for analysis of HR and FI data obtained from SAP. This was facilitated by access to live electronic data and availability of permanent files. Desk Audit Review facilitated auditors in understanding the systems, procedures and environment of the entities before the start of field activity which greatly helped in the identification of high-risk areas such as payment of inadmissible allowances and high value vouchers for substantive testing in the field.

d) Audit Impact

A number of measures with regard to validity and reliability of SAP/HCM database as suggested by Audit since the inception of authorities in 2017 have been initiated by the management of the Authorities and DAOs/AG. Audit impact in relation to effectiveness of SAP processes and designing of role matrix for SAP users to strengthen

controls in SAP for effective pre-audit is yet to be seen in place. Strict observance of relevant rules regarding utilization of NSB funds as well as payment of pension through separate pension fund instead of A/C-V is yet to be materialized as this Audit Report on the accounts of District Education Authorities falling under the audit jurisdiction of this office is yet to be placed before Public Accounts Committee.

e) Comments on Internal Controls and Internal Audit Department

Internal control failures have come to surface on recurrent basis reflecting serious instances of non-compliance of rules and regulations, primarily due to the capacity issues and lack of proper training of the staff at regular intervals and inactive monitoring & accountability mechanisms. Moreover, Internal Audit Department was not established by the District Education Authorities.

f) Key audit findings of the report

- i. Misappropriation of Rs 12.114 million was noticed in six cases.¹
- ii. Non-production of record amounting to Rs 237.398 million was observed in three cases.²
- iii. Employee related irregularities amounting to Rs 1,128.151 million were pointed out in thirteen cases.³
- iv. Procurement related irregularities amounting to Rs 268.894 million were observed in fifteen cases.⁴
- v. Issues of value for money and service delivery remained an area of great concern wherein non-completion of development schemes due to non-release of funds badly affected the timely provision of better educational facilities, involving an amount of Rs 28.495 million was observed in five cases.⁵
- vi. Internal control weaknesses of Rs 1,157.140 million were pointed out in seventeen cases.⁶

¹ Para 2.4.2.1-4, 4.4.1.1, 6.4.1.1

² Para 2.4.1.1, 3.4.1.1, 5.4.1.1

³ Para 3.4.2.1.1-5, 4.4.2.1.1-4, 5.4.2.1.1-4

⁴ Para 2.4.3.1.1-5, 3.4.2.2.1-3, 4.4.2.2.1, 5.4.2.2.1-3, 6.4.2.1.1-2

⁵ Para 4.4.3.1, 5.4.3.1-2, 6.4.3.1-2

⁶ Para 2.4.4.1-8, 3.4.3.1, 5.4.4.1-4, 6.4.4.1-4

g) Recommendations

- i. Effective pre-audit and scale audit of HR payroll to be carried out at AG office level.
- ii. Sanctioned strength of the offices working under the administrative control of the respective authorities needs to be updated on SAP/HR.
- iii. Monitoring mechanisms with regard to provision of financial incentives need to be strengthened.
- iv. Financial Management Training needs to be imparted to ensure propriety of expenditure on account of NSB fund utilization.
- v. Development budget needs to be released on timely basis and effectively utilized to improve facilities in schools.
- vi. Disciplinary action may be initiated for fixing of responsibility in cases of misappropriations/losses and fraudulent / irregular payments.
- vii. Management needs to take action against officer(s) / official(s) responsible for non-production of record along with provision of record for audit scrutiny.
- viii. Training of staff engaged in processing the financial transactions needs to be launched on priority basis to overcome the lapses which are resulting in irregular payments and non-deduction of taxes.

CHAPTER 1

PUBLIC FINANCIAL MANAGEMENT

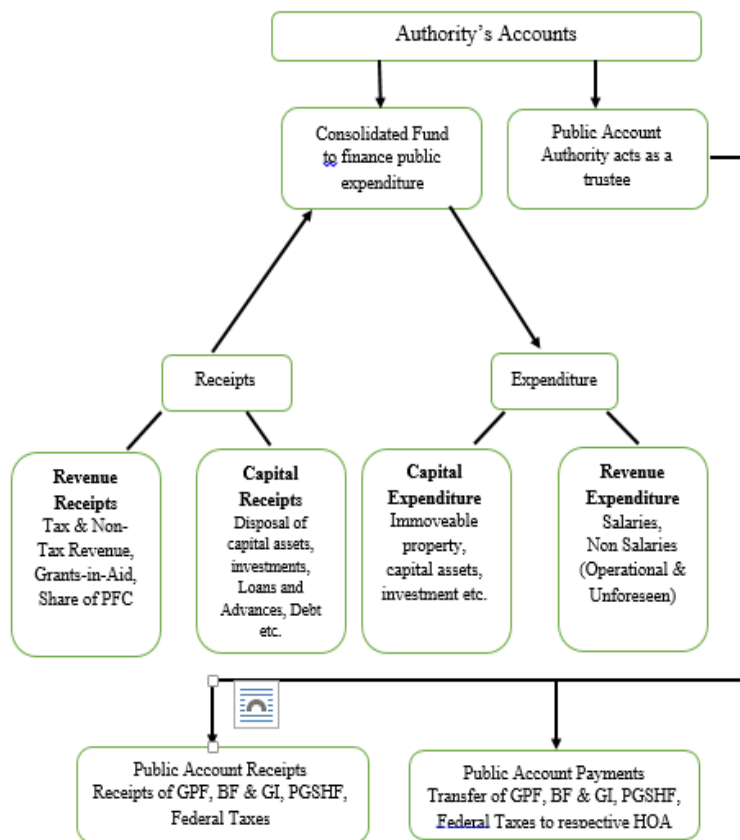
Introduction

Thirty-six District Education Authorities were established on 01.01.2017 under Punjab Local Government Act, 2013. The purpose of establishing these authorities was to provide better education facilities to the local community. Each Education Authority is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

The functions of District Education Authority, as described in the Punjab Local Government Act, 2013 are as under:

- To establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District.
- To ensure free and compulsory education for five to sixteen years old children as required under Article 25-A of the Constitution.
- To undertake assessment and examinations of students, ranking of schools on terminal examination results and targets, promotion of co-curricular activities, sports, scouting, girl guide, red crescent, award of scholarships and conduct of science fairs in government and private schools.
- To approve the budget of the Authority and allocate funds to educational institutions.
- To plan, execute and monitor all development schemes of educational institutions working under the Authority, provided that the Authority may outsource its development works to other agencies or school councils.
- To constitute school management councils, this may monitor academic activities.

Stream of finances of Education Authorities is given in the flow chart given on the next page.



Resource Mobilization

District Education Authorities of 05 Districts of Lahore Region relied mostly on Grants from Provincial Government during the financial year 2020-21 to meet their administrative and operating expenses. Summary of the tax and non-tax revenues are given below:

| Description | 2019-20 | | 2020-21 | |
|---|-----------------|---------------|------------------|---------------|
| | Amount | % | Amount | % |
| Tax Revenue | (9.640) | 0.02 | 1.380 | 0.00 |
| Non-Tax Revenue | 42868.711 | 100.02 | 42,722.960 | 100 |
| Share of PFC/ Grants from Provincial Government | 42,707.509 | 99.65 | 42,480.830 | 99.43 |
| Other receipts | 161.204 | 0.37 | 242.130 | 0.57 |
| Total | 42859.08 | 100.00 | 42724.350 | 100.00 |

Source: (Financial Statements for the year 2020-21)

Original Budget Allocation for the financial year 2020-21 was Rs 50,309.420 million and supplementary grant was Rs 3,078.57 million resulting in final grant of Rs 53,387.982 million. Against the final grant,

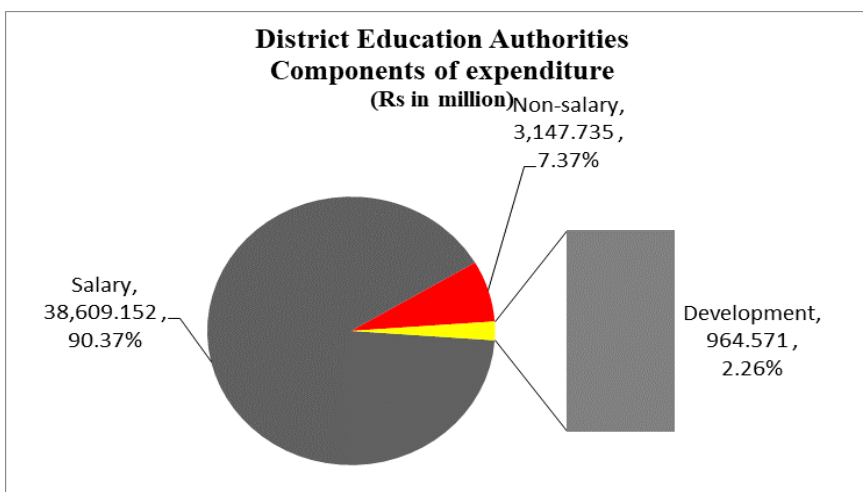
expenditure of Rs 42,721.455 million was incurred, which less than the original grant which resulted in savings of Rs 10,666.536 million. Supplementary grants were issued without considering the actual demands during the financial year 2020-21. Authority wise details of budget and expenditure is detailed below:

(Rs in million)

| Sr. No. | Name of District | Original Budget | Supp. Grant | Final Grant | Expenditure | Saving | % age Saving |
|---------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|---------------|
| 1 | Kasur | 10319.026 | 524.816 | 10843.842 | 7704.165 | 3139.677 | 28.95 |
| 2 | Lahore | 19,188.10 | 1,397.45 | 20,585.55 | 14,974.04 | 5,611.51 | 27.26 |
| 3 | Nankana Sahib | 4,574.27 | 92.727 | 4,666.99 | 4,367.26 | 299.732 | 4.922 |
| 4 | Okara | 8,606.94 | 346.554 | 8,953.49 | 8,386.21 | 567.287 | 6.336 |
| 5 | Sheikhupura | 7,621.08 | 717.029 | 8,338.11 | 7,289.78 | 1,048.33 | 12.573 |
| | Total | 50,309.416 | 3,078.576 | 53,387.982 | 42,721.455 | 10,666.536 | 19.979 |

Source: (Appropriation Accounts for the year 2020-21)

The breakup of the total expenditure incurred by DEAs is illustrated in the following graph.



Revenue Receipts of District Education Authorities fell short of the budgeted estimates. Authorities did not find themselves in a position to estimate receipts for their operations as they relied on Provincial Government funds. Unpredictability of their shares from PFC and other grants in aid/tied grants coupled with capacity issues of their budget and finance wings, compelled DEAs to prepare, unjustified and unreliable estimates of receipts.

Revenue expenditure constituted 97.74% of the total expenditure incurred by the Authorities during the financial year 2020-21. Salary expenditure, comprising pay & allowances, pension contributions, financial assistance and leave encashment, was 90.37% of the expenditure whereas non-salary was 7.37% during 2020-21. Revenue Expenditure fell short of the revised budget projections during the financial year 2020-21, which is indicative of unrealistic budget proposals.

Capital Receipts comprise miscellaneous capital receipts such as proceeds from recoveries of loans and advances, debt receipts from internal sources, and loans and advances from government servants as well as accruals from Public Account. Authorities raised accruals against Public Account and certain heads of account of Consolidated Fund Receipts invariably by retaining an amount of Rs 501.833 million on account of general provident fund, group insurance, benevolent fund, income tax and general sales tax during the financial year 2020-21.

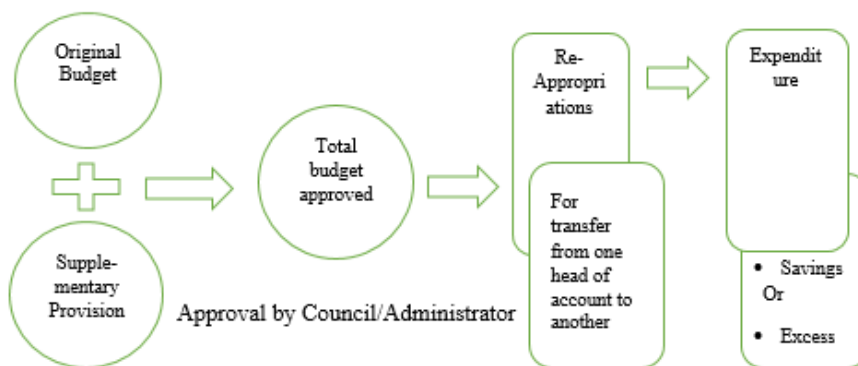
Rs in million

| Cash Closing Balance as on 30.06.2021 | Liabilities | Actual closing Balance |
|--|--------------------|-----------------------------------|
| 1,463.178 | 501.833 | 961.345 |

Appropriation Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual revenue and capital expenditure on various specified services vis-à-vis those authorized by the Council/Administrator. Appropriation Accounts, thus, facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Appropriation Accounts capture the data along the entire process of budget formulation and implementation as shown in the following flow chart;

Flow Chart of Budget implementation



Audit of appropriation accounts seeks to ascertain whether the expenditure actually incurred under the grant/head of account is within the authorization and also spent on the purposes authorized. It also ascertains whether the expenditure so incurred is in conformity with the laws, relevant rules, regulations and instructions. During financial attest audit of appropriation accounts and financial statements of District Education Authorities for the financial year 2020-21, audit emphasized on the following matter:

Under Section 30(3) of the Punjab Local Government Act. 2013, when an elected local government is, for any reason, not in office, the Government may appoint an Administrator to perform the functions of the local government but such period shall not exceed two years. Administrators of Authorities were appointed vide notification No. SOR(LG)38-5/2014 dated 01.01.2017. The period of appointment under above notification lapsed on 31-12-2018. No provision for such Administrators was provided for under Punjab Local Government Act, 2019 vide notification No. SOR(LG)1-11/2019 dated 04.05.2019. On the contrary, material payments were made from Account-V of District Education Authority without a valid authorization of a duly authorized Administrator during 2020-21.

Medium Term Development Framework

Availability of better social and physical infrastructure reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz. adequacy of the expenditure (i.e. adequate provision of funds for providing public services); efficiency of expenditure (use) and its effectiveness (assessment of outlay-outcome relationships for selected services). To enhance human development, the

government/Authority is required to step up their expenditure on key social services. The table given below analyses the fiscal priority and fiscal capacity of the District Education Authorities with regard to development expenditure during 2020-21. Out of total expenditure of Education Authorities, only 2.258% was incurred on development activities which were far lesser than requirement.

| Description | Amount (Rs in million) | Percentage |
|-----------------------------|------------------------------------|-------------------|
| Non development expenditure | 41,756.887 | 97.742 |
| Development expenditure | 964.571 | 2.258 |
| Total | 42,721.458 | 100% |

CHAPTER 2

DISTRICT EDUCATION AUTHORITY, KASUR

2.1 Introduction

There are 378 formations in District Education Authority Kasur out of which audit of 09 formations was conducted. Total expenditure of formations audited was Rs 2,545.455 million. 24% expenditure was audited which is given in the following table.

a) Audit Profile of District Education Authority Kasur

| Rs in million | | | | |
|---------------|--|-------------------------|---------|---------------------|
| Sr. No. | Description | Total No. of Formations | Audited | Expenditure Audited |
| 1 | DEA Kasur | 378 | 09 | 616.333 |
| 2 | <ul style="list-style-type: none">• Assignment Accounts• SDAs | - | - | - |
| 3 | Foreign Aided Projects | - | - | - |

b) Classified Summary of Audit Observations

Audit observations amounting to Rs 265.666 million were raised in this report during current audit of “District Education Authority, Kasur.” This amount also includes recoveries of Rs 25.386 million as pointed out by the audit, out of which no recovery has been affected. Summary of audit observations classified by nature is as under:

Overview of audit observations

| Rs in million | | |
|---------------|---|---------------------------------------|
| Sr. No. | Classification | Amount Placed under Audit Observation |
| 1 | Non-production of record | 4.770 |
| 2 | Reported cases of fraud, embezzlement, and misappropriation | 10.362 |
| 3 | Irregularities: | |
| | A. HR/Employees related irregularities | |
| | B. Procurement related irregularities | 180.499 |
| | C. Management of accounts with commercial banks | |
| 4 | Value for money and service delivery issues | |
| 5 | Others | 70.035 |
| | Total | 265.666 |

c) Comments on Budget and Accounts (Variance analysis)

As per Appropriation Accounts for the financial year 2020-21 of the DEA Kasur, original budget (development and non-development) was Rs 10,319.026 million, supplementary grant was Rs 524.816 million and

the final budget was Rs 10,843.842 million. Against the final budget, total expenditure of Rs 7,704.165 million was incurred by District Education Authority during the financial year 2020-21 which was less than original grant indicating poor financial planning which resulted in saving of Rs 3,139.677 million against the final grant. The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Rs in million)

| Description | Original Grant | Suppl. Grant | Final Grant | Expenditure | saving | % saving |
|--------------|-------------------|----------------|-------------------|------------------|-------------------|--------------|
| Salary | 9,065.481 | 141.137 | 9,742.511 | 6,983.957 | -2,758.554 | 28.31 |
| Non-Salary | 1,136.263 | 241.725 | 842.094 | 477.345 | -364.749 | 43.31 |
| Development | 117.283 | 141.953 | 259.236 | 242.863 | -16.373 | 6.32 |
| Total | 10,319.026 | 524.816 | 10,843.842 | 7,704.165 | -3,139.677 | 28.95 |

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

(Rs in million)

| Financial Year | Final Grant | Exp. | Saving | % age saving |
|----------------|-------------|-----------|------------|--------------|
| 2020-21 | 10,843.842 | 7,704.165 | -3,139.677 | 28.95 |
| 2019-20 | 13,855.245 | 7,782.921 | -6,072.320 | 43.83 |

Source: (Appropriation Accounts for the year 2020-21 & 2019-20)

There was 21.73% decrease in final budget allocation and 1.01% decrease in expenditure incurred during the financial year 2020-21 as compared to financial year 2019-20. There was an overall saving of 3,139.677 million during 2020-21 showing 48% decrease in savings as compared to the financial year 2019-20.

2.2 Sectoral Analysis

i. Analysis of Targets and Achievements

Sectoral analysis of DEA Kasur was made on the basis of following qualitative indicators set by Education Department for the financial year 2020-21. These indicators were introduced, implemented and monitored through Program Monitoring and Implementation Unit being part of Chief Minister's School Reforms Roadmap. The objectives of this roadmap were to improve education facilities at each school and better environment through proper monitoring at appropriate levels.

| Sr. No. | Indicators | Progress 2020-21 (%) |
|---------|-----------------------------|----------------------|
| 1 | Teacher presence | 91.30 |
| 2 | Non-teaching staff presence | 93.20 |
| 3 | Student attendance | 53.60 |
| 4 | Student retention | 89.72 |

| Sr. No. | Indicators | Progress 2020-21 (%) |
|----------------|--------------------------------|-----------------------------|
| 5 | Head teacher presence | 90.96 |
| 6 | Availability of Boundary walls | 99.22 |
| 7 | Availability of Drinking water | 98.43 |
| 8 | Availability of furniture | 98.43 |
| 9 | Sufficiency of Toilets | 96.48 |
| 10 | School hygiene | 75.68 |

Source: (https://open.punjab.gov.pk/schools/home/districts_performance)

ii. Service delivery issues

In view of the above progress table, it could be stated that DEA Kasur needs to improve the services in the areas of school hygiene, sufficiency of toilets, availability of furniture & drinking water, head teacher presence, student retention, student attendance and teacher presence as intended in the indicators during 2020-21.

2.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Punjab. However, PAC meeting to discuss these audit reports is yet to be convened.

| Sr. No. | Audit Year | No. of Paras | Status of PAC Meetings |
|----------------|-------------------|---------------------|-------------------------------|
| 1 | 2017-18 | 12 | Not convened |
| 2 | 2018-19 | 21 | Not convened |
| 3 | 2019-20 | 07 | Not convened |
| 4 | 2020-21 | 13 | Not convened |

2.4 AUDIT PARAS

2.4.1 Non-production of record

2.4.1.1 Non-production of record – Rs 4.770 million

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

During audit of the following formations of (DEA) Kasur, it was noticed that a sum of Rs 4.770 million was spent for the purchase of uniforms during the Financial Year 2019-20 but the tendering process record was not shown to Audit despite repeated requests.

(Rs in million)

| Sr. No. | Formation Name | Description of record not provided | Amount |
|---------|---|---|--------------|
| 1 | Government Special Education Centre, Chunian | Purchase of uniforms for special school students but the tendering process such as advertisement on PPRA website, bidding documents, tender sale register, bids of the venders, bid security, basis of estimated price, technical evaluation criteria, minutes of opening of tender, minutes of technical committee, minutes of opening of financial bids, comparative statement, award of work, performance guarantee/ security. | 1.791 |
| 2 | Government Special Education Centre, Pattoki | | 1.792 |
| 3 | Government Special Education Centre, Kot Radha Kishen | | 1.187 |
| | Total | | 4.770 |

Audit was of the view that due to defective financial discipline and weak internal checks, relevant record was not provided.

In absence of procurement & tendering processes record, compliance of rules & regulations, genuineness & authenticity of the expenditure and competitiveness & economy of rates of purchases could not be verified.

The observation was discussed with the management. It was replied that tender was executed by CEO Education and all the record pertaining to tendering was available with CEO office.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends provision of record besides fixing of responsibility against the person(s) at fault.

(PDP No.4, 6, 5)

2.4.2 Misappropriation

2.4.2.1 Fraudulent drawl of public money as purchased items were not physically available -Rs 5.957 million

According to Rule 2.33 of PFR Vole-I, every Government servant should realize fully and clearly that he/ she will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During the audit of the following formations, it was noticed that DDOs drew public money from the government exchequer but items purchased were not physically available at the site. Further, fake physical inspection reports of the item purchased was prepared by a committee.

(Rs in million)

| Sr. No. | Formation Name | Description of purchase | Items purchased for the school | Amount |
|---------|-------------------|-------------------------|--|--------------|
| 1 | DDEO (WEE), | Furniture | Chena Aral | 1.000 |
| 2 | Chunian | Furniture | Jehu, Madder, Malan wale, Pad Hana, WA Radha Ram, Nark Mahan | 0.524 |
| 3 | | Uniforms | Kot Nanina, Gurdaswala | 0.530 |
| 4 | DDEO (WEE), Kasur | Uniforms | Katcha Pacca | 0.053 |
| 5 | DDEO (MEE), Kasur | Furniture | Bamba Kalan | 2.348 |
| 6 | DDEO (MEE), Kasur | Furniture | Choor pura, Kot Sardar Kahan Singh, Kot Khan Bahadar, Rakh Butt, Tottal, Bhonga Sardar Kahan Singh, Prem Nagar, Kot Sajjan Singh | 1.489 |
| 7 | DDEO (MEE), Kasur | Uniform | Dingi pura | 0.013 |
| | Total | | | 5.957 |

Audit held that government money was drawn without proper receipt of stock which is deliberate and fraudulent.

This resulted in misappropriation of public money worth Rs 5.957 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this fraudulent activity at the Administrative Department level besides fixing of responsibility against the person(s) at fault.

(PDP Nos.2, 3, 12, 7, 4, 6, 10)

2.4.2.2 Fraudulent drawl on account of payment of providing, laying, cutting, jointing & testing G.I. pipe without execution-Rs 1.803 million

According to Rule 2.33 of PFR Vole-I, every Government servant should realize fully and clearly that he/ she will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

The DEO (Secondary) paid Rs 1.803 million on account of providing, laying, cutting, jointing & testing 135 feet Galvanized pipe (G.I. pipe) 2 inches in 45 bores each @ Rs 318 per Rft during financial year 2020-21. The item was shown only on paper but not executed actually. A fake physical inspection for the execution of work was also carried out by a committee from 28-04-2021 to 05-05-2021. However, a measurement book was not provided to audit. The audit conducted physical verification along with the management of DEA Kasur and found that the item providing, laying, cutting, jointing & testing Galvanized Pipe 2 inches was not executed at all 45 schools. Moreover, excavation was also not made for the paid item.

| Sr. No. | Bill No. | Date of bill | Fake inspection date | No. of schools | Amount (Rs) |
|----------------|-----------------|---------------------|-----------------------------|-----------------------|--------------------|
| 1 | 1386 | 06-05-21 | 04-05-21 & 05-05-21 | 27 | 1,030,320 |
| 2 | 527 | 05-05-21 | 28-04-21 & 30-04-21 | 18 | 772,740 |
| | | | | 45 | 1,803,060 |

Audit held that payment of the item was made without execution of work due to weak internal checks, negligence on the part of management, and defective financial discipline.

This resulted in fraudulent drawl of Rs 1.803 million on account of laying, cutting, jointing & testing of G.I. Pipeline.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting was convened till the finalization of this report.

Audit recommends a detailed probe of this fraudulent activity at the Administrative Department level besides fixing of responsibility against the person(s) at fault.

(PDP No.5)

2.4.2.3 Non-execution of boring and non-installation of sub-merssible pump–Rs 1.658 million

According to Rule 2.33 of PFR Vole-I, every Government servant should realize fully and clearly that he/ she will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

District Education Officer (Secondary) drew Rs 1.658 million on account of boring and installation of sub merssible pump at the schools vide bill No. 1386 dated 06.05.2021 and a fake physical inspection was conducted by a committee from 04.05.2021 to 05.05.2021. Audit conducted physical verification along with management of (DEA) Kasur which showed that neither sub merssible pump was installed nor boring was carried out at the selected place. Stock Register was not produced by the management at the time of physical verification despite repeated requests. Stock entry was marked (at Page 8, Sr. No. 2) on the bill of the contractor by the management but page marking on the bill was bogus because 27 bores and pumps required to be entered in the register of each school as mentioned by the inspection committee in its inspection report.

| School Name | Date of Physical Verification by Audit | Amount (Rs) |
|--------------------|---|--------------------|
| GHS Sham Kot | 30.10.21 | 552,825 |
| GGHS Ram Thamman | 02.11.21 & 04.11.21 | 552,825 |
| GGHSS Raja Jhang | 03.11.21 | 552,825 |
| Total | | 1,658,475 |

Audit held that drawl of government money without execution & installation of bore and sub-merssible pump seems deliberate and fraudulent. This is due to weak internal checks, sheer violation of rules & regulations, weak asset management, and classical financial indiscipline.

This resulted in a drawl of money without execution & installation of three bores and sub-merssible pumps worth Rs 1.658 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this fraudulent activity at the Administrative Department level besides fixing of responsibility against the person(s) at fault.

[PDP No.1]

2.4.2.4 Fraudulent payment without filtration plant – Rs 944,475

According to Rule 2.33 of PFR Vole-I, every Government servant should realize fully and clearly that he/ she will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

The DEO (Secondary Education) drew Rs 944,475 on account of purchase and installation of water filtration plant at Government Elementary School Bhedian Chak No. 35 Pattoki. The audit conducted physical inspection on 28-10-2021 along with the management which revealed that water filtration plant was not installed. Management signed the physical inspection note with remarks that water filtration plant was sent for repair. Evidences of installation of water filter plant such as hole in water filtration plant room for passing pipe from bore to filter plant, holes for taps fittings, fitting material for connecting filtration plant with bore were not found at site as obvious from pictures available in DP file. Moreover, entry in the stock register was not found regarding the return of the filtration plant.

Audit held that drawl of government money without execution & installation of water filtration plant was deliberate and fraudulent.

This resulted in fraudulent payment without filtration plant Rs 944,475.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this fraudulent activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

[PDP No. 3]

2.4.3 Irregularities

2.4.3.1 Procurement related irregularities

2.4.3.1.1 Non-transparent purchase of furniture and IT Equipment – Rs 79.358 million

According to Rule 37 of PPRA Rules 2014, a procuring agency shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days before the award of a procurement contract. Evaluation criteria given in bidding documents is as follows:

| Description of Purchases | Bank statement of last two years reflects average balance not less than Rs in million | Experience-No. of projects of same nature) |
|--------------------------|---|--|
| Furniture | 10 | 01 |
| IT Equipment | 20 | 02 |

The following formations of DEA Kasur drew Rs 79.358 million on account of purchase of furniture and IT Equipment through publishing tenders on PPRA website and newspapers during Financial Year 2020-21.

| Sr. No. | Formation Name | Description of purchase | Supplier | Evaluation report date | Work award date | Amount (Rs in million) |
|---------|--------------------|-------------------------|----------------------|------------------------|-----------------|------------------------|
| 1 | DDEO (WEE) Chunian | School Furniture | Rajppoot Enterprises | 22-01-21 | 26-01-21 | 22.023 |
| 2 | DDEO (MEE) Kasur | -do- | -do- | 09-06-21 | 25-05-21 | 17.195 |
| 3 | CEO (DEA) Kasur | Office Furniture | -do- | 03-06-21 | 04-06-21 | 02.294 |
| 4 | DEO (SE) Kasur | IT Equipment | Faisal Traders | 09-03-21 | 12-03-21 | 36.123 |
| 5 | CEO (DEA) Kasur | -do- | -do- | 03-06-21 | 06-06-21 | 01.723 |
| | Total | | | | | 79.358 |

The purchase could not be termed as transparent due to the following reasons:

- i. CEO (DEA) Kasur did not announce the results of bid evaluation. Moreover, date of reports of bid evaluation and award of procurement contracts date interval was less than 10 days.
- ii. For Sr. No. 2, procurement contract was awarded on 25-05-2021 before opening of the financial bid date i.e. 09-06-2021.
- iii. Tender notices contained a statement that “purchase committee has authority to reject all bidders' proposals without assigning any reason as per PPRA Rules” but PPRA Rules did not confer such authority to a purchase committee.

- iv. M/s Rajpoot Enterprises was awarded contracts despite his ineligibility due to lack of experience in school furniture. Bank statement was also far less than Rs 10.000 million.
- v. M/s Faisal Traders was awarded contracts despite his ineligibility because of the fact that bank statement of last two years average was far less than Rs 20.000 million.
- vi. Management did not provide the calculation of estimated price, status & details of bid & performance security and envelopes of bidders showing signature of the tender opening committee.

Audit held that non-transparent purchases were due to weak internal checks, negligence on the part of management, and defective financial discipline.

This resulted in non-transparent purchases Rs 79.358 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault. (PDP No.04, 07, 17, 27 & 16)

2.4.3.1.2 Non-transparent purchase of uniform-Rs 48.266 million

According to Rule 37 of PPRA Rules 2014, a procuring agency shall announce the results of bid evaluation at least ten days before the award of a procurement contract. Evaluation criteria given in bidding documents required bank statement of last 2 years average should not be less than Rs 10 million and experience of 01 project and 02 projects for supply of uniform in case of DDEO (WEE) Chunian and other DDOs respectively. Rule 33 of PPRA Rules, no bidder shall be allowed to alter or modify his bid after the closing time for the submission of the bids.

DDOs of DEA Kasur drew Rs 48.266 million on account of the purchase of uniform during Financial Year 2020-21 as detailed below:

| Sr. No. | Name of Formations | Supplier | Evaluation report date | Work award date | Amount (Rs in million) |
|----------------|---------------------------|-----------------|-------------------------------|------------------------|-------------------------------|
| 1 | DDEO (WEE) Chunian | FNF Enterprises | 19-05-21 | 21-05-21 | 17.246 |
| | | | 22-01-21 | 23-01-21 | 10.337 |
| 2 | DDEO (MEE) Kasur | Farooq | 09-03-21 | 12-03-21 | 10.337 |
| 3 | DEO (WEE) Kasur | Mehmood | 09-06-21 | 09-06-21 | 10.346 |
| | Total | | | | 48.266 |

The purchase could not be termed as transparent & economical due to the following reasons:

- i.** CEO (DEA) Kasur did not announce the results of bid evaluation. Moreover, date of reports of bid evaluation and award of procurement contracts date interval was less than 10 days.
- ii.** Tender notices contained a statement that “purchase committee has authority to reject all bidders' proposals without assigning any reason as per PPRA Rules” but PPRA Rules did not confer such authority to a purchase committee.
- iii.** Management did not provide calculation of estimated price, status & details of bid & performance security, envelopes of the bids (Sr. No. 03 & 04) having date & signature of the tender opening committee.
- iv.** For Sr. No. 01 & 02, PPRA declared the tenders null and void on its website due to violation of Rule 59(c) (iv) but procuring agency failed to rectify the violation in utter disregard of PPRA.
- v.** For Sr. No. 01 & 02, FNF Enterprises was awarded contracts despite his ineligibility due to lack of experience in school uniform. Bank statement was also far less than Rs 10.000 million.
- vi.** For Sr. No. 02, the bidding documents of FNF Enterprises was received after the last date of submission i.e. 18-01-21 as evident from Active Taxpayer list of Sales Tax printed on 25-01-2021 (04:28 PM).
- vii.** For Sr. No. 03 & 04, Farooq Mehmood & Co. was awarded contracts despite his ineligibility due to lack of experience in school uniform. Bank statement was also far less than Rs 10.000 million.
- viii.** For Sr. No. 04, Tender document was issued to Farooq Mehmood & Co. on 19-05-21 before publishing tender i.e. 21-05-21.

Audit held that non-transparent award of work was made due to undue favor to the venders of own choice, sheer violation of rules & regulations, and classical financial indiscipline.

This resulted in non-transparent purchase of uniform worth Rs 48.266 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No.5, 7, 1, 1)

2.4.3.1.3 Non-transparent award of work of boring and installation of sub-merssible pumps– Rs 25.979 million

According to Rule 37 of PPRA Rules 2014, a procuring agency shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days before the award of the procurement contract. Evaluation criteria given in bidding documents required bank statement of last 2 years average should not be less than Rs 10 million and experience of 02 project. According to Para 2.4 & 4.5 of the B&R Code, no work shall be started without administrative approval, technical sanction and allotment of funds. The measurement book must be looked upon as a most important record since it is the basis of all accounts of quantities. Rule 33 of PPRA Rules, no bidder shall be allowed to alter or modify his bid after the closing time for the submission of the bids.

The DEO (Secondary) Kasur drew Rs 25.979 million on account of the boring and installation of sub-merssible pumps for 45 different schools during the Financial Year 2020-21.

| Sr. No. | DDO | Cost Centre Number | Bill No. | Date | Per item Rate (Rs) | No. of schools | Rs in million |
|---------|--------------|--------------------|----------|------------|--------------------|----------------|---------------|
| 1 | DEO (Sec) | KV 6242 | 1386 | 06-05-2021 | 552,825 | 27 | 14.926 |
| 2 | DEO (Sec) | KV 6242 | 527 | 05-05-2021 | 561,592 | 18 | 11.053 |
| | Total | | | | | | 25.979 |

Boring and installation of the sub-merssible pump could not be termed as transparent due to the following reasons:

- i.** CEO (DEA) Kasur did not announce the report of the bid evaluation in violation of Rule 37 of PPRA Rules.
- ii.** Tender notices contained a statement that “purchase committee has authority to reject all bidders' proposals without assigning any reason as per PPRA Rules” but PPRA Rules did not confer such authority to a purchase committee.
- iii.** Management did not provide calculation of estimated price, status & details of bid & performance security, envelopes of the bids having date & signature of the tender opening committee.

- iv. M/s Sultan & Co. was awarded contracts despite his ineligibility due to lack of experience in boring. Bank statement was also far less than Rs 10.000 million.
- v. The civil work (boring) was executed without technical sanction, approval of non-scheduled items and preparing measurement book.
- vi. DEA executed bores without identifying suitable water-level at 600 feet instead of 985 feet as required by Assistant Agriculture Engineer (well drilling), Lahore letter dated 06-05-2021.
- vii. In case of Sr. No. 02, bid evaluation report and award of procurement contract interval was less than 10 days.
- viii. For Sr. No. 02, the bidding documents of M/s Sultan & Co. was received after the last date of submission i.e. 23-11-20 as evident from Active Taxpayer list of Sales Tax printed on 16-01-2021 (05:51). Further, stamp paper submitted for certifying the non-black listing was issued on 16-01-2021.
- ix. For Sr. No. 02, there was a contradiction in advertisement on newspaper and PPRA website regarding opening and closing dates. Tender sale register was closed and bids were opened prior to 07 days of last submission date of bids.

Audit held that non-transparent award of work was made due to undue favor to the venders of own choice, sheer violation of rules & regulations, and classical financial indiscipline.

This resulted in a non-transparent award of work Rs 25.979 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault. [PDP No. 23, 24, 04]

2.4.3.1.4 Mis-procurement of swings for playground - Rs 21.827 million

According to Rule 37 of PPRA Rules 2014, a procuring agency shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days before the award of the procurement contract. Evaluation criteria given in bidding documents required bank statement of last 2 years average should not be less than Rs 10 million. According to Para 2.4 & 4.5 of the B&R Code, no work shall be started without administrative approval, technical sanction

and allotment of funds. The measurement book must be looked upon as a most important record since it is the basis of all accounts of quantities. Rule 33 of PPRA Rules, no bidder shall be allowed to alter or modify his bid after the closing time for the submission of the bids

Following DDOs of DEA Kasur drew Rs 21.827 million for purchase of swings for playground of schools during FY 2020-21.

| Sr. No. | Name of formations | Supplier | Evaluation report date | Work award date | Amount (Rs in million) |
|---------|--------------------|--------------------|------------------------|-----------------|------------------------|
| 1 | DEO (SE) | M/S Smith & Co. | 22-01-21 | 30-01-21 | 2.988 |
| 2 | DDEO (WEE) Kasur | | 22-01-21 | 30-01-21 | 2.988 |
| 3 | DDEO (MEE) Kasur | | 22-01-21 | 30-01-21 | 2.988 |
| 4 | DEO (WEE) Kasur | | 22-01-21 | 30-01-21 | 2.988 |
| 5 | DDEO (WEE) Chunian | M/s Farooq Mehmood | 09-03-21 | 12-03-21 | 9.875 |
| | Total | | | | 21.827 |

The purchase could not be termed as legitimate due to the following reasons:

- i. CEO (DEA) Kasur did not announce the report of the bid evaluation. Interval between bid evaluation reports and award of procurement contracts was less than 10 days.
- ii. Tender notices contained a statement that “purchase committee has authority to reject all bidders' proposals without assigning any reason as per PPRA Rules” but PPRA Rules did not confer such authority to a purchase committee.
- iii. Management did not provide calculation of estimated price, status & details of bid & performance security, envelopes of the bids having date & signature of the tender opening committee.
- iv. Both contractors were awarded contracts despite their ineligibility because of the fact that bank statement of last two years average was far less than Rs 10.000 million.
- v. The iron work was executed without technical sanction, approval of non-scheduled items and preparing measurement book. Iron material was of low gauge than specification as evident from physical verification of swings installed at GHS Chena Otter. Additional iron rods were welded with swings to be kept operational (Pictures were placed in DP file).
- vi. For Sr. No. 01 to 04, the bidding documents of M/s Smith & Co. was received after the last date of submission i.e. 18-01-21 as evident from Active Taxpayer list of Sales Tax printed on 23-01-

2021 (02:27). Further, stamp paper submitted for certifying the non-black listing was issued on 22-01-2021.

- vii.** For Sr. No. 01 to 04, violated declared tender by PPRA was processed without rectifying it.

Audit held that misprocurement of swings was made due to undue favor to the venders of own choice, sheer violation of rules & regulations, and classical financial indiscipline.

This resulted in mis-procurement of swings Rs 21.827 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No.26, 09, 12, 01 & 15)

2.4.3.1.5 Lack of planning on account of procurement resulted in loss to government - Rs 5.069 million

According to Rule 8 and 9 of PPRA Rules 2014, a procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. A procuring agency shall announce appropriately all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.

During the audit of CEO (Education) Kasur, it was observed that the CEO (Education) published more than one tenders for the purchase of uniforms, furniture, swings for the playground, and boring & installation of sub-merssible pumps on the PPRA website and newspapers. Award letters were issued by the CEO (Education) Kasur. The rate at the later tenders was higher than the former tenders resulting in loss of Rs 5.069 million to the government as detailed at **Annexure-B**.

| Sr. No. | Description of purchase | Loss to Govt. (Rs in million) |
|----------------|--|--------------------------------------|
| 1 | Purchase of uniform | 0.767 |
| 2 | Purchase of furniture | 3.926 |
| 3 | Boring & installation of sub-merssible pumps | 0.158 |

| | | |
|---|-----------------------|--------------|
| 4 | Swings for playground | 0.218 |
| | Total | 5.069 |

Audit held that CEO (Education) Kasur inappropriately announced procurement and did not devise annual planning due to weak internal checks and negligence on the part of management.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No.1, 2, 3, 15)

2.4.4 Others

2.4.4.1 Advance drawl of money from government exchequer – Rs 21.142 million

As per Rule 2.10 (b) (5) and 17.19 of PFR VoI-I, 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.

During scrutiny of record, it was observed that following DDOs drew Rs 21.142 million on account of purchase & execution of various items from government exchequer during the Financial Year 2020-21 but the delivery of the item purchased / execution of work was done during Financial Year 2021-22 as evident from physical verification report duly signed by the management as well as Field Audit Team. Further, fake inspections were carried out to draw money from the public exchequer in advance during the financial year 2020-21. Stock Register was not produced by the management at the time of physical verification despite repeated requests. Either stock entry was not marked on the bill or page marking at the bill was bogus as not marked as mentioned by the inspection committee in its inspection report.

| DDO Description | Items purchased | Amount (Rs in million) |
|-----------------------|--|------------------------|
| DEO (Sec), Kasur | Boring & installation of sub-merssible pumps | 1.676 |
| Dy. DEO (MEE) Kasur | Purchase of furniture | 6.949 |
| | Purchase of uniform | 0.532 |
| Dy. DEO (WEE) Chunian | Purchase of furniture | 6.809 |
| | Purchase of uniform | 1.751 |
| | Purchase of swings for playground | 2.398 |
| Dy. DEO (WEE) Kasur | Purchase of uniform | 1.027 |
| Total | | 21.142 |

Audit held that drawl of government money in advance without execution & installation of bore and sub-merssible pumps was due to weak internal checks, negligence on the part of management, weak asset management, and defective financial discipline.

This resulted in advance drawl of funds amounting to Rs 21.142 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No. 02, 05, 11, 01, 11, 13 & 06)

2.4.4.2 Unauthorized expenditure incurred out of Public Account or Tied Grant – Rs 6.685 million

According to Rule 24 of District Authorities (Budget) Rules 2017, all conditional grants shall be budgeted and utilized by conditions of the grant.

Comparison of Closing balance of Account-V and unspent balances showed that CEO (Education) Kasur spent Rs 6.685 million out of the public account or tied grants. Closing balance of Account-V was Rs 357.763 million as on 30-06 2021. Out of which, an amount of Rs 51.101 million pertained to Public Account as per Finance Account for the Financial Year 2020-21. Moreover, the unspent balance of tied grant for clearance of pending liabilities of leave encashment and financial assistance was Rs 239.392 million as on 30-06-2021. The unspent balance of the Tied Grant for Non-formal basic education and Literacy Department was Rs 14.157 million. Unspent balance of Development funds received during financial year 2020-21 from Government of the Punjab was Rs 57.457 million. Savings from development funds received from building department on 11-06-2021 was Rs 2.341 million. Hence, the unspent balance of the public account, tied grants, and development fund was Rs 364.448 million.

Audit held that CEO (DEA) Kasur incurred expenditure out of the public account or financial assistance grant of poor and needy deceased or retired servants due to weak internal checks and negligence on the part of management.

This resulted in an unauthorized expenditure of Rs 6.685 million (**Annexure-C**).

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

[PDP No. 32]

2.4.4.3 Irregular payment of cash reward - Rs 4.321 million

According to Sr. No. 11 of Punjab District Authorities (Delegation of Financial Powers) Rules, 2017, “Cash reward, as per approved yardstick and where the grant of reward is permissible under the rules”. As per Government of the Punjab, Finance Department letter No. 1/9-7/2003 dated 27.12.2005, head of Administrative Department may sanction an honorarium up to one-month basic pay.

Scrutiny of record of DEA Kasur for the financial year 2020-21, it was observed that management paid Rs 4.321 million on account of a cash reward to officers/official without any yardstick formulated and approved by the competent authority.

| Sr. No. | Name of Formations | No. of Employees | Amount (Rs in million) |
|---------|------------------------|------------------|------------------------|
| 1 | CEO (DEA), Kasur | 17 | 1.146 |
| 2 | DEO (SEC), Kasur | 14 | 0.699 |
| 3 | DEO (WEE), Kasur | 10 | 0.600 |
| 4 | DDEO (MEE), Kasur | 15 | 0.690 |
| 5 | DDEO (WEE), Chunian | 02 | 0.198 |
| 6 | DDEO (WEE), Kasur | 17 | 0.988 |
| | Total | | 4.321 |

Audit held that payment of cash reward was made to avoid sanction of honorarium from the administrative department (Secretary School Education Department) due to negligence, weak internal control, and poor financial discipline.

This resulted in incurrence of irregular expenditure Rs 4.321 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No. 9, 30, 10, 15, 19, 12)

2.4.4.4 Less deduction of general sales tax - Rs 3.553 million

According to Rule 5(xii) of Sales Tax Special Procedure (Withholding) Rules, 2007, a withholding agent shall deduct total sales tax

shown in the sales tax invoice issued by an inactive tax payer and make payment of the balance amount to him.

During audit of Deputy District Education Officer (MEE) Kasur and DDEO (WEE) Chunian, it was noticed that a sum of Rs 29.477 million was drawn on account of various purchases from M/s Farooq Mehmood & Co. He was an inactive Sales Taxpayer. Therefore, the whole amount of GST was required to be deducted Rs 4.440 million whereas DDOs deducted Rs 0.888 million. This resulted in less deduction of GST Rs 3.553 million as detailed below:

(Rs in million)

| Sr. No. | Name of Formations | Item purchased | Bill amount | Amount to be deducted | Amount deduction | Less deduction |
|---------|---------------------|-----------------------|---------------|-----------------------|------------------|----------------|
| 1 | DDEO (MEE), Kasur | Uniform | 10.337 | 1.502 | 0.300 | 1.202 |
| 2 | DDEO (WEE), Chunian | Swings for playground | 8.794 | 1.435 | 0.287 | 1.148 |
| 3 | DDEO (WEE), Kasur | Uniforms | 10.346 | 1.503 | 0.301 | 1.203 |
| | Total | | 29.477 | 4.44 | 0.888 | 3.553 |

Audit held that less deduction of GST was made due to defective financial discipline and negligence on the part of management.

The observation was discussed with the management but no reply was submitted.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No.03, 14, 3)

2.4.4.5 Overpayment due to charging higher rates – Rs 2.952 million

Sr. No. 5 (Note IV) of Delegation of Financial Powers Rules 2017 of District Authorities, 10% and 4.5% cushion is admissible for original works for Technical Sanctions and acceptance of tenders respectively. 2.33 of PFR Vol-I provides that every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

Scrutiny of payment vouchers on account of boring and installation of sub-merssible pumps revealed that an amount of Rs 14.926 million was drawn vide bill Nos.1386 dated 06-05-2021. The Administrative Approval was accorded by the competent authority vide Notification No. DD(Dev)2-3/A.A (Savings/School Edu.) 2018-19/1556/A dated 14-09-2018. The rate charged was higher than the 2nd bi-annual 2018 applicable as per Administrative Approval date. This resulted in overpayment of Rs 2.952 million. **Annexure-D**

Audit held that overpayment due to charging higher rates were made due to weak internal checks, negligence on the part of management, and defective financial discipline.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No. 9)

2.4.4.6 Execution beyond scope as boring & installation of sub-merssible pumps without administrative approval – Rs 2.220 million

According to Para 2.4 of B&R code, no work shall be started without administrative approval, technical sanction and allotment of funds.

Scrutiny of payment vouchers on account of boring and installation of sub-merssible pumps at 45 schools revealed that an amount of Rs 25.979 million was drawn. The Administrative Approvals were accorded by the competent authority for 41 schools for Rs 22.050 million. This resulted in boring & installation of sub-merssible pumps without administrative approval for Rs 2.220 million of 04 schools as detailed below:

| Sr. No. | Scheme Name | Type of budget | Amount (Rs) |
|----------------|------------------------|-----------------------|--------------------|
| 1 | GHS Shamkot | Development | 552,825 |
| 2 | GBPS Theeeng Chak No.7 | Development | 552,825 |
| 3 | GGCMS Arain wala | Development | 552,825 |
| 4 | Govt. Lab HSS Kasur | Development | 561,592 |
| | Total | | 2,220,067 |

Audit held that development expenditure was incurred without Administrative Approval due to weak internal checks, negligence on the part of management, and defective financial discipline.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault. (PDP No. 10, 12)

2.4.4.7 Sub-standard boring and installation of sub-merssible pump – Rs 1.658 million

According to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he/ she will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

The DEO (Secondary) drew Rs 1.658 million on account of 600 feet deep boring and installation of 3-HP sub-merssible pump at GES Rawal Jhangar, GGCMS Rawal Jhangar and GBHS Ellahabad vide bill No. 1386 dated 06.05.2021 and a fake physical inspection was also shown conducted by a committee on 04.05.2021 and 05.05.2021 as attached with the payment voucher. Stock Register was not produced by the management at the time of physical verification despite repeated requests. Stock entry was marked (at Page 8, Sr. No. 2) at the bill of the contractor by the management but page marking at the bill was bogus because 27 borings along with the installation of pumps at various schools required to be recorded at the register of each school as mentioned by the inspection committee in its inspection report.

| School Name | Bill No. | Bill date | Fake inspection date | Date of Physical Verification | Installation date as per physical verification report | Amount (Rs) |
|---------------------|----------|------------|----------------------|-------------------------------|---|------------------|
| GES Rawal Jhangar | 1386 | 06-05-21 | 04-05-21 & 05-05-21 | 05.11.21 | 28-06-21 | 552,825 |
| GGCMS Rawal Jhangar | 1386 | 06-05-21 | 04-05-21 & 05-05-21 | 05.11.21 | 27-06-21 | 552,825 |
| GHS Ellahabad | 1386 | 06-05-2021 | 04.05.21 & 05.05.21 | 23.11.21 | Not properly installed | 552,825 |
| Total | | | | | | 1,658,475 |

- i. The audit conducted physical verification at Rawal Jhangar schools along with management of (DEA) Kasur which showed that the water of bores/pumps had a very bad smell and contained mud & sand which made it contaminated. Moreover, the head of the school reported that there was a dire need for boundary wall & furniture for the school but 300 feet to 450 feet deep bore was executed. Packing material of sub-merssible pump was also not provided to verify the capacity of Horse Powers of pump. Moreover, as per the physical verification report duly signed by Audit and management, boring & installation of sub-merssible pumps at the schools were made on 27 & 28-06-2021 i.e. after the date of physical inspection enclosed with the bill.
- ii. The audit conducted physical verification at GBHS Ellahabad along with management of (DEA) Kasur which showed that the bore was not functional & operational and sub-merssible pump was only 30 feet deep. Moreover, boring was executed for 300 feet deep as reported by Headmaster. Packing material of sub-merssible pump was also not provided to verify the capacity of Horse Powers.

Audit held that the drawl of government money for sub-standard work was due to weak internal checks, negligence on the part of management, and defective financial discipline.

This resulted in an advance drawl of money for sub-standard boring and installation of sub-merssible pumps Rs 1.658 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

(PDP No.14, 15, 16)

2.4.4.8 Excess payment of pipes – Rs 1.526 million

According to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he/ she will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

The DEO (Secondary) paid three types of pipes on account of providing / fixing/ lowering of 200 (RFT) PVC blind pipe 4 inches

diameter D class for casing, 500 (RFT) PVC strainers 2 inches diameter D class and 400 numbers PVC blind pipe 2 inches for boring of 600 feet. 500 (RFT) payment of strainers and 400 (RFT) pipes of 2 inches against 600 (RFT) of boring could not be termed as legitimate as 600 feet boring could not allow providing & fixing 900 feet PVC pipe & PVC strainer in the depth available for the purpose.

| Sr. No. | Description of item | Qty paid per bore (Rft) | Rate per Rft | Amount (Rs) |
|---------|---|-------------------------|--------------|------------------|
| 1 | PVC blind pipe 4 inches diameter D class for casing | 200 | 321 | 64,200 |
| 2 | PVC blind pipe 2 inches | 400 | 120 | 48,000 |
| 3 | PVC strainers 2 inches diameter D class | 500 | 113 | 56,500 |
| | Total pipe (Rft) | 1100 | | 168,700 |
| | Less Casing of 200 Rft | 200 | | |
| | Net pipe | 900 | | |
| 4 | Boring | 600 | | |
| 5 | Excess pipe | 300 | | |
| 6 | Rate per Rft of strainer | | 113 | |
| | Excess payment for each bore (300 x Rs 113) | | | 33,900 |
| | Total excess payment against 45 borings (45 x Rs 33,900) | | | 1,525,500 |

Audit held that excess payment on account of pipes and strainer was due to weak internal checks, negligence on the part of management, and defective financial discipline.

This resulted in an excess payment of strainer/ pipe Rs 1.526 million.

The matter was reported to PAO concerned in December 2021. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends a detailed probe of this activity at the Administrative Department level for fixing of responsibility against the person(s) at fault.

[PDP No. 8]

CHAPTER 3

DISTRICT EDUCATION AUTHORITY, LAHORE

3.1 Introduction

There are 400 formations in District Education Authority Lahore out of which audit of 10 formations was conducted. Total expenditure of formations audited was Rs 2,253.456 million. 34% expenditure was audited which is given in the following table.

a) Audit Profile of District Education Authority Lahore

| Rs in million | | | | |
|---------------|--|-------------------------|---------|---------------------|
| Sr. No. | Description | Total No. of Formations | Audited | Expenditure Audited |
| 1 | DEA Lahore | 400 | 10 | 771.448 |
| 2 | <ul style="list-style-type: none">• Assignment Accounts• SDAs | - | - | - |
| 3 | Foreign Aided Projects (FAP) | - | - | - |

b) Classified Summary of Audit Observations

Audit observations amounting to Rs 429.149 million were raised in this report during current audit of “District Education Authority, Lahore.” This amount also includes recoveries of Rs 392.044 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

(Rs in million)

| Overview of audit observations | | |
|--------------------------------|---|---------------------------------------|
| Sr. No. | Classification | Amount Placed under Audit Observation |
| 1 | Non-production of record | 12.762 |
| 2 | Reported cases of fraud, embezzlement, and misappropriation | - |
| 3 | Irregularities: | |
| | A. HR/Employees related irregularities | 394.892 |
| | B. Procurement related irregularities | 21.495 |
| | C. Management of accounts with commercial banks | |
| 4 | Value for money and service delivery issues | - |
| 5 | Others | - |
| | Total | 429.149 |

c) Comments on Budget and Accounts (Variance analysis)

As per appropriation accounts for the financial year 2020-21 of the DEA Lahore, original budget (development and non-development) was 19,188.103 million, supplementary grant was Rs 1,397.446 million and the

final budget Rs 20,585.550 million. Against the final budget, total expenditure of Rs 14,974.042 million was incurred by District Education Authority during financial year 2020-21 which was less than original grant indicating poor financial planning which resulted in saving of Rs 5,611.508 million against the final grant. The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

| Description | Original Grant | Suppl. Grant | Final Grant | Expenditure | saving | % saving |
|--------------|------------------|-----------------|------------------|------------------|------------------|--------------|
| Salary | 15,751.79 | 1,091.82 | 16,843.61 | 13,157.77 | -3,685.84 | 21.88 |
| Non-Salary | 2,601.96 | 305.63 | 2,907.59 | 1,565.63 | -1,341.97 | 46.15 |
| Development | 834.35 | 0 | 834.35 | 250.646 | -583.70 | 69.96 |
| Total | 19,188.10 | 1,397.45 | 20,585.55 | 14,974.04 | -5,611.51 | 27.26 |

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

(Rs in million)

| Financial Year | Final Grant | Exp. | Savings | % age saving |
|----------------|-------------|------------|------------|--------------|
| 2020-21 | 20,585.550 | 14,974.042 | -5,611.508 | 27.26 |
| 2019-20 | 18,760.937 | 13,712.312 | -5,048.626 | 26.91 |

Source: (Appropriation Accounts for the year 2020-21 & 2019-20)

There was 9.725% increase in final budget allocation and 9.20% increase in expenditure incurred during the financial year 2020-21 as compared to financial year 2019-20. There was an overall saving of Rs 5,611.508 million during 2020-21 showing 11.15% increase in savings as compared to the financial year 2019-20.

3.2 Sectoral Analysis

i. Analysis of Targets and Achievements

Sectoral analysis of DEA Lahore was made on the basis of various quality indicators set by Education Department for the financial year 2020-21. These indicators were introduced, implemented and monitored through Punjab Management and Implementation Unit being part of Chief Minister's School Reforms Roadmap. The objectives of roadmap were to improve education facilities at each school, better environment through proper monitoring at appropriate level.

| Sr. No. | Indicators | Progress 2020-21 (%) |
|---------|-----------------------------|----------------------|
| 1 | Teacher presence | 88.10 |
| 2 | Non-teaching staff presence | 87.00 |
| 3 | Student attendance | 43.20 |

| Sr. No. | Indicators | Progress 2020-21 (%) |
|----------------|--------------------------------|-----------------------------|
| 4 | Student retention | 91.60 |
| 5 | Head teacher presence | 92.23 |
| 6 | Availability of Boundary wall | 99.87 |
| 7 | Availability of Drinking water | 99.24 |
| 8 | Availability of furniture | 98.99 |
| 9 | Sufficiency of Toilets | 79.01 |
| 10 | School hygiene | 83.74 |

Source: (https://open.punjab.gov.pk/schools/home/districts_performance)

ii. Service delivery issues

In view of the above progress table, it could be stated that DEA Lahore needs to improve the services in the areas of school hygiene, sufficiency of toilets, teacher presence, non-teaching staff presence, student attendance as intended in the indicators during 2020-21.

3.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab. However, PAC meeting to discuss these audit reports is yet to be convened.

| Sr. No. | Audit Year | No. of Paras | Status of PAC Meetings |
|----------------|-------------------|---------------------|-------------------------------|
| 1 | 2017-18 | 16 | Not convened |
| 2 | 2018-19 | 10 | Not convened |
| 3 | 2019-20 | 07 | Not convened |
| 4 | 2020-21 | 10 | Not convened |

3.4 AUDIT PARAS

3.4.1 Non-production of record

3.4.1.1 Non production of record-Rs 12.762 million

According to Section 14(2) of the Auditor General's (Functions, Powers and Terms, and Conditions of Service) Ordinance, 2001, the department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

CEO (DEA) Lahore made payment of Rs 12.762 million to contractor on account of furniture for the financial year 2020-21 but the tendering process record was not shown to Audit despite repeated requests.

Audit was of the view that due to defective financial discipline and weak internal checks, relevant record was not produced to audit in violation of constitutional provisions.

In absence of procurement & tendering process record, economy of the purchase could not be verified.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed the department to provide the relevant record within a week besides fixing of responsibility against the person(s) for non-production of record. No compliance was shown till the finalization of this report.

Audit recommends fixing responsibility for non-production besides production of record to audit for the fulfillment of statutory provisions.

(PDP No.04)

3.4.2 Irregularities

3.4.2.1 HR / Employee related irregularities

3.4.2.1.1 Non-recovery of Social Security Benefit - Rs 179.550 million

According to clause (XIII)(i)(b) of Contract Appointment Policy 2004 issued by Government of the Punjab S&GAD, Social Security Benefit @ 30% of minimum of basic pay, in lieu of pension, was admissible only for the persons working on contract basis. However, after regularization of services this allowance would be stopped and pay be fixed on the initial of the pay and the difference of pay would be paid as their personal allowance.

During audit of different formations under DEA Lahore for the financial year 2020-21, it was noticed that different teachers / officials of Education Department were regularized in Government Services after completion of three years' service. Their pay was neither fixed from the date of regularization nor was overpayment of social security benefit allowance recovered.

| Rs in million | | |
|----------------------|---------------------------|----------------|
| Sr. No | Name of Formations | Amount |
| 1 | CEO DEA Lahore | 158.722 |
| 2 | Dy. DEO EEM, City | 6.142 |
| 3 | Dy. DEO EEW, City | 5.880 |
| 4 | Dy. DEO EEW, Shalimar | 8.806 |
| Total | | 179.550 |

Non recovery of SSB allowance from the employees regularized in the Government Service was due to poor financial controls.

This resulted in overpayment of SSB allowance of Rs 179.550 million.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021, department replied that except SSTs all the cadres of teachers have been regularized and pay has been fixed. DAC directed the department to provide the record in support of reply. No compliance was shown till the finalization of this report.

Audit recommends fixation of pay and allowances of employees from the date of regularization and recovery of SSB allowance and other adhoc allowances.

(PDP No. 1, 6, 6, 4)

3.4.2.1.2 Unjustified payment of inspection allowance -Rs 7.420 million

According to Government of the Punjab, School Education Department Lahore letter No.SO(ADP)/MISC-2012 dated 29th August 2012, inspection allowance will be payable on the basis of inspection of schools. A verified Inspection report duly prepared by Assistant Education Officer shall be submitted to Deputy DEOs concerned on monthly basis without which inspection allowance will not be paid.

During the audit of DEA Lahore for the period 2020-21, it was noticed that Rs7.420 million was granted to Assistant Education Officers as inspection allowance. The expenditure was held unjustified because it was paid during summer vacations and corona pandemic lockdown without performing any inspection duty of school when all educational institutions were closed.

Unjustified payment of Inspection Allowance was due to lack of financial discipline and weak internal controls.

This resulted in unjustified expenditure of Inspection Allowance amounting to Rs7.420 million.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed for recovery. No compliance was shown till the finalization of this report.

Audit recommends recovery of overpayments from the concerned employees besides fixing of responsibility against officers at fault.

(PDP No.07)

3.4.2.1.4 Unauthorized payments of inadmissible allowances - Rs 203.919 million

According to Rule 2.33 of PFR Vol-1 every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part. Further, according to Treasury Rule 7, Conveyance allowance is inadmissible during leave period.

During audit of DEA Lahore for the period 2020-21 it was noticed that employees of different formations were paid different allowances of Rs 203.919 million including Presidency Allowance, NAB Allowance, Hill Allowance, Health Risk Allowance, Design Allowance/ADC Allowance, Conveyance Allowance, Qualification Allowance etc. which were not admissible.

Payment of inadmissible allowances was due to weak financial controls.

This resulted in excess payment of Rs 203.919 million.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed the department for recovery. No compliance was shown till the finalization of this report.

Audit recommends recovery besides fixing of responsibility.

[PDP #9, 10, 11, 12, 13, 14, 15, 16, 17, 17, 19, 01, 02, 03, 04, 08, 01, 02, 03, 04, 01, 02, 04, 01, 01, 06, 03, 07, 04]

3.4.2.1.5 Unauthorized appointment of contingent paid staff - Rs 4.003 million

As per Government of the Punjab Finance Department letter No.FD.SO (GOODS) 44-4/2016 dated 9th August, 2019, contingent paid staff can be hired only in emergent cases according to powers specified in delegation of financial powers rules. Further, as per Schedule of Wage Rate, 2017 the appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits specified for regular establishment vide Para 11 of the Recruitment Policy issued by the S&GAD vide No. SOR-IV(S&GAD) 10-1/2003 dated 17.9.2004.

Scrutiny of the appointment files of following Government Special Education Institutes Lahore for the financial year 2018-20 revealed that management of education department made appointment of contingent paid staff in violation of the criteria ibid as detailed below:

| Rs in million | | |
|---------------|--|--------------|
| Sr. No. | Name of Formations | Amount |
| 1 | Govt. Degree College of Special Education Johar Town, Lahore | 2.990 |
| 2 | Govt. Shadab Training Institute for Mentally Challenged, A.Iqbal Town Lahore | 1.013 |
| Total | | 4.003 |

Contingent paid staff was hired without observing codal formalities due to weak financial discipline.

This resulted in unauthorized appointment of contingent paid staff.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed the department to get the matter regularized. No compliance was shown till the finalization of this report.

Audit recommends regularization of the matter besides fixing of responsibility against officer(s) at fault.

(PDP-06 06)

3.4.2.2 Procurement related irregularities

3.4.2.2.1 Irregular expenditure by splitting– Rs 6.486 million

According to Rule 12(1) of Punjab Procurement Rules 2014, 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 regulation by the PPRA from time to time. Further purchase more than 50,000, required three quotations from market for competitive rates.

Following DDOs of District Education Authority, Lahore for the Financial Year 2020-21 incurred an expenditure of Rs 6.486 million on various heads of accounts by splitting the indents. Indents were split up to Rs 50,000/- just to avoid competition in violation of above instructions. Invoices were also without number and dates.

| Rs in million | | |
|---------------|---|--------------|
| Sr. No | Name of formations | Amount |
| 1 | Govt. Shadab Training Institute for Mentally Challenged | 3.590 |
| 2 | Government Degree College of Special Education, Johar Tow, Lahore | 2.896 |
| Total | | 6.486 |

Expenditure was incurred by splitting the purchase orders due to poor financial management and weak internal controls.

This resulted in incurrence of irregular expenditure by splitting work orders amounting to Rs 6.486 million.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed the department to get the matter regularized besides fixing of responsibility against the person(s) at fault. No compliance was shown till the finalization of this report.

Audit recommends regularization of matter besides fixing of responsibility.

(PDP No.07, 07)

3.4.2.2.2 Irregular expenditure by violating PPRA Rules–Rs 13.854 million

According to Rule 12(1) of Punjab Procurement Rules 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if

deemed in public interest, the procuring agency may also advertise the procurement in at least two national daily newspapers.

Scrutiny of the record of following formations of DEA Lahore revealed that amount of Rs13.854 million was incurred on procurement of different items without advertisement on PPRA's website and without publishing in two national dailies, one Urdu and one English as amount of tender was exceeding Rs 2.00 million, in violation of rule ibid.

| | | Rs in million |
|--------------|--|---------------|
| Sr. No | Name of formations | Amount |
| 1 | Govt. Shadab Training Institute for Mentally Challenged | 4.456 |
| 2 | Government Degree College of Special Education, Johar Tow, Lahore | 7.328 |
| 3 | DEO (EE-W) Lahore | 1.153 |
| 4 | DEO (EEM) Lahore | 0.917 |
| Total | | 13.854 |

Procurement was made without advertisement due to non-compliance of PPRA rules.

This resulted in irregular purchase of Rs 13.854 million.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed the department to get the matter regularized besides fixing of responsibility against the person(s) at fault. No compliance was shown till the finalization of this report.

Audit recommends fixing of responsibility against the person(s) at fault besides regularization of the matter.

[PDP No.3, 3,3 3]

3.4.2.2.3 Non-deduction of GST & Income Tax – Rs 1.155 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 6.50% respectively on account of supplies and services rendered. Further, according to Central Board of Revenue Notification dated 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly registered under Sales Tax Act, 1990. The GST @ 1/5th of total value of the bill may be deducted at source and deposited into Government Treasury.

Scrutiny of data pertaining to Elementary and Primary Schools under the supervision of Dy. DEO EEW Shalimar, Lahore for the period 2020-21, it was noticed that DDOs/heads of schools incurred expenditure

on the purchase of consumable items out of NSB funds but GST amounting to Rs 0.913 million and Income Tax amounting to Rs 0.242 million was not deducted from the bills of the suppliers.

Non-deduction of income tax and general sales tax was due to weak internal controls and defective financial management.

This resulted in loss of Rs 1.115 million to public exchequer.

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed the department for recovery. No compliance was shown till the finalization of this report.

Audit recommends recovery of Income Tax and General Sales Tax from the concerned suppliers.

[PDP No.09]

3.4.3 Others

3.4.3.1 Non-payment of leave encashment and financial assistance-Rs 836.210 million

According to Rule 22(r) of Punjab District Authorities (Budget) Rules 2017, the estimates for current expenditure shall be based on the evidence of people's needs and the policy objectives of the sector with an aggregated view of the total current budget of the office.

During audit of CEO Education Lahore for the financial year 2020-21, it was observed that cases for leave encashment and financial assistance amounting to Rs 836.210 million were lying pending since long whereas payment to some employees were made without observing any sort of merit. This resulted in deprivation of the employees and their families due to non-payment on timely basis. Pendency is given below:

| Year | Leave Encashment | | Financial Assistance | | Grand Total amount |
|---------|------------------|---------|----------------------|--------|--------------------|
| | Number of cases | Amount | Number of cases | Amount | |
| 2020-21 | 1461 | 736.370 | 53 | 99.840 | 836.210 |

Audit is of the view that due to weak internal control cases of leave encashment and financial assistance could not be cleared.

This resulted in non-payment of leave encashment and financial assistance amounting to Rs 836.210 million

The matter was reported to PAO concerned in December 2021. DAC in its meeting held on 13-01-2021 directed the department to pay the dues as soon as possible besides fixing of responsibility against the person(s) breaching merit. No compliance was shown till the finalization of this report.

Audit recommends payment of leave encashment and financial assistance besides fixing responsibility against the person(s) at fault.

(PDP-02)

CHAPTER 4

DISTRICT EDUCATION AUTHORITY NANKANA SAHIB

4.1 Introduction

There are 101 formations in District Education Authority Nankana Sahib out of which audit of 6 formations was conducted. Total expenditure of formations audited were Rs 1,037.250 million. 45% expenditure was audited which is given in the following table.

a) Audit Profile of District Education Authority Nankana

| Rs in million | | | | |
|---------------|--|-------------------------|---------|---------------------|
| Sr. No. | Description | Total No. of Formations | Audited | Expenditure Audited |
| 1 | DEA Nankana Sahib | 101 | 06 | 466.762 |
| 2 | <ul style="list-style-type: none">• Assignment Accounts• SDAs | - | - | - |
| 3 | Foreign Aided Projects | - | - | - |

b) Classified Summary of Audit Observations

Audit observations amounting to Rs 140.040 million were raised in this report during current audit of “District Education Authority, Nankana Sahib.” This amount also includes recoveries of Rs 24.695 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

| Rs in million | | |
|---------------|---|---------------------------------------|
| Sr. No. | Classification | Amount Placed under Audit Observation |
| 1 | Non-production of record | - |
| 2 | Reported cases of fraud, embezzlement, and misappropriation | - |
| 3 | Irregularities: | |
| | A. HR/Employees related irregularities | 132.303 |
| | B. Procurement related irregularities | 4.997 |
| | C. Management of accounts with commercial banks | |
| 4 | Value for money and service delivery issues | 2.740 |
| 5 | Others | - |
| | Total | 140.040 |

c) Comments on Budget and Accounts (Variance analysis)

As per the appropriation accounts for the financial year 2020-21 of the DEA Nankana, original budget (development and non-development) was 4,574.266 million, supplementary grant was Rs 92.727 million and

the final budget Rs 4,666.993 million. Against the final budget, total expenditure of Rs 4,367.261 million was incurred by District Education Authority during financial year 2020-21 which was less than original grant indicating poor financial planning which resulted in saving of Rs 299.732 million against the final grant. The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

| Description | Original Grant | Suppl. Grant | Final Grant | Expenditure | saving | % saving |
|--------------|----------------|--------------|----------------|----------------|----------------|-------------|
| Salary | 4256.70 | 4.13 | 4260.83 | 3991.56 | -269.27 | 6.32 |
| Non-Salary | 286.24 | 10.95 | 297.19 | 268.41 | -28.78 | 9.68 |
| Development | 31.34 | 77.65 | 108.99 | 107.29 | -1.69 | 1.55 |
| Total | 4574.27 | 92.73 | 4666.99 | 4367.26 | -299.73 | 4.92 |

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

(Rs in million)

| Financial Year | Final Grant | Exp. | Savings | % age saving |
|----------------|-------------|-----------|------------|--------------|
| 2020-21 | 4,666.993 | 4,367.261 | -299.732 | 4.922 |
| 2019-20 | 5,480.867 | 4,387.929 | -1,092.938 | 19.941 |

Source: (Appropriation Accounts for the year 2020-21 & 2019-20)

There was 14.85% decrease in final budget allocation and 0.47% decrease in expenditure incurred during the financial year 2020-21 as compared to financial year 2019-20. There was an overall saving of Rs 299.732 million during 2020-21 showing 72.58% decrease in savings as compared to the financial year 2019-20.

4.2 Sectoral Analysis

i. Analysis of Targets and Achievements

Sectoral analysis of DEA Nankana was made on the basis of various quality indicators set by Education Department for the financial year 2020-21. These indicators were introduced, implemented and monitored through Punjab Management and Implementation Unit being part of Chief Minister's School Reforms Roadmap. The objectives of roadmap were to improve education facilities at each school, better environment through proper monitoring at appropriate level.

| Sr. No. | Indicators | Progress 2020-21 (%) |
|---------|-----------------------------|----------------------|
| 1 | Teacher presence | 92.40 |
| 2 | Non-teaching staff presence | 91.40 |
| 3 | Student attendance | 58.50 |

| Sr. No. | Indicators | Progress 2020-21 (%) |
|----------------|--------------------------------|-----------------------------|
| 4 | Student retention | 85.66 |
| 5 | Head teacher presence | 93.73 |
| 6 | Availability of Boundary wall | 99.61 |
| 7 | Availability of Drinking water | 99.41 |
| 8 | Availability of furniture | 99.61 |
| 9 | Sufficiency of Toilets | 93.71 |
| 10 | School hygiene | 89.72 |

Source: (https://open.punjab.gov.pk/schools/home/districts_performance)

ii. Service delivery issues

In view of the above progress table, it could be stated that DEA Nankana needs to improve the services in the areas of school hygiene, sufficiency of toilets, teacher presence, non-teaching staff presence, head teacher presence, student retention and student attendance as intended in the indicators during 2020-21.

4.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab. However, PAC meeting to discuss these audit reports is yet to be convened.

| Sr. No. | Audit Year | No. of Paras | Status of PAC Meetings |
|----------------|-------------------|---------------------|-------------------------------|
| 1 | 2017-18 | 19 | Not Convened |
| 2 | 2018-19 | 15 | Not Convened |
| 3 | 2019-20 | 15 | Not Convened |
| 4 | 2020-21 | 10 | Not convened |

4.4 AUDIT PARAS

4.4.1 Irregularities

4.4.1.1 HR/Employees related irregularities

4.4.1.1.1 Irregular payment of Salaries beyond sanctioned posts – Rs 110.988 million

According to Rule 55(1)(a &b) of Punjab District Authorities (Budget) Rules 2017, the head of offices or institutions and DDO shall ensure that authorized budget allocations are expended in conformity with the Schedule of Authorized Expenditure and that there must be an appropriation of funds for the purpose besides sanction of an authority competent to sanction expenditure.

During the audit of DEA Nankana Sahib for the period 2020-21, scrutiny of HR data revealed that salaries were being paid to officers/officials of the Education Authority beyond their sanctioned posts. Some cost centers were scrutinized on a test check basis which revealed the difference between budgeted and working strength which involves a basic salary of Rs110.998 million.

| Sr. No. | Name of Formation | Amount (Rs in Million) |
|----------------|--------------------------|-------------------------------|
| 1 | CEO DEA | 74.202 |
| 2 | GGHS Sangla Hill | 18.934 |
| 3 | GTHS No.1 Sangla Hill | 11.496 |
| 4 | G.Gurunanak High School | 6.356 |
| Total | | 110.988 |

Audit held that irregularity was due to poor financial management and weak internal checks.

This resulted in irregular expenditure of Rs110.988 million beyond sanctioned strength.

The matter was reported to PAO during December 2021. In DAC meeting held on 25-1-2022, management replied that discrepancies were found due to upgradation and time scale promotions. The discrepancies would be rectified. DAC directed for rectification of the discrepancies. No further progress was shown till finalization of this report.

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

[PDP No. 1, 1, 1, 1]

4.4.1.1.2 Loss due to non-recovery of social security benefit – Rs 20.068 million

According to Rule 9(b) of Punjab District Authorities (Accounts) Rules 2017, the DDO and the payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud, or misappropriation and shall be liable to make good that loss.

During the audit of DEA Nankana Sahib for the period 2019-20 and 2020-21, it was noticed that employees of the Education Authority were regularized in Government service from different dates. Neither their Social Security Benefit was stopped nor recovered from their date of regularization. This resulted in an overpayment of Rs 20.068 million (to be recalculated after fixation of basic pay on initial stage along with other Basic Pay related Adhoc Allowances). Some employees were also found drawing SSB who have more than three years of service resulting in an undue burden on the Government exchequer.

Audit held that irregular and overpayment of SSB was due to poor financial management.

This resulted in irregular expenditure and overpayment of Social Security Benefits amounting to Rs 20.068 million to the employees who were either regularized or had more than three years of service.

| Sr. No. | Name of Formation | Description | Amount (Rs in million) |
|---------|--------------------------|---|------------------------|
| 1 | CEO DEA | Non recovery of SSB after regularization of service | 16.450 |
| 2 | G. Gurunanak High School | Non recovery from employees having more than three years of service | 0.201 |
| 3 | GGHS Sangla Hill | | 1.534 |
| 4 | GHS Shahkot | | 1.347 |
| 5 | GTHS No.1 Sangla Hill | | 0.536 |
| | Total | | 20.068 |

The matter was reported to PAO during December 2021. In DAC meeting held on 25-1-2022, department admitted the recovery. DAC directed for early recovery of SSB. No further progress was shown till finalization of this report.

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

[PDP # 2,3,2,1,2]

4.4.1.1.3 Overpayment of pay and allowances – Rs 1.247 million

According to Government of the Punjab Finance Department letter No.FD.PR.12-7/2007 dated 5th April 2018, charge allowance is admissible to the teachers working against administrative posts. Furthermore, According to Rule 9(b) of Punjab District Authorities (Accounts) Rules 2017, the DDO and the payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud, or misappropriation and shall be liable to make good that loss.

During the audit of DEA Nankana Sahib for the period 2019-20 and 2020-21, it was noticed that different allowances were allowed to ineligible officers/officials of Education Authority.

Audit held that irregular and an overpayment was due to poor financial management.

This resulted in overpayment of Rs 1.247 million as inadmissible allowances.

| Sr. No. | Formation Name | Allowance | Amount (Rs in million) |
|---------|-----------------------|-------------------------|------------------------|
| 1 | CEO (DEA), Nankana | Charge Allowance | 1.061 |
| 2 | CEO (DEA) Nankana | Qualification Allowance | 0.158 |
| 3 | DY. DEO (WEE) Nankana | Qualification Allowance | 0.028 |
| | Total | | 1.247 |

The matter was reported to PAO during December 2021. In DAC meeting held on 25-1-2022, management replied that heads of all the schools were entitled for charge allowance as Government of Punjab School Education Department notification dated 29-10-2009. The reply was not acceptable because charge allowance was admissible only to those teachers who were working against administrative posts but department did not provide documentary evidence regarding working against administrative posts. DAC directed for recovery of qualification allowance and provision of documentary evidence in case of charge allowance. No further progress was shown till finalization of this report.

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

4.4.2.1 Procurement related irregularities

4.4.2.1.1 Irregular purchase of furniture – Rs 4.997 million

According to Rule 9(b) of Punjab District Authorities (Accounts) Rules 2017, the DDO and the payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud, or misappropriation and shall be liable to make good that loss.

During the audit of CEO DEA Nankana Sahib for the period 2020-21, it was noticed that furniture amounting to Rs 4,997,480 was purchased during 2019-20 for different schools under the project “Provision of Missing Facilities in Schools”. The payment of that furniture could not be made at that time because of a delay in the technical inspection of that furniture. The payment was made during 2020-21 which was held irregular because of the following reasons:

1. No physical verification report of furniture was found in the record.
2. The invoices issued by M/s Asian Furniture Works have no dates on them involving an amount of Rs 4.403 million. The taxes charged by the supplier were required to be adjusted/deposited through their monthly FBR returns of the concerned month. In absence of dates on invoices, that 4/5th amount of taxes is likely to be not deposited/adjusted by the concerned supplier.

Audit held that irregular expenditure having no dates on invoices and without physical verification report was due to poor financial management.

This resulted in irregular expenditure of Rs 4.997 million in the purchase of furniture and likely embezzlement of General Sales Tax of Rs 639,820.

The matter was reported to PAO during December 2021. In DAC meeting held on 25-1-2022, department accepted the irregularity. DAC directed for regularization. Neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery of overpayment and regularization of the matter besides fixing of responsibility against the person(s) at fault.

[PDP No. 4]

4.4.3 Value for money and service delivery issues

4.4.3.1 Loss due to non-registration of Private Schools – Rs 2.740 million

As per schedule II (3)(2) Sr. No. 4.1 appended with Punjab District Govt. Rules of Business notified vide Govt. of the Punjab Local Government and Rural Development Department No. SO V(LG) 5-9/2001 dated 21-08-2001, the registration of private schools and their inspection is one of the allocated functions of Executive District Officer, Education.

During the audit of CEO DEA for the period 2020-21, it was noticed that there was a total of 400 private schools that were registered with the Education Authority Nankana Sahib. But the scrutiny at Integrated Dashboard of Punjab School Education Department revealed that there were 948 private schools in the jurisdiction of DEA Nankana Sahib. Hence less registration of 548 private schools resulted in a loss of approximately Rs2.740 million (Rs5000 X 548) as registration fee and further loss of annual renewal fee.

Audit held that loss due to non-registration of private schools was because of poor financial management.

This resulted in an approximate loss of Rs2.740 million by non-registration of private schools.

The matter was reported to PAO during December 2021. In DAC meeting held on 25-1-2022, DAC directed for recovery. No further progress was shown till finalization of this report.

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

[PDP No. 3]

CHAPTER 5

DISTRICT EDUCATION AUTHORITY OKARA

5.1 Introduction

There are 201 formations in District Education Authority Okara out of which audit of 10 formations was conducted. Total expenditure of formations audited was Rs 3,388.348 million. 30% expenditure was audited which is given in the following table.

a) Audit Profile of District Education Authority Okara

| Rs in million | | | | |
|---------------|--|-------------------------|---------|---------------------|
| Sr. No. | Description | Total No. of Formations | Audited | Expenditure Audited |
| 1 | DEA Okara | 201 | 9 | 1,016.504 |
| 2 | <ul style="list-style-type: none">• Assignment Accounts• SDAs | - | - | - |
| 3 | Foreign Aided Projects (FAP) | - | - | - |

b) Classified Summary of Audit Observations

Audit observations amounting to Rs 390.073 million were raised in this report during current audit of “District Education Authority, Okara.” This amount also includes recoveries of Rs 18.194 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

| Rs in million | | |
|---------------|---|---------------------------------------|
| Sr. No. | Classification | Amount placed under Audit Observation |
| 1 | Non-production of record | 219.866 |
| 2 | Reported cases of fraud, embezzlement, and misappropriation | - |
| 3 | Irregularities: | - |
| | A. HR/Employees related irregularities | 22.740 |
| | B. Procurement related irregularities | 58.241 |
| | C. Management of accounts with commercial banks | |
| 4 | Value for money and service delivery issues | 2.898 |
| 5 | Others | 86.328 |
| Total | | 390.073 |

c) Comments on Budget and Accounts (Variance analysis)

As per appropriation accounts for the financial year 2020-21 of the DEA Okara, original budget (development and non-development) was Rs 8,606.940 million, supplementary grant was Rs 346.554 million and the final budget Rs 8,953.494 million. Against the final budget, total

expenditure of Rs 8,386.207 million was incurred by District Education Authority during financial year 2020-21 which was less than original grant indicating poor financial planning which resulted in savings of Rs 567.287 million against the final grant. The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

| Description | Original Grant | Suppl. Grant | Final Grant | Expenditure | saving | % saving |
|--------------|-----------------|---------------|-----------------|-----------------|----------------|-------------|
| Salary | 8,031.14 | 178.786 | 8,209.93 | 7,696.17 | -513.75 | 6.26 |
| Non-Salary | 346.859 | 166.33 | 513.19 | 477.378 | -35.81 | 6.98 |
| Development | 228.94 | 1.363 | 230.30 | 212.657 | -17.65 | 7.66 |
| Total | 8,606.94 | 346.55 | 8,953.49 | 8,386.21 | -567.29 | 6.34 |

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

(Rs in million)

| Financial Year | Final Grant | Exp. | Savings | % age saving |
|----------------|-------------|-----------|----------|--------------|
| 2020-21 | 8,953.494 | 8,386.207 | -567.287 | 6.336 |
| 2019-20 | 9,069.968 | 8,546.642 | -523.326 | 5.770 |

Source: (Appropriation Accounts for the year 2020-21 & 2019-20)

There was 1.28% decrease in final budget allocation and 1.88% decrease in expenditure incurred during the financial year 2020-21 as compared to financial year 2019-20. There was an overall saving of Rs 567.287 million during 2020-21 showing 8.4% increase in savings as compared to the financial year 2019-20.

5.2 Sectoral Analysis

i. Analysis of Targets and Achievements

Sectoral analysis of DEA Okara was made on the basis of various quality indicators set by Education Department for the financial year 2020-21. These indicators were introduced, implemented and monitored through Punjab Management and Implementation Unit being part of Chief Minister's School Reforms Roadmap. The objectives of roadmap were to improve education facilities at each school, better environment through proper monitoring at appropriate level.

| r. No. | Indicators | Progress 2020-21 (%) |
|--------|-----------------------------|----------------------|
| 1 | Teacher presence | 93.70 |
| 2 | Non-teaching staff presence | 94.00 |
| 3 | Student attendance | 53.10 |
| 4 | Student retention | 85.95 |

| r. No. | Indicators | Progress 2020-21 (%) |
|---------------|--------------------------------|-----------------------------|
| 5 | Head teacher presence | 93.30 |
| 6 | Availability of Boundary wall | 94.45 |
| 7 | Availability of Drinking water | 99.43 |
| 8 | Availability of furniture | 96.17 |
| 9 | Sufficiency of Toilets | 95.98 |
| 10 | School hygiene | 88.04 |

Source: (https://open.punjab.gov.pk/schools/home/districts_performance)

ii. Service delivery issues

In view of the above progress table, it could be noticed that DEA Okara needs to improve the services in the areas of school hygiene, sufficiency of toilets, availability of furniture & boundary wall, teacher presence, head teacher presence, student retention and student attendance as intended in the indicators during 2020-21.

5.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following years have been submitted to the Governor of the Punjab. However, PAC meeting to discuss these audit reports is yet to be convened.

| Sr. No. | Audit Year | No. of Paras | Status of PAC Meetings |
|----------------|-------------------|---------------------|-------------------------------|
| 1 | 2017-18 | 21 | Not convened |
| 2 | 2018-19 | 19 | Not convened |
| 3 | 2019-20 | 06 | Not convened |
| 4 | 2020-21 | 06 | Not convened |

5.4 AUDIT PARAS

5.4.1 Non-production of record

5.4.1.1 Non-production of record on account of deposit work - Rs 219.866 million

According to Section 14(2) of the Auditor General's (Functions, Powers and Terms, and Conditions of Service) Ordinance, 2001, the department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition. According to Finance Department's letter No. IT(FD)3-7-2000 dated 01.01.2001, on completion of the project, the DO Buildings will render a completion certificate and statement of accounts (i.e. complete vouched account) together with refund of residual balance of the amounts placed at his disposal, to the concerned DDO for his record.

CEO District Education Authority Okara transferred Rs 219.866 million to XEN Buildings Okara as deposit work for construction and rehabilitation of various original as well as dilapidated schools buildings under the jurisdiction of education department. The payment was held doubtful because for the payment no record i.e. detail of tenders issued by building department, technically sanctioned estimates, vouchers, acceptance letters, work orders, PC-I, measurement books, completion certification / PC-IV of works was produced for audit verification besides several verbal and written requests. Further probe revealed that every financial year funds were transferred to XEN Buildings Okara but no record of ADP / Non-ADP schemes was produced for audit since the formation of District Education Authority, Okara i.e. January 2017.

Audit is of the view that the relevant record of expenditure was not maintained and produced to Audit for verification which may lead to misappropriation and misuse of public resources.

This resulted in non production of record of Rs 219.866 million.

The matter was reported to PAO during December 2021. Neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility against the officers / officials for non-production of record besides production of record.

[PDP No.01]

5.4.2 Irregularities

5.4.2.1 HR / Employees related irregularities

5.4.2.1.1 Overpayments of inadmissible allowances - Rs 10.606 million

According to Treasury Rule 7, Conveyance allowance is inadmissible during leave period. According to (XIII)(i)(b) Contract Appointment Policy in 2004 issued by Government of the Punjab S&GAD circular vide No. DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004, “Social Security Benefit @ 30% of minimum of basic pay is admissible only for the persons working on contract in lieu of pension”.

Management of following offices of District Education Authority Okara made overpayments of inadmissible allowances including conveyance allowance and social security benefit amounting to Rs 10.606 million in violation of rules *ibid*.

| Sr. No. | Formation | Amount (Rs in million) |
|---------|------------------------|------------------------|
| 1 | DO (SE) Okara | 0.104 |
| 2 | DDEO (W-EE) Okara | 2.162 |
| 3 | DDEO (W-EE) Okara | 2.721 |
| 4 | GGHSS No.18/GD | 0.454 |
| 5 | HM Slow Learners Okara | 0.220 |
| 6 | HM Slow Learners Okara | 0.102 |
| 7 | HM Slow Learners Okara | 0.840 |
| 8 | DDEO (M-EE) Okara | 1.863 |
| 9 | DDEO (W-EE) Okara | 2.090 |
| | Total | 10.606 |

Audit held that non-deduction of conveyance and SSB was due to poor financial discipline.

This resulted in overpayment of Rs 10.606 million.

Matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends recovery of overpayment from the concerned employees besides fixing of responsibility against officers at fault.

[PDP No.6, 5, 1, 11, 3, 8, 14, 10, 9]

5.4.2.1.2 Doubtful payment of arrears of pay and allowances – Rs 8.923 million

As per Rule 2.33 of PFR Vol-1, each and every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by government due to fraud or negligence on his part or on the part of any other government servant to the extent to which he contributed to the loss.

During scrutiny of accounts of Deputy DEO (Male) & (Female), District Okara for the financial year 2020-21, it was observed that arrears of pay and allowances were withdrawn from Government treasury amounting to Rs 8.923 million. The payment was held doubtful because arrear bills along with allied documents i.e. orders, sanction of additional budget and expenditure, due/drawn statements, salary slips of the arrears period, vouchers, inactive statement due to stoppage of pay, change forms, personnel file, service book, transfer orders, NOC from the previous station and reason of drawing arrears were not produced to audit for verification.

Audit is of the view that due to weak internal control(s) payments were made without supporting documents.

This resulted in doubtful payment of arrears of pay and allowances amounting to Rs 8.923 million

Matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for investigation of the matter besides fixing of responsibility against the person (s) at fault.

[PDP No.7, 17]

5.4.2.1.3 Irregular payment of financial assistance – Rs 1.600 million

According to Finance Department Govt. of the Punjab notification No. FD.SR.I/3-10/2004 dated 10.11.2004, the grant of financial assistance to the families of deceased civil servant (BPS 01-04) during service is Rs 200,000.

During audit of CEO Okara 2020-21, it was noticed that financial Assistance amounting to Rs1.600 million was sanctioned in favour of Mrs. Zanaib Bibi widow of Mr. Muhammad Tufail working GGE/S Bhidal Otar. Mr. Muhammad Tufail was kidnapped on 6-5-2007 but no FIR was

lodged at the time of kidnapping. Further, court has presumed him dead on 8-5-2019 and declared the legal heirs for entitlement of legal benefits. The department made the payment and granted the benefits of financial Assistance from the date of court decision i.e. 8-5-2019 instead of kidnapped year dated 6-05-2007. The rate of financial assistance at the time of kidnapping i.e. 6.5.2007 was Rs 200,000 whereas the department paid Rs 1,600,000 as financial assistance. In view of above payment was wrongly assessed and gives undue favour to the widow of Mr. Muhammad Tufail Chokidar.

Audit held that irregular expenditure on account of financial expenditure was incurred due to weak internal controls and poor financial management.

Matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for investigation of the matter and seek clarification from the Finance Department about the rates of Financial assistance.

[PDP No.10]

5.4.2.1.4 Overpayment of pay and allowances – Rs 1.611 million

As per Rule 2.31 (a & b) of PFR Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. Before countersigning bills for expenditure submitted by subordinate, he should see whether the expenditure was really necessary, the rates charged are not extravagant.

During audit of Deputy District Education Officer (W-EE) Okara for the year 2019-21, it was revealed that the services of 51 teachers were regularized w.e.f 1-3-2021 and the salaries were required to be re-fixed on the initial stage of the pay scale and the increment earned during the contract period were required to be fixed as personal allowance. However, personal allowance was not fixed by the administration from the effective date of the regularization which resulted in excess payment of Rs 1.611 million.

Audit held that due to weak administrative and financial controls social security benefits for regular period was paid to the employees.

This resulted in over payment of social security benefits of Rs 1.611 million

Matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends recovery besides fixing lapse and negligence against the persons at fault.

[PDP No.14]

5.4.2.2 Procurement related irregularities

5.4.2.2.1 Irregular expenditure due to non-advertisement on PPRA's website – Rs 22.746 million

According to Rule 12(1) of Punjab Procurement Rules 2014, 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 regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency. As mentioned para 4.9.1 of School Council Policy 2007 revised in 2017, according to Finance Department No.IT (FD)3-13/2002 dated 7th January 2004 and 29th January 2005, School Council is authorized to incur maximum amount of Rs 400,000 during a financial year. As per Admin approval No. 1152/DDC/AA/2021/51 dated 16.04.2021, No payment shall be made without physical verification of committee consisting of ADC (F&P) and Deputy Director (Development) Okara.

During audit of CEO (Education), District Okara for the period of 2020-21, it was noticed that special grant Rs 22.746 million on account of SMC funds for procurement of missing facilities was transferred to different schools. Further probe revealed that these schools councils selected suppliers and purchased furniture, computers, printers, roller blinds and civil work etc. without floating tender on PPRA's website, beyond financial powers and without technical and physical inspection. Inferior quality / below specification furniture, roller blinds and civil work was procured at exorbitant rates. Moreover Income Tax deduction/ verification of challans amounting to Rs 1.315 million and GST deposit / verification of Rs 3.876 million was not made.

Audit held that the expenditure incurred on procurements in violation of rules was a deliberate act of management due to non-existence of internal controls and inappropriate financial management.

This resulted in incurrence of irregular expenditure amounting to Rs 22.746 million.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for regularization of the expenditure besides revision and amendment in School Council Policy 2007.

[PDP No.2, 5]

5.4.2.2.2 Irregular purchases without fulfilling codal formalities - Rs 31.052 million

According to Rule 31 of PPRA 2014 “A procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents.”

During audit of CEO (DEA), Okara for the period 2020-21, the department made contracts amounting to Rs 31.052 million for purchase of IT equipment, furniture, science and electrical equipment without preparing and circulating technical evaluation criteria along with bidding documents. Inspection of the items received / IT equipment were not made by the independent technical committee and inferior quality furniture, models for biology labs and safety measures equipment at exorbitant rates were purchased. Furthermore, discrepancies including bill of entry, evidence of import and verified serial number of equipment on website were found. Moreover, Income Tax deduction/ verification of challan Rs 686,696 and GST deposit / verification Rs 2.217 million was not made.

Audit held that irregularity was incurred due to weak internal checks and poor financial management.

This resulted in irregular purchase amounting to Rs 31.052 million.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for regularization of the expenditure besides revision and amendment in School Council Policy 2007.

[PDP No.03, 04]

5.4.2.2.3 Non-deposit of GST – Rs 4.443 million

According to CBR letter No. 4(47) STC/98(Vol-I) dated 4.8.2001, purchasing department / organization is required to forward intimation regarding recovery/deposit of GST to the concerned GST collectorate for verification.

As per Government of Pakistan (Revenue Division) Central Board of Revenue (Sales Tax Wing) Letter No. C.No.4(47)STB/98 (Vol.I) dated 04th August, 2001, purchases should be made by the Government Departments from the suppliers registered with Sales Tax Department and payment shall be made to the suppliers / contractors only on the bills supported with sales tax invoices.

During scrutiny of record of CEO (DEA) Okara, it was observed that schools councils of high schools paid full GST amounting to Rs 4.443 million to the vendors which was neither deposited by the firms nor GST returns from the suppliers side was available in record.

Audit held that due to poor financial discipline and weak internal checks amount was not deposited into government treasury.

This resulted in non deposit of General Sales Tax of Rs 4.443 million.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit requires recovery of the amount involved and be deposited in govt. treasury.

5.4.3 Value for money and service delivery issues

5.4.3.1 Un-authorized released of funds without Administrative Approval – Rs 1.813 million

As per Rule 29 (1) (6) of Punjab District Authorities Budget Rules 2017, The District Development Committee shall review the outlines of the new development project proposal received from the concerned office, institution and give approval for the preparation of detailed development project proposals and accorded administrative approval of a development project in accordance with the powers delegated to it.

During scrutiny of record of CEO (DEA) Okara, it was observed that there was difference of schemes approved in DDC and funds released to the schemes for revenue component. Further probe revealed that funds released to those schemes which were not approved in DDC as detailed below;

| Sr. No. | Schemes approved in DDC with amount but funds not released. | Schemes not approved in DDC but funds released. |
|----------------|--|--|
| 1 | Up-gradation of Govt. Maktab School Chak No.53/D to elementary level – Rs 1.00 million | Construction of additional class rooms, GHS 20/1AL, Okara – Rs 0.063 million |
| 2 | Up-gradation of GGPS at Chak No.27/4-L, Okara – Rs 1.00 million | Construction of additional class rooms, GGPS, Husain Colony Okara – Rs 0.050 million |

Audit held that un-authorized release of funds without administrative approval was due to weak internal controls and poor financial management.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for inquiring the matter for irregular release of funds besides fixing of responsibility against person(s) at fault.

[PDP No.08]

5.4.3.2 Extravagant expenditure on account of missing facilities – Rs 1.085 million

According to Rule 10 of Punjab District Authorities Budget Rules 2017, the budget is a statement of receipts and expenditure for a financial year depicting the financial plan of the District Authority to spend the available resources on prioritized needs over a period of time and reflects the policies, financial strategy and operational plans in financial terms.

During scrutiny of record of transfer grants of CEO (DEA) Okara, it was observed that school councils purchased I.T. lab equipment, patch panel and network switches without installation of networking. Similarly some high schools purchased LED monitors without computers for I.T labs which could not be utilized and deteriorating their monetary values day by day.

Audit held that wasteful expenditure on missing facility was incurred due to weak internal checks and poor financial management.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for inquiring the matter for irregular expenditure besides fixing of responsibility against person(s) at fault

[PDP No.13]

5.4.4 Others

5.4.4.1 Irregular execution of ADP schemes without vetting of PC / I – Rs 84.794 million

As per Rule 32 Punjab District Authorities Budget Rules 2017, The development projects proposal relating to works submitted to the District Development Committee for administrative approval shall be accompanied by a preliminary report, a rough cost estimates, preliminary plans, information to the site and other details, as may be necessary, to fully elucidate the proposal.

During audit of CEO (DEA) Okara, it was observed that DDC committee raised observations against various ADP schemes of 2020-21 but the same were neither taken up by the concerned authorities nor vetted in PC-I / Rough cost estimate. Further it was noticed that administrative approval was issued but the revised DDC minutes were not available in record.

Audit held that irregular release of funds was due to weak internal checks and poor financial management.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for inquiring the matter for irregular release of funds besides fixing of responsibility against person(s) at fault.

5.4.4.2 Non-recovery of liquidated damages - Rs 1.534 million

According to the Section-iii special condition of contract clause (2) (3.1) of section 13, liquidated damages will be charged on late supply at applicable rate of 0.1% contract price per day maximum deduction 5% of contract price. Extension of delivery period should not be allowed as a matter of routine; where necessary such extension should be granted with reservation of rights. Extension beyond the period of one month shall be allowed after obtaining security at the rate of 2.5% of the value of contract from the registered firms in addition to imposition of liquidated damages at the rate of 2% per month or part thereof of the value of goods / supplies delivered late. Moreover, no extension in delivery period shall be allowed if it extends to next financial year without the approval of indenting officer, who should confirm availability of funds in the next financial year.

During scrutiny of record of CEO Education Okara, it was observed that school councils of concerned schools received the delivery

of goods without deduction of liquidated damages amounting to Rs 1.534 million.

Audit held that non recovery of LD charges was due to weak internal checks and poor financial management.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for inquiring the matter for non recovery of LD charges besides fixing of responsibility against person(s) at fault.

[PDP No.11]

CHAPTER 6

DISTRICT EDUCATION AUTHORITY SHEIKHUPURA

6.1 Introduction

There are 182 formations in District Education Authority Sheikhupura out of which audit of 07 formations was conducted. Total expenditure of formations audited was Rs 2,662.575 million. 23% expenditure was audited which is given in the following table.

a) Audit Profile of District Education Authority Sheikhupura

| Sr. No. | Description | Total No. of Formations | Audited | Rs in million |
|---------|---|-------------------------|---------|---------------------|
| | | | | Expenditure Audited |
| 1 | DEA Sheikhupura | 182 | 07 | 604.581 |
| 2 | <ul style="list-style-type: none"> • Assignment Accounts • SDAs | - | - | - |
| 3 | Foreign Aided Projects | - | - | - |

b) Classified Summary of Audit Observations

Audit observations amounting to Rs 7.293 million were raised in this report during current audit of “District Education Authority, Sheikhupura.” Summary of audit observations classified by nature is as under:

| Sr. No. | Classification | Rs in million |
|--------------|---|---------------------------------------|
| | | Amount Placed under Audit Observation |
| 1 | Non-production of record | - |
| 2 | Reported cases of fraud, embezzlement, and misappropriation | - |
| 3 | Irregularities: | - |
| | a. HR/Employees related irregularities | - |
| | b. Procurement related irregularities | 2.963 |
| | c. Management of accounts with commercial banks | - |
| 4 | Value for money and service delivery issues | 22.857 |
| 5 | Others | 1.473 |
| Total | | 152.255 |

c) Comments on Budget and Accounts (Variance analysis)

As per appropriation accounts for the financial year 2020-21 of the DEA Sheikhupura, original budget (development and non-development) was Rs 7,621.081 million, supplementary grant was Rs 717.029 million and the final budget Rs 8,338.110 million. Against the final budget, total expenditure of Rs 7,289.784 million was incurred by District Education

Authority during financial year 2020-21 which was less than original grant indicating poor financial planning which resulted in savings of Rs 1,048.326 million against the final grant. The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

| Description | Original Grant | Supplementary Grant | Final Grant | Expenditure | saving | % saving |
|-------------|-----------------|---------------------|----------------|-----------------|-----------------|--------------|
| Salary | 7224.457 | 2.775 | 7227.232 | 6779.694 | -447.54 | 6.19 |
| Non-Salary | 249.224 | 600.515 | 849.739 | 358.977 | -490.76 | 57.75 |
| Development | 147.4 | 113.739 | 261.139 | 151.113 | -110.03 | 42.13 |
| Total | 7621.081 | 717.029 | 8338.11 | 7289.784 | -1048.33 | 12.57 |

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

(Rs in million)

| Financial Year | Final Grant | Exp. | Savings | % age saving |
|----------------|-------------|-----------|------------|--------------|
| 2020-21 | 8,338.110 | 7,289.784 | -1,048.326 | 12.573 |
| 2019-20 | 8,796.859 | 7,542.452 | -1,254.406 | 14.259 |

Source: (Appropriation Accounts for the year 2020-21 & 2019-20)

There was 5.215% decrease in final budget allocation and 3.50% decrease in expenditure incurred during the financial year 2020-21 as compared to financial year 2019-20. There was an overall saving of Rs 1,048.326 million during 2020-21 showing 16.428% increase in savings as compared to the financial year 2019-20.

6.2 Sectoral Analysis

i. Analysis of Targets and Achievements

Sectoral analysis of DEA Sheikhpura was made on the basis of various quality indicators set by Education Department for the financial year 2020-21. These indicators were introduced, implemented and monitored through Program Monitoring and Implementation Unit being part of Chief Minister's School Reforms Roadmap. The objectives of the roadmap were to improve following indicators at each school and provision of better environment through proper monitoring at appropriate levels.

| Sr. No. | Indicators | Progress 2020-21 (%) |
|---------|-----------------------------|----------------------|
| 1 | Teacher presence | 92.30 |
| 2 | Non-teaching staff presence | 89.20 |
| 3 | Student attendance | 56.80 |
| 4 | Student retention | 91.60 |

| Sr. No. | Indicators | Progress 2020-21 (%) |
|---------|--------------------------------|----------------------|
| 5 | Head teacher presence | 92.95 |
| 6 | Availability of Boundary wall | 99.81 |
| 7 | Availability of Drinking water | 99.42 |
| 8 | Availability of furniture | 89.28 |
| 9 | Sufficiency of Toilets | 87.72 |
| 10 | School hygiene | 74.95 |

Source: (https://open.punjab.gov.pk/schools/home/districts_performance)

ii. Service delivery issues

In view of the above progress table, it could be noticed that DEA Sheikhupura needs to improve the services in the areas of school hygiene, sufficiency of toilets, availability of furniture, teacher presence, non-teaching staff presence and student attendance as intended in the indicators during 2020-21.

6.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of the Punjab. However, PAC meeting to discuss these audit reports is yet to be convened.

| Sr. No. | Audit Year | No. of Paras | Status of PAC Meetings |
|---------|------------|--------------|------------------------|
| 1 | 2017-18 | 18 | Not convened |
| 2 | 2018-19 | 15 | Not convened |
| 3 | 2019-20 | 08 | Not convened |
| 4 | 2020-21 | 09 | Not convened |

6.4 AUDIT PARAS

6.4.1 Misappropriation

6.4.1.1 Bogus / Doubtful appointment of Teachers

As per para 13(vi)&(vii) of the Recruitment Policy 2004, “The relevant Selection Committee shall conduct test/interview and recommend suitable candidates for appointment, strictly on the basis of merit/selection criteria, to the appointing authority and The Appointing Authority, shall issue offer of appointments to the candidates recommended by the Selection Committee, clearly indicating the terms, and conditions of such appointment”.

During audit of District Officer Secondary Education Sheikhpura, Audit Party compared recruitment record with hiring report of SAP as provided by Office of Accountant General Punjab. Eight employees (teaching staff) who were hired in SAP could not be verified from recruitment record of District Education Authority Sheikhpura as detailed below:

| Sr No | Pers. no. | Name of Employee | Pay Scale | Job Title | Date of Joining |
|--------------|------------------|-------------------------|------------------|------------------|------------------------|
| 1 | 31878010 | M MUFEEZ UR REHMAN | 16 | S.S.E (SCIENCE) | 01.12.2016 |
| 2 | 31896855 | TEHMINA MUSSAWAR | 16 | S.S.E (ARTS) | 28.11.2016 |
| 3 | 31920455 | BABAR HUSSAIN | 16 | S.S.E (SCIENCE) | 13.07.2017 |
| 4 | 32066025 | NOREEN AZEEM | 16 | S.S.E - BIO/CHM | 01.08.2017 |
| 5 | 32099928 | H. SUMAIRA MAJEED | 16 | S.S.E (SCIENCE) | 03.03.2018 |
| 6 | 32100180 | AYSHA ARIQA | 16 | S.S.E (SCIENCE) | 03.03.2018 |
| 7 | 32107752 | IQRA | 16 | S.S.E (Comp) | 01.03.2018 |
| 8 | 32120020 | ASMA NIAZ | 16 | S.S.E (ARTS) | 15.09.2018 |

Audit held that employees’ appointments were fake / bogus.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends stoppage of salaries immediately along with holding of inquiry to fix responsibility against person(s) at fault.

6.4.2 Irregularities

6.4.2.1 Procurement Related Irregularities

6.4.2.1.1 Irregular procurement of furniture and machinery – Rs 2.963 million

According to Rule 12(1) of Punjab Procurement Rules 2014 “a procuring agency shall advertise procurement of more than two hundred thousand rupees and up to the limit of three million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper].

During the scrutiny of accounts of CEO (DEA) Sheikhpura for the financial year 2020-21, it was observed that furniture, machinery and other allied items of Rs 2.963 million were procured for establishment of Special Education Center Narang Mandi Tehsil Muridkey District Sheikhpura. Tender was uploaded on PPRA website on 24-02-2020 that was declared “violated tender” by Punjab Procurement Regulatory Authority in light of notification No. ADMN(PPRA)BOM-39/2019 dated 7th November 2019 and notified accordingly on PPRA Website. Further, Procurement Agency failed to upload Tender documents on PPRA website as only financial bid performa was uploaded on place specified for Tender documents. Furthermore, Goods & Equipment were procured without determining its specifications as required by para 13 of PC-1. In tender document, fifteen parameters were mentioned that were very general in nature. Compulsory requirements i.e. NTN, CNIC Bank Statement, audited annual accounts etc. Actual evaluation was performed only against six parameters.

Audit held that execution of violated tender and non-uploading of tender documents on PPRA website were due to weak internal checks and defective procurement system.

This resulted in irregular expenditure of Rs 2.963 million.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for regularization of expenditure besides fixation of responsibility against person(s) at fault.

[PDP 3 &4]

6.4.3 Value for money and service delivery issues

6.4.3.1 Non-completion of development schemes – Rs 22.857 million

According to Rule 2.10(a) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money

During audit of Chief Executive Officer Education Shiekhupura for the financial year 2020-21, it was observed that following schemes were started in financial year 2019-20 but still in progress despite utilization of 100% allocated funds as detailed below:

| Sr No | Name of Scheme | ADP | Approved Cost | Funds Utilized | Status on 01-11-2021 |
|-------|--|----------|---------------|----------------|----------------------|
| 1 | Reconstruction of Dangerous Building of GES Mardana Tehsil Muridkey | 2019 -20 | 5.937 | 5.937 | In Progress |
| 2 | Reconstruction of Dangerous Building (04 nos class rooms) at Govt MC Jinnah Model High School Old city Shiekhupura | 2019-20 | 6.008 | 6.008 | In Progress |
| 3 | Upgradation of GGES saaikhum to High Level Tehsil muridkey | 2019-20 | 9.720 | 9.720 | In Progress |
| 4 | Construction of Building GPS Luban wala Tehsil Feroze wala District Shiekhupura | 2019-20 | 7.681 | 1.192 | In Progress |
| Total | | | | 22.857 | |

Audit held that development schemes were not completed due to weak internal checks.

This resulted in wastage of public resources of Rs 22.857 million.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends investigation of the matter besides fixing of responsibility against person(s) at fault.

[PDP 10]

6.4.4 Others

6.4.4.1 Unlawful payment of development work- Rs 1.473 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.

During the audit of Chief Executive Officer Education Shiekhupura for the financial year 2020-21, it was observed that payment of Rs 1.473 million was paid to contractors directly on account of development schemes being executed by XEN Building Shiekhupura as deposit work. Further, Education Authority has no record about contractors' claim as detailed below:

| Sr No. | Document No | G/L | Vendor Name | Amount (Rs) |
|--------|-------------|--------------|------------------------|------------------|
| 1 | 1900073055 | A12403 | Prime Construction Co | 51,291 |
| 2 | 1900105168 | A12403 | | 234,090 |
| 3 | 5100069002 | A12403 | M/S NOMAN KHALID & CO. | 1,187,983 |
| | | Total | | 1,473,364 |

Audit held that direct payments to contractors instead of deposit work were due to weak internal checks and defective financial discipline.

This resulted in doubtful expenditure of Rs 1.473 million.

The matter was reported to CEO/PAO in December 2021. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends for regularization of expenditure besides fixation of responsibility against person(s) at fault.

[PDP 07]

CHAPTER 7

THEMATIC AUDIT DISTRICT EDUCATION AUTHORITIES (School Reform Roadmap)

7.1 Introduction

The goal for a well-functioning education system is quality education for all children, in an inclusive and conducive learning environment. Such a system provides children with convenient access to school so that they are able to enroll, continue their schooling, and learn well enough to gain meaningful employment and to contribute to society. Ideally, it means getting children into school at the right age, establishing a strong foundation for future learning, and building upon that foundation with age and context appropriate material, taught by competent and responsive teachers, in well-resourced classrooms. It means regularly collecting data on schooling and learning outcomes and using this data to inform continuous improvement. It also means providing targeted support to enable all students to stay in school, and to learn well, regardless of their personal limitations. In Punjab, successive governments have undertaken a series of reforms to enable the public education sector to improve its performance. These reforms have enabled the Government of the Punjab's School Education Department to improve school supply so that, to date, 12.4 million boys and girls are enrolled in 52,470 public schools across the province. Pakistan adopted the Sustainable Development Goals (SDGs) as part of its national development agenda in 2016. The outcome targets consisting of primary and secondary education, early childhood development and youth literacy was the responsibility of District Education Authorities. The targets were to be achieved by ensuring the enrollment of all children, provision of quality education, high result of schools and achievement of Key Performance Indicators. SDG-4, Quality Education, was implemented through School Education Department in Punjab. District Education Authorities are responsible to provide quality education in formal / non- formal basic education institutions and special education institutions of the districts and ensure free and compulsory education for children from 5-16 years old and ensure implementation / achievement of pre-defined key performance indicators.

7.2 Background

Education is considered as a fundamental human right which is essential for sustainable development. The right to education has been recognized in Universal Declaration of Human Rights (UDHR) 1948 and

is supported by various other international declarations and resolutions. Understanding this, nations from across the globe have pursued the cause of provision of quality education. Pakistan, as a signatory of these international resolutions and declarations, has also taken multiple initiatives for the promotion of education in the country. However, these efforts were deemed as inadequate until 2010. With the introduction of 18th amendment and inclusion of Article 25A in the Constitution of the Islamic Republic of Pakistan in 2010, governance mechanism of education was devolved to provinces. Education was placed among the top priorities of Pakistan and several Policies, Sector Plans, Acts and strategies have been formulated by the provincial governments since then. Article 25A states unequivocally that the state is responsible for the provision of free and compulsory education to all children within the age group of 5 to 16 years. This Article is based on the principle of nondiscrimination and promotes inclusive and equitable education.

Prior to Article 25A, right to education up to the secondary level was ensured through Article 37b of the constitution under Principles of Policy. However, Article 37b could only be implemented subject to the availability of resources. Therefore, the provision for Right to Education was upgraded through Article 25A in 2010.

Pakistan is the signatory of international agreements like Sustainable Development Goals (SDGs) since 2016. SDG-4 “Quality Education” binds the signatory countries to ensure inclusive, equitable and quality education for all by 2030 and promote lifelong learning opportunities. Pakistan has designed a comprehensive National SDG Framework which was approved by the National Economic Council (NEC) in March 2018. The SDG 4 (Quality Education) was prioritized and kept the goals in Category 1. School Education Department, Government of the Punjab, in order to provide quality education, implemented the Punjab Education Sector Reforms Program and Punjab School Sector Plan. The plans are based on provision of inclusive and conducive learning environment and convenient access to school, so that the children are able to enroll, continue their schooling and learn well enough to gain meaningful employment and to contribute to society. The Government intended to achieve it by getting children into school at the right age, providing appropriate learning material and competent / responsive teachers in well-resourced environment.

7.3 Establishing the Audit Theme

7.3.1 Reasons for Selection

The main audit theme and sub-themes were selected on the basis of outcomes of sectoral analysis, recurring observations highlighted during audit of previous financial years and international commitments for achievement of Sustainable Development Goals.

Main Theme

School reform roadmap is the main theme of District Education Authorities in North Punjab.

Sub-Themes

The objective of thematic audit was to assess the achievements of the DEA against the desired outcomes of following sub-themes:

- Punjab Education Sector Reform Program
- Achievement of KPIs set out in SDGs.
- Setting up of computer labs
- Provision of missing facilities

The Government of Pakistan is bound to fulfill international commitments regarding quality education. Over the past decade, major progress was made towards increasing access to education and school enrollment rates at all levels, particularly for girls. The last two years i.e. 2020 & 2021 have badly affected the education of children especially in government sector due to COVID-19 pandemic. The collection of information, critical analysis, reporting and recommendations will be useful for the decision / policy makers, respective governments and audit entities, to make arrangements to overcome the complications in the way of provision of quality education.

7.3.2 Purpose / Objectives

The purpose / objectives of selection of the theme were:

- a) To check that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes;
- b) to check access of quality early childhood development, care and pre-primary education;
- c) to check the retention of 100% students;

- d) to check implementation of Punjab Free and Compulsory Education Act 2014;
- e) to examine data of private schools and CEO Education regarding free education to assess implementation of provision of free education by private schools to their 10% students;
- f) to examine record of transfer posting to assess the level of implementation on rationalization policy;
- g) to check the achievement of objectives pertaining to Punjab Education Sector Reform Program;
- h) to verify the expenditure incurred for construction of buildings, boundary walls and supply of drinking water in the schools;
- i) to verify the Up gradation of schools from primary level to middle and middle to high;
- j) assess achievement of Key Performance Indicators as prescribed;
- k) analyze the infrastructural improvement and provision of basic facilities in educational institutions such as availability of classrooms, boundary wall, toilet block, furniture, clean drinking water, electricity, and
- l) assess the cleanliness and hygienic conditions of the schools to provide a healthy environment to students.

7.3.3 Scope

Scope of the thematic audit was limited to District Education Authorities. The performance of the Authorities was assessed through comparative analysis and critical reviews of previous years' data collected from two Deputy District Education Officers (male and female) from each of five districts in Lahore Region i.e. Kasur, Lahore, Nankana Sahib, Okara and Sheikhpura covering financial year 2020-21. Detail of formations selected for audit is given below:

| Sr. No. | Name of formations |
|---------|--|
| 1 | Deputy District Education Officer (Male Elementary Education) Tehsil City Lahore |
| 2 | Deputy District Education Officer (Women Elementary Education) Tehsil City Lahore. |
| 3 | Deputy District Education Officer (Women Elementary Education) Depalpur |
| 4 | Deputy District Education Officer (Male Elementary Education) Depalpur |
| 5 | Deputy District Education Officer (Male Elementary Education) Tehsil Muridke |
| 6 | Deputy District Education Officer (Male Elementary Education) Sharaqpur |
| 7 | Deputy District Education Officer (Male) Kasur |
| 8 | Deputy District Education Officer (Women) Kasur |

| | |
|----|--|
| 9 | Deputy District Education Officer (Male Elementary Education) Nankana Sahib |
| 10 | Deputy District Education Officer (Women Elementary Education) Nankana Sahib |

Punjab has shown progress in school participation, but disparities by gender, location and socio economic status persist, and children are less likely to continue beyond primary school. It is estimated that more than 25 percent of the population of Punjab is of school going age and approximately 10.5 million children of school age (5 - 16 years) are out of school children despite the expansion of public and private schools. The schools with early child education facilities were visited by the audit teams to check the quality of education. Class-iii was selected for Literacy and Numeracy Drive test. The results of which are embedded in audit findings.

8 Legal Framework Governing the Theme

The 18th Constitutional Amendment provided strategic opportunities and fiscal space to the provinces for devising evidence-based, contextual approaches towards education issues within the province and defined their own priorities and targets. Further, Pakistan's national and provincial assemblies established SDG Task forces to oversee progress on these goals. As per Section 17(6) of Punjab Local Government Act (PLGA) 2013, the Chairman and the Chief Executive Officer shall be personally responsible to ensure that business of the authority is conducted proficiently, in accordance with laws and to promote the objectives of the Authority. As per Section 92(3) of Punjab Local Government Act 2013, the Chief Executive Officer (CEO) is the Principal Accounting Officer of the District Authority.

District Education Authorities are formed to establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District and to constitute School Management Councils which may monitor academic activities.

9 Stakeholders and governmental organizations identified as directly / indirectly involved

School Education Department, Government of the Punjab, Directorate of Literacy Department Punjab, District Education Authorities, private schools, parents and students are the key stakeholders involved in execution, operation / maintenance and beneficiaries of the education system at provincial and district level.

10 Role of Important Organizations

The 18th Constitutional Amendment decentralized education to the provincial level. Important steps have been taken to devolve power to local authorities and increase accountability in the education system in Punjab. However, the process needs to be re-evaluated, with more clearly defined roles and responsibilities, and better coordination and alignment of accountability mechanisms. In addition, there is a need to address capacity constraints in order to have a more effective educational administration and better implementation of education reforms.

There are various institutions in the Punjab empowered to support quality learning, but they are often unable to implement adequately their mandates. There is duplication of roles across different institutions, which suggests that they work independent of each other. For instance, Punjab Examination Commission, Punjab Curriculum & Textbook Board and Quaid-e-azam academy for Educational Development do not have regular and frequent interaction with each other in order to share relevant work, information, insights and recommendations. There are two potential reasons for this. First, the institutions lack the ability to recruit qualified and experienced professionals. Second, even if such human resources were acquired, there are factors such as working environment, service rules etc. that do not encourage retention. At the same time, qualified and competent subject specialists, assessment experts, psychometricians, data analysts and other experts related to the field are not easily available.

School Education Department, Directorate of Public Instructions-Elementary Education (DPI-EE), Directorate of Literacy Department, Punjab and District Education Authorities are key entities. The functions of these entities are policy formulation and planning of primary, middle, secondary and higher secondary education and maintain standards of education in these fields. These departments are responsible for financing, monitoring and performance of the Program activities besides evaluation of the outcomes according to the objectives at provincial level.

The School Education Department assigned high importance to the community involvement and its role in addressing the access challenge. For this, strategic measures were outlined to achieve the objectives of effective involvement of communities in schools and facilitating the enrolment and retention of children in schools. It recommended a review of the current functionality and capacity of School Councils (SCs) to identify key weaknesses/strengths and development of a strategy for SCs revitalization. The development of rules and regulations for SCs has been completed and involvement of parents in the successful implementation of

inclusive education is well documented. Community involvement is also an effective inclusive feature; however, the parent schools councils have not been very effective. This demands new ways of creating involvement of communities and parents to the benefit of schools, teachers and the children.

District Education Authorities are responsible to execute and implement the educational activities in the districts through group of offices at primary, elementary, high/higher secondary schools and special education institutions. The Authorities are also responsible to implement the non-formal basic education system in the districts and to maintain necessary/relevant data and requisite reporting to stakeholders.

In the last two years, the role of Assistant Education Officers has been redefined so that they have more thorough oversight of a small number of schools. In July 2019, the Terms of Reference for AEOs were further revised, and they were allocated two primary responsibilities: general school support and support to Head Teachers and Teachers in their leadership, management and instruction roles. Key responsibilities include developing School-Based Action Plans according to School Improvement Frameworks, tracking school progress against these action plans, and maintaining the School Information System. AEOs will also provide academic leadership by ensuring routine school-based assessments and their use in improving teaching and learning, carrying out classroom observations and providing feedback, ensuring Continuous Professional Development (CPD), accommodating the needs of students with disabilities, and managing School Councils. The AEOs therefore provides a critical link between priorities set by School Education Department and their realization at the school level.

11 Organization Financials

Government of the Punjab is responsible for overall finances of the DEAs in accordance with PFC award share of the respective districts and transfers the funds into Account-V of DEAs. Critical analysis of organization's finances portrays that major portion of the finances were spent on salary component of regular establishment and office contingencies which in terms of percentage was 97.05%.

The detail of budget & expenditure CEOs of Lahore Region for the financial year 2020-21 is given below:

(Rs in million)

| District | Budget-2020-21 | | | Expenditure 2020-21 | | |
|---------------|------------------|-----------------|-------------------|---------------------|-----------------|------------------|
| | Salary | Non Salary | Total | Salary | Non Salary | Total |
| Kasur | 9,742.511 | 1,101.330 | 10,843.841 | 6,983.957 | 720.208 | 7704.165 |
| Lahore | 16,843.610 | 3,741.940 | 20,585.55 | 13,157.770 | 1,816.270 | 1830.197 |
| Nankana Sahib | 4,260.830 | 406.170 | 4,667 | 3,991.560 | 375.70 | 4367.26 |
| Okara | 8,209.930 | 743.490 | 8,953.42 | 7,696.170 | 690.035 | 8386.205 |
| Sheikhupura | 7,227.232 | 1,110.878 | 8,338.11 | 6,779.994 | 510.090 | 7290.084 |
| Total | 46284.113 | 7103.808 | 53387.921 | 25465.608 | 4112.303 | 29577.911 |

12 Field Audit Activity

12.1 Methodology

Thematic audit was conducted by adopting mixed method approach i.e. qualitative as well as quantitative methods were used in terms of data collection as well as data analysis.

- a. Key performance indicators (KPIs) data was critically reviewed.
- b. Study of Punjab Free & Compulsory Education Act 2014 for checking its implementation.
- c. Semi structured interviews were conducted
- d. School administration setup was critically analysed
- e. Budget & Expenditure statements were scrutinized.
- f. Student hygiene and drinking water source /availability was checked
- g. Number of class rooms and number of teachers in accordance with strength of students was critically reviewed.
- h. Merger of schools having low number of students and falling within range of 500 meter was checked.

12.2 Audit Analysis

12.2.1 Review of internal Controls

Effectiveness of internal controls was assessed on test check basis and a sample was selected for this purpose. Following issues of potential significance were observed regarding weaknesses of internal controls:

- Teaching, infrastructure, students' safety, hygiene and minimum education standards for quality education were not implemented fully by all District Education Authorities.
- No mechanism was available to maintain the record of KPIs, its evaluation and remedial measures.

- Record of out of school children was not maintained.
- Record of children from age three to sixteen residing within jurisdiction of Dy. DEOs was not maintained.
- Record of results of schools was not centralized / available.
- Pre-School Education centers were established but not working as expected by the government
- Insufficient classrooms i.e. two to three classes were managed in single class room
- No mechanism was developed to overcome the deficiency of teachers where needed.
- No mechanism was introduced to verify the data of students getting 10% free quota in private schools.

12.2.2 Critical Review

More than one-fourth of the total provincial population is of school going age. Punjab's population growth rate show signs of deceleration. However, with an annual population growth rate of 2.13, the number of children 5-16 years old is furthermore expected to continue growing in the medium-term. The impact on education service delivery in the near term is significant. There are two demographic characteristics that make education planning in Punjab complex. The first: most of the 110 million people living in this province (63.3%) reside in rural areas. The second: internal migration is very significant. Employment is a multidimensional measure of poverty, which takes into account not only income levels but also indicators related to education and standards of living, it emerges that rural areas of the province are more deprived compared to the urban areas. While 6.3% of the population in urban areas of Punjab can be considered poor under this multidimensional index, the incidence soars to 43.7% of the population in rural areas. Northern districts of the province are less deprived than that of southern districts. A breakdown of multi-dimensional poverty highlights that deprivation in education (43%) and living standards (30.5%) are the major contributors to multidimensional poverty index in the province. In recent years, much has been done to improve literacy levels throughout the province. According to Punjab Literacy and Non-formal Education Policy 2019, literacy is an important measure of education because, in the long run, its improvement is likely to have an impact on other important indicators of welfare. Notwithstanding, those efforts, female literacy rates lag behind those of their male counterparts: 54% of females are literate compared to 66% of men. The situation is more acute in rural areas – 44% of females are literate compared to 73%

of females in urban areas. It is estimated that there are over 57 million illiterate persons of age 10 and above in the Punjab.

Poor literacy is also a function of the returns to education in Punjab. The labor market is characterized by a high level of informality, low participation of women in the labor force, and high levels of youth unemployment and disenfranchising. Investing in women's education would produce the highest returns. At 54%, the proportion of the working-age population of Punjab that is employed is quite low. However, the disaggregation of this average by gender reveals that less than 30% of the women of working age actually are employed compared to 80% of men. Youth unemployment rate doubles the overall unemployment rate. Moreover, 29% of young people are neither in school nor working. For women the proportion rises to 47%. Various studies have found that investing in women's education would contribute significantly to improve economic conditions for women and the overall economy.

Punjab has a results-driven approach to decision-making with a strong focus on monitoring targets. However, the decision-making process is largely top-down. The target-driven approach largely revolves around the districts as key unit of analysis. The DEAs and, subsequently, other levels of education administration were assigned targets against key indicators from the School Education Department each year. There is a need for targets against various indicators to be set in consultation with the officials at respective level of governance to align these with ground realities, skills base and resources available at these levels. This will make the target setting more realistic as well as establish a broad-based ownership of these targets among the officials at the service tier. Local level planning should contribute in this respect, but the current capacity levels would not allow planning and implementation to be effectual. Data management within the education sector is a major challenge. Currently, one can turn to a variety of sources for information on the education system, however too often there are discrepancies in information among these for the same indicator. Effective management and decision-making require a system of relevant, reliable and timely availability of data. The data management system must be comprehensive and built on relevant indicators that will allow for accurate and thorough monitoring and assessment of the education system. One of the areas in which the relevant data is not available concerns children with disabilities. In fact, the biggest issue Pakistan faces in addressing the issue of education for children with disabilities is not having the right set of data on Persons with Disabilities. There is no standardized instrument to collect data on disabilities. The

discrepancies in prevalence and types of disabilities show that the purpose of surveys and survey instruments used are different and the results therefore cannot be used appropriately for developing a comprehensive strategy on education for persons with disabilities. The lack of timely data related to out of school children and to non-formal education makes it difficult to make evidence-based decisions, particularly to ensure that Non-formal Education is accessible and inclusive. Children in Non-formal Education programmes are not counted by the Punjab Education Management Information System due to weak links between the School Education Department and Literacy and Non-formal Basic Education Department. The Literacy and Non-formal Basic Education Department does not have monitoring indicators and reports available to draw conclusions on what kind of school level problems, including education quality, are being encountered and how these reports are used to rectify issues.

Enrollment of out of school children

Student enrollment is the key performance indicator of the DEAs for which no effective mechanism was developed by the DEAs to ensure maximum enrollment of out of school children. Furthermore, non-enforcement of legal framework regarding child labor and poor socioeconomic conditions of the society resulted in increasing trend of out of school children.

Availability of clean and secure environment

Provision of clean and secure environment in the public sector educational institutions is the responsibility of the Government. During field visits of selected schools it was observed that in the maximum number of schools the posts of sweeper were lying vacant which ultimately resulted in unhygienic environment. Further, the chowkidars were also not available in maximum number of primary schools.

Non-Provision of Basic Facilities

Audit noticed that number of schools where quality test report of drinking water was unsatisfactory and school furniture was in poor condition.

12.2.3 Significant Audit Observations

12.2.3.1 Schools without teacher

As per transfer policy approved by School Education Department; dated 26 February 2021, there should be three teachers in each school up to enrollment of 80 students.

During thematic audit for the financial year 2020-21, it was observed that no teacher was posted in schools under jurisdiction of following entities. These schools were managed by assigning additional duties on adhoc basis as detailed below:

| Sr No | Name of Office | No of schools |
|-------|------------------------|---------------|
| 1 | Dy DEO MEE Muridke | 04 |
| 2 | Dy DEO (W-EE) Depalpur | 04 |
| 3 | Dy DEO MEE Depalpur | 06 |

Audit recommends for posting of regular teachers in concerned schools.

12.2.3.2 Non-provision of Toilet block to schools

Improvement in infrastructure will result in reduction in dropout rate, improved enrollment and improved schooling environment as per guidelines mentioned in 2019-20 ADP for local governments.

During thematic audit for the financial year 2020-21, it was observed that seven schools were without toilet blocks as detailed below:

| Sr No | Name of Office | No of schools |
|-------|--------------------------|---------------|
| 1 | Dy DEO MEE Muridke | 04 |
| 2 | DY DEO MEE Depalpur | 01 |
| 3 | Dy DEO MEE Nankana Sahib | 01 |
| 4 | Dy DEO MEE City Lahore | 01 |

Audit recommends for provision of toilet blocks in schools.

12.2.3.3 Schools without rooms

Improvement in infrastructure will result in reduction in dropout rate, improved enrollment and improved schooling environment as per guidelines mentioned in 2019-20 ADP for local governments.

During thematic audit for the financial year 2020-21, it was observed that eight schools were operating without class rooms or all class rooms have been declared dangerous as detailed below:

| Sr. No. | Name of Office | No of schools |
|---------|--------------------|---------------|
| 1 | Dy DEO MEE Muridke | 03 |

| | | |
|----|------------------------|----|
| 2 | Dy DEO (W-EE) Depalpur | 01 |
| 03 | Dy DEO MEE Depalpur | 04 |

Audit recommends for provision/construction of class rooms in schools.

12.2.3.4 Absence of dedicated classrooms

According to Serial No. 1.9 of guidelines for Local Government education officials on block allocations and programmes in ADP 2019-20, One classroom for each grade to meet minimum 6 classroom criteria.

During thematic audit for the financial year 2020-21, it was observed that dedicated rooms were not available for every grade /class.

| Sr. No. | Name of Office | No of schools |
|----------------|------------------------|----------------------|
| 1 | Dy DEO MEE Muridke | 71 |
| 2 | DY DEO MEE Sharaqpur | 27 |
| 3 | DY DEO MEE City Lahore | 02 |

Audit recommends for provision / construction of dedicated classrooms for every grade / class.

12.2.3.5 School with less number of students

Improvement in infrastructure will result in reduction in dropout rate, improved enrollment and improved schooling environment as per guidelines mentioned in 2019-20 ADP for local governments.

During thematic audit for the financial year 2020-21, it was observed that the total number of students were less than fifty in thirty one schools.

| Sr No | Name of Office | No of schools |
|--------------|------------------------|----------------------|
| 1 | Dy DEO MEE Muridke | 13 |
| 2 | Dy DEO (W-EE) Depalpur | 17 |
| 3 | Dy DEO MEE City Lahore | 01 |
| | Total | 31 |

Audit recommends for optimal utilization of schools.

12.2.3.6 Non-provision of computer labs & IT teachers

As per indicator No 12 of chapter two “Focus on students” of Schools Reforms Road Map, “Compulsory computer subject for class 6 till 8”.

During thematic audit for the financial year 2020-21, it was observed that computer education was being taught as a compulsory subject but 192 schools did not have any computer lab or IT teachers.

| Sr. No. | Name of Office | No of schools |
|---------|------------------------|---------------|
| 1 | Dy DEO MEE Muridke | 20 |
| 2 | DY DEO MEE Sharqpur | 07 |
| 3 | Dy DEO WEE Depalpur | 94 |
| 4 | Dy DEO MEE Depalpur | 43 |
| 5 | Dy DEO MEE City Lahore | 14 |
| 6 | Dy DEO WEE City Lahore | 14 |
| | Total | 192 |

Audit recommends for provision of computer labs and IT teachers

12.2.3.7 Non-utilization of Non Salary Budget Funds – Rs 50.594 million

As per chapter three “Focus on schools” of Schools Reforms Road Map, funds will be provided through school councils for uplifting the schools.

During thematic audit for the financial year 2020-21, it was observed that NSB funds were provided to schools but Rs 50.594 million were not utilized by school management committees as detailed below:

| Sr. No | Name of Office | No of schools | Rs (million) |
|--------|------------------------|---------------|---------------|
| 1 | Dy DEO MEE Muridke | 15 | 3.971 |
| 2 | DY DEO MEE Sharqpur | 04 | 0.624 |
| 3 | Dy DEO WEE Depalpur | 14 | 0.751 |
| 4 | Dy DEO WEE City Lahore | 08 | 2.181 |
| 5 | Dy DEO MEE City Lahore | 27 | 4.019 |
| | Total | 68 | 11.546 |

Audit recommends for utilization funds for welfare of students and schools.

12.2.3.8 Non-provision of libraries

As per indicator No 09 of chapter three “Focus on schools” of Schools Reforms Road Map “Provision of libraries in Elementary and High Schools.”

During thematic audit for the financial year 2020-21, it was observed that no library was provided in any elementary school as detailed below:

| Sr No | Name of Office | No of schools |
|-------|------------------------|---------------|
| 1 | Dy DEO MEE Muridke | 20 |
| 2 | Dy DEO WEE Depalpur | 61 |
| 3 | Dy DEO MEE Depalpur | 43 |
| 4 | Dy DEO MEE City Lahore | 14 |
| 5 | Dy DEO WEE City Lahore | 14 |

Audit recommends for provision of libraries in elementary schools without further loss of time.

12.2.3.9 Non-provision of Science Labs

As per indicator No 07 of chapter seven “Ensuring Quality Education” of Schools Reforms Road Map, “Provision of science labs”.

During thematic audit for the financial year 2020-21, it was observed that no science lab was constructed in the elementary schools present in the following entities:

| Sr No | Name of Office | No of schools |
|--------------|------------------------|----------------------|
| 01 | Dy DEO MEE Muridke | 20 |
| 02 | DY DEO MEE Sharaqpur | 08 |
| 03 | Dy DEO MEE City Lahore | 14 |
| 04 | Dy DEO WEE City Lahore | 14 |
| | Total | 56 |

Audit recommends for construction / provision of science labs in schools.

12.2.3.10 Schools without boundary wall

Improvement in infrastructure will result in reduction in dropout rate, improved enrollment and improved schooling environment as per guidelines mentioned in 2019-20 ADP for local governments.

During thematic audit for the financial year 2020-21, it was observed that 58 number of schools of following formations were without boundary walls.

| Sr. No | Name of Office | No of schools |
|---------------|--------------------------|----------------------|
| 1 | Dy DEO WEE Depalpur | 26 |
| 2 | Dy DEO MEE Depalpur | 28 |
| 3 | Dy DEO MEE Nankana Sahib | 04 |
| | Total | 58 |

Audit recommends for construction / provision of boundary walls in schools.

12.2.3.11 Non-production of record

According to Section 14(2) of the Auditor General's (Functions, Powers and Terms, and Conditions of Service) Ordinance, 2001, the department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Management of District Education Authority Kasur did not provide record required for thematic audit i.e. School Reforms Road Map, Development Schemes (Missing Facilities) and Punjab Education Sector Reform Program.

Audit recommends fixing of responsibility for non-production of record besides ensuring submission of record.

13 Departmental Response

The response of the Audit Observations issued was awaited till finalization of this report.

14 Recommendation

- i. The department may provide separate space for Pre- School Education system in each school.
- ii. The department may allocate additional funds for provision of missing facilities (classrooms, toilet blocks, boundary walls and furniture etc.) and up gradation of schools.
- iii. The department may focus on Literacy and numeracy of the children in order to improve the quality of education by adopting new techniques, only focusing on tablet software is not sufficient.
- iv. The department may adopt new techniques in order to improve its set KPIs.
- v. The department may ensure the maintenance of Key Performance indicators record at their office level.
- vi. The department may recruit teaching staff against vacant posts to overcome the shortage of teachers.
- vii. The department may rationalize teaching staff in the schools according to the student teacher ratio.
- viii. The department may ensure availability of sweepers and security guards / chowkidars in the Government Schools.
- ix. The department may ensure capacity building of School staff especially teachers in order to improve quality of education.

15 Conclusion

Providing access to schooling is a first and important step, but ensuring quality education is essential to develop the knowledge, skills and values to play an active part in all dimensions of life and contribute to social and economic development. Quality education requires strengthening inputs, processes and evaluation of outcomes.

District Lahore presents higher human development indicators than other districts in Lahore Region. However, there are very sharp disparities within the Lahore Region. Employing a multi-dimensional measure of poverty, which takes into account not only income levels, but also indicators related to health, education and standards of living, it emerges that rural areas of the Lahore Region are more deprived as compared to the urban areas.

Over the last five years, Lahore Region has shown progress in school participation, but disparities by gender, location and socio-economic status persist, and children are less likely to continue beyond primary school grades. A deeper look into the enrolment rates illustrates the various types of disparities that exist in access to school. Though this region fares better than others in terms of providing girls with opportunities to access education, gender differences in enrolment rates persist, especially after middle education. The gap in school coverage between urban and rural areas is even starker.

Socio-economic status emerges as one of the clearest markers of disadvantage for access to school. Household wealth is largely correlated with school enrolment. The disparity surfaces already in primary school and becomes even more substantial in the next stages of the education cycle. Among others, the major reasons for low retention rates include shortage of nearby schools, teacher shortage and absenteeism, poor teaching quality, poor school environment, family poverty, insecurity, and natural disasters. However, the lack of data in respect to children with special education needs is a major obstacle for devising appropriate strategies, including a more inclusive approach to educational interventions. Though District Education Authorities has made efforts to increase literacy rates, women continue to be more disadvantaged than men, particularly in rural areas.

On the basis of field work, audit observations and analysis of data gathered from Education Management Information System (EMIS), Punjab School Education Department implemented School Education Reforms Road Map to a great extent vis-à-vis its envisaged objectives and goals.

16 References

- Punjab Free and Compulsory Education Act 2014
- Key performance indicator data was taken from sif.punjab.gov.pk
- Punjab Education Sector Plan
- Punjab Literacy and Non-formal Basic Education Policy, 2018
- National Education Policy Framework 2018
- Pakistan Demographic and Health Survey
- Programme Monitoring and Implementation Unit
- Handbook on Article 25-A Right to Education
- Guidelines for local government education officials on block allocations and programmes in ADP 2019-20

ANNEXURES

Annexure-A

**Memorandum for Departmental Accounts Committee
Paras Pertaining to Current Audit Year 2021-22**

Rs in million

| Sr. No. | Name of Formation | Heading of Para | Nature of Irregularity | Amount |
|---|---------------------|---|------------------------|--------|
| District Education Authority Kasur | | | | |
| 1 | CEO, (DEA) Kasur | Non-deposit of tender sale fee | Recovery | 0.047 |
| 2 | | Misappropriation of funds on account of postage | Recovery | 0.050 |
| 3 | | Irregular repair of Assets | Irregularity | 0.702 |
| 4 | | Expenditure on civil work without technical sanction | Irregularity | 0.396 |
| 5 | | Doubtful payment on account of exhibition and gift | Irregularity | 0.846 |
| 6 | | Irregular Purchase without planning | Irregularity | 1.768 |
| 7 | | Irregular withdrawal of cash against contingent bills | Irregularity | 0.713 |
| 8 | | Non-obtaining of vouched account | Irregularity | 94.117 |
| 9 | | Refusal to acknowledge non-existence of water pump at school | Irregularity | - |
| 10 | DEO (SE) | Drawl on account of payment of S/E of copper conductor cable in pre-laid PVC pipe trenches without execution | Irregularity | 1.444 |
| 11 | | Unjustified payment of P/L PVC blind pipe 2 inches | Irregularity | 1.920 |
| 12 | | Over payment due to charging higher rates | Recovery | 0.590 |
| 13 | | Installation of sub-merssible pump of lower capacity | Irregularity | 1.525 |
| 14 | | Boring and installation of sub-merssible pump at 45 schools without identification of water level, need assessment and requisition of the users | Irregularity | - |
| 15 | | Wasteful expenditure due to boring at unsuitable site | Irregularity | 0.561 |
| 16 | | Wastage of public money despite availability of existing water filtration plant | Irregularity | 0.552 |
| 17 | | Wastage of public money despite the availability of existing clean water pump | Irregularity | 0.552 |
| 18 | | Wastage of public money despite the availability of existing clean water pump | Irregularity | 0.561 |
| 19 | | Overpayment on account of PST | Recovery | 1.237 |
| 20 | | Non-utilization of water of sub merssible pump for drinking | Irregularity | 25.979 |
| 21 | | Payment of grass cutting, pavement/ leveling of earth and installation of swings without execution | Recovery | 0.050 |
| 22 | | Misappropriation of funds on account of postage | Recovery | 0.100 |
| 23 | | Irregular withdrawal of cash against contingent bills | Irregularity | 0.789 |
| 24 | | Unauthorized execution of boring & installation of sub-merssible pumps | Irregularity | 6.668 |

| | | | | |
|----|----------------------|---|-----------------|--------|
| 25 | | Sanctioned post of IT teacher was neither available nor approved till the date of audit for the schools where IT equipment were provided. | Value for money | -- |
| 26 | DEO (WEE) | Misappropriation of funds on account of postage | Recovery | 0.0449 |
| 27 | | Irregular withdrawal of cash against contingent bills | Irregularity | 1.899 |
| 28 | | Irregular Payment of TA / DA | Irregularity | 0.743 |
| 29 | | Irregular repair of Assets | Irregularity | 0.269 |
| 30 | | Irregular Purchase without planning | Irregularity | 0.744 |
| 31 | | Doubtful payment on account of exhibition and gifts | Irregularity | 0.498 |
| 32 | Dy DEO (MEE) Kasur | Doubtful purchase of uniform in repeat order | Irregularity | 1.342 |
| 33 | | Sub-standard purchase of shoes, resulting in loss to the government | Irregularity | 1.723 |
| 34 | | Fake maintenance of record and involved recovery | Recovery | 0.182 |
| 35 | | Unauthorized purchase / provision of furniture | Irregularity | 3.641 |
| 36 | | Misappropriation of funds on account of postage | Irregularity | 0.0500 |
| 37 | | Irregular Purchase without procurement planning | Irregularity | 1.234 |
| 38 | | Non-production of record of KPI | Irregularity | - |
| 39 | Dy DEO (WEE) Chunian | Doubtful purchase of uniform in repeat order | Irregularity | 2.247 |
| 40 | | Doubtful purchase of uniform in repeat order | Irregularity | 1.342 |
| 41 | | Sub-standard purchase of shoes, resulting in loss to the government | Irregularity | 4.597 |
| 42 | | Purchase of Girls' unstitch uniform, resulting in loss to the government | Irregularity | 0.732 |
| 43 | | Unauthorized purchase / provision of furniture | Irregularity | 3.799 |
| 44 | | Unauthorized purchase / provision of uniform | Irregularity | 4.980 |
| 45 | | Irregular repair of Assets | Irregularity | 1.088 |
| 46 | | Irregular Purchase without planning | Irregularity | 1.288 |
| 47 | | Irregular withdrawal of cash against contingent bills | Irregularity | 3.416 |
| 48 | Dy DEO (WEE) Kasur | Doubtful purchase of uniform in repeat order | Irregularity | 1.347 |
| 49 | | Sub-standard purchase of shoes, resulting in loss to the government | Irregularity | 1.723 |
| 50 | | Purchase of Girls' unstitch uniform, resulting in loss to the government | Irregularity | 0.280 |
| 51 | | Ambiguous stock entry of uniform and non-production of dispatch register | Irregularity | - |
| 52 | | Unauthorized purchase / provision of uniform | Irregularity | 7.399 |
| 53 | | Misappropriation of funds on account of postage | Irregularity | 0.100 |
| 54 | | Irregular Purchase without planning | Irregularity | 1.562 |
| 55 | | Doubtful payment on account of exhibition and gifts | Irregularity | 0.422 |
| 56 | | Irregular withdrawal of cash against | Irregularity | 4.210 |

| | | | | |
|--|--|--|---|--------------|
| | | contingent bills | | |
| 57 | | Non-production of record of KPI | Irregularity | -- |
| 58 | Special Education Centre Chunian | Irregular withdrawal of cash against contingent bills | Irregularity | 1.894 |
| 59 | | Irregular Payment on account of POL | Irregularity | 1.663 |
| 60 | | Purchase of furniture & fixture without specification | Irregularity | 0.179 |
| 61 | | Irregular repair of Furniture & Fixture | Irregularity | 0.199 |
| 62 | | Irregular payment of TA / DA | Irregularity | 0.086 |
| 63 | | Irregular payment of rent of office building | Irregularity | 2.742 |
| 64 | Special Education Centre Kot Radha Kishn | Irregular withdrawal of cash from DDO bank account | Irregularity | 0.996 |
| 65 | | Unauthorized retention of cash balance in DDO bank account | Irregularity | 0.196 |
| 66 | | Irregular Payment on account of POL | Irregularity | 0.926 |
| 67 | | Non-deposit of DAO cheques into DDO bank account | Irregularity | 1.378 |
| 68 | | Depriving special students from uniform | Irregularity | 1.291 |
| 69 | | Non allocation of budget under the head uniform resulting in depriving the special students from uniform | Irregularity | - |
| 70 | | Irregular purchase of uniform | Irregularity | 0.997 |
| 71 | | Special Education Centre Pattoki | Irregular withdrawal of cash against contingent bills | Irregularity |
| 72 | Irregular Payment on account of POL | | Irregularity | 6.922 |
| 73 | Unauthorized retention of cash balance in DDO bank account | | Irregularity | 0.420 |
| 74 | Depriving special students from uniform | | Irregularity | 1.450 |
| District Education Authority Lahore | | | | |
| 1 | CEO DEA | Non-obtaining of vouched account of development schemes and NSB funds | Irregularity | 691.708 |
| 2 | | Non-revert back unspent balance of deposit work | Irregularity | 11.033 |
| 3 | | Inefficient utilization of NSB funds | Irregularity | 487.592 |
| 4 | | Non-maintenance of record by Madaaris schools | Irregularity | 53.654 |
| 5 | | Unjustified payment of inspection allowance without codal formalities | Irregularity | 16.8 |
| 6 | | Non- obtaining of PC-IV/ handing over of completed schemes | Irregularity | 95.102 |
| 7 | | Irregular expenditure on civil work | Irregularity | 204.116 |
| 8 | | Non- holding of monthly financial and physical progress meeting for development schemes | Irregularity | - |
| 9 | | Doubtful Allocation of development Schemes without any priority | Irregularity | 32.882 |
| 10 | | Non- Provision of monthly progress report from DEOs / Dy. DEOs on schools inspection | Irregularity | - |
| | | Irregular payment of pension from account-V instead of pension fund | | 576.413 |
| 11 | Dy. DEO EEM City | Unjustified payment of inspection allowance without codal formalities | Irregularity | 1.979 |
| 12 | | Irregular payment of arrears of pay and | Irregularity | 17.254 |

| | | | | |
|----|--|---|--------------|--------|
| | | allowances without additional demand of budget | | |
| 13 | | Non utilization of NSB funds | Irregularity | 2.056 |
| 14 | | Non Maintenance of stock register and non-taking of stock | Irregularity | - |
| 15 | | Non- Maintenance of Progress Report of schools: | Irregularity | - |
| 16 | Dy. DEO EEW City | Unjustified payment of inspection allowance without codal formalities | Irregularity | 1.674 |
| 17 | | Unauthorized payments without approval of the administrator | Irregularity | 23.9 |
| 18 | | Non utilization of NSB funds | Irregularity | 3.268 |
| 19 | | Non maintenance of stock register and non-taking of stock | Irregularity | - |
| 20 | | Non- maintenance of progress report of schools | Irregularity | - |
| 21 | Dy. DEO EEW Shalimar | Unauthorized payments without approval of the administrator | Irregularity | 13.755 |
| 22 | | Irregular payment of DDO instead vendor name cheque | Irregularity | 0.361 |
| 23 | | Non utilization of NSB funds | Irregularity | 1.643 |
| 24 | | Unauthorized payment of financial assistance to other offices | Irregularity | 47.00 |
| 25 | Government Degree College of Special Education, | Non disposal of off road vehicle | Irregularity | 1.00 |
| 26 | | Non-verification of payment of GST | Irregularity | 4.378 |
| 27 | | Service books not maintained properly | Irregularity | - |
| 28 | | Non-conducting of annual physical verification | Irregularity | - |
| 29 | | Irregular repair of transport | Irregularity | 1.57 |
| 30 | | Irregular expenditure on POL | Irregularity | 6.816 |
| 31 | DEO (EE-M), | Unauthorized holding of funds in DDO account | Irregularity | 1.30 |
| 32 | | Non-transparent payment of financial assistance | Irregularity | 2.20 |
| 33 | | Unauthorized Payment to DDOs | Irregularity | 1.576 |
| 34 | | Service books not maintained properly | Irregularity | - |
| 35 | | Service books not maintained properly | Irregularity | - |
| 36 | Govt. Girls High School, Barkat Market, | Non utilization of NSB / SMS grants | Irregularity | 1.743 |
| 37 | | Non-conducting of physical verification of stores and stock | Irregularity | - |
| 38 | | Service books not maintained properly | Irregularity | - |
| 39 | | Non maintenance and non-reconciliation of expenditure statement | Irregularity | 2.943 |
| 40 | Govt. Lady Maclagon Girls Higher Secondary School, | Non utilization of NSB / SMS grants | Irregularity | 1.744 |
| 41 | | Non-conducting of physical verification of stores and stock | Irregularity | - |
| 42 | | Service books not maintained properly | Irregularity | - |
| 43 | | Non maintenance and non-reconciliation of expenditure statement | Irregularity | 23.239 |
| 44 | Govt. Shadab Training Institute for Mentally | Irregular payment in cash instead of crossed cheques | Irregularity | 1.938 |
| 45 | | Service books not maintained properly | Irregularity | - |
| 46 | | Non-conducting of annual physical | Irregularity | - |

| | | | | |
|---|---|---|-----------------|--------|
| | Challenged | verification | | |
| 47 | | Irregular expenditure on POL | Irregularity | 1.532 |
| 48 | | Irregular repair of transport | Irregularity | 0.605 |
| 49 | | Unauthorized Payment to DDOs | Irregularity | 0.381 |
| 50 | DEO (EE-W) | Non-transparent payment of financial assistance | Irregularity | 0.018 |
| 51 | | Non-transparent payment of financial assistance | Irregularity | 2.20 |
| District Education Authority Nankana | | | | |
| 1 | G. Gurunanak High School | Non auction of unserviceable items | | 0.048 |
| 2 | Dy DEO MEE Shahkot | Misclassification of Expenditure | Procurement | 0.030 |
| 3 | | Irregular payment of encashment of LPR | Irregularity | 0.932 |
| 4 | GGHS Sangla Hill | Unauthorized expenditure of Rs 199866 and overpayment of Rs11118 | Procurement | 0.200 |
| 5 | | Doubtful Purchase of Photocopy machine and multimedia projector | Procurement | 0.151 |
| 6 | GHS Shahkot | Irregular purchases having no specifications | Procurement | 0.200 |
| 7 | GTHS No.1 Sangla Hill | Doubtful expenditure having invoice on simple paper | Procurement | 0.081 |
| | | Misappropriations | | 1.756 |
| | | Irregular payment of salaries on incorrect CNIC | | 1.787 |
| District Education Authority Okara | | | | |
| 1 | CEO (DEA) Okara | Wasteful expenditure on purchase of furniture and computers | Procurement | 1.622 |
| 2 | | Irregular appointments | HR Related | 1.500 |
| 3 | | Irregular payment of pension | HR Related | 0.652 |
| 4 | | Irregular expenditure without requalification of firms | Procurement | 57.215 |
| 5 | | Doubtful advance payment to vendor and shortage of stores | Procurement | 0.629 |
| 6 | | Non-Surrendering of Savings | Other | 16.555 |
| 7 | | Irregular appointments under Rule17A | HR related | - |
| 8 | | Payment of salaries against the erratic post | HR related | 1.255 |
| 9 | | Non collection of registration / renewal fee from private schools | Other | 0.134 |
| 10 | | Likely Misappropriation of government funds | Value for money | 5.338 |
| 11 | | Unjustified expenditure due to non obtaining quotations | Procurement | 0.782 |
| 12 | | Irregular payment of repair of transport, furniture & fixture and machinery and equipment | Procurement | 1.213 |
| 13 | | Unauthorized payment through DDO bank account | others | 13.300 |
| 14 | Irregular payment of pension from Account-V instead of Pension Fund | others | 49.585 | |
| 14 | Non-verification of GST | Procurement | 0.621 | |
| 14 | Deputy DEO (M-EE) Okara | Irregular drawl of special conveyance allowance to disable employees | HR | 0.938 |
| 15 | | Non deposit of Income Tax | Other | 0.447 |
| 16 | | Non-deposit of GST | Procurement | 0.468 |

| | | | | | |
|----|---|--|---|-----------------|-------|
| 17 | | Irregular payment of financial assistance | HR | 30.500 | |
| 18 | | Un-authorized sanction of expenditure beyond competency | Other | 0.175 | |
| 19 | | Expenditure without preparation of School Based Action Plan | other | 26.905 | |
| 20 | | Non recovery of arrears of SSB | HR Related | 0.237 | |
| 21 | | Irregular payment of qualification allowance | HR Related | 0.562 | |
| 22 | | Non utilization of NSB funds | Value for money | 2.598 | |
| 23 | | Un-authorized expenditure due to non-advertisement on PPRA's website | Procurement | 0.303 | |
| 24 | | Irregular expenditure on civil work | Other | 0.742 | |
| 25 | | Non deposit of Income Tax | Other | 0.461 | |
| 26 | | Purchase of furniture without specifications | Procurement | 0.419 | |
| 27 | | Non-deduction of GST | Procurement | 2.528 | |
| 28 | Deputy DEO (W-EE) Okara | Un-authorized expenditure due to non-advertisement on PPRA's website | Procurement | 1.480 | |
| 29 | | Non-deposit of GST | HR related | 0.571 | |
| 30 | | Irregular payment on account of rent of building | HR related | 0.411 | |
| 31 | | Unjustified payment on account of charge allowance | other | 0.031 | |
| 32 | | Irregular drawl of special conveyance allowance to disable employees | HR | 0.874 | |
| 33 | | Doubtful expenditure on account of qualification allowance | Value for money | 2.386 | |
| 34 | | Irregular expenditure on account of leave encashment | other | 10.111 | |
| 35 | | Unauthorized payment for weather shield | Procurement | 0.331 | |
| 36 | | Irregular expenditure on account of repair of office building | Value for money | 0.399 | |
| 37 | | Irregular expenditure on account of civil work | other | 2.333 | |
| 38 | | Non deduction of conveyance allowance during leave period | HR Related | 1.514 | |
| 39 | | Non-deduction of Income Tax | Other | 0.574 | |
| 40 | | Purchase of furniture without specifications | Procurement | 2.545 | |
| 41 | | Irregular payment of financial assistance | HR | 28.800 | |
| 42 | | Overpayment on account of travelling allowance | HR | 0.031 | |
| 43 | | Unauthorized payment of SSB 30% | HR | 21.924 (approx) | |
| 44 | | DEO (M-EE) Okara | Irregular Drawl of salaries and TA to the staff on General Duty | HR | 2.897 |
| 45 | | | Irregular payment of salaries without sanctioned posts | HR | 2.224 |
| 46 | | | Overpayment on account of 30% SSB due to non-fixation of pay after regularization | HR related | 0.211 |
| 47 | Irregular expenditure on civil works | | Other | 0.189 | |
| 48 | Non-verification of GST | | Other | 0.187 | |
| 49 | Irregular payment of I.T equipment | | Procurement | 0.506 | |
| 50 | Non verification of deposit of conveyance allowance | | HR | 0.375 | |
| 51 | Irregular payment of SSB 30% | | HR | 54.396 | |

| | | | | |
|--|---|--|------------------------------|-------------------|
| | | | | (approx) |
| 52 | DEO (SE) Okara | Un-authorized payments of SSB after regularization | HR | 0.283 |
| 53 | | Doubtful expenditure due to non-supervision of NSB funds | Value for money | 162.607 |
| 54 | | Irregular procurement of Uniform | Procurement | 0.039 |
| 55 | | Non transparent expenditure on account of repair work | Other | 0.299 |
| 56 | | Non accountal of stock and store | Other | 1.256 |
| 57 | | Non-verification of challans of conveyance allowance | HR related | 2.082 |
| 58 | | Irregular payment of SSB 30% recovery thereof | HR related | 4.686 (approx) |
| 59 | | HM GGHSS Chak No.18 GD | Unauthorized Payment in Cash | Other |
| 60 | Purchase of low quality science lab items on excessive rates | | Procurement | 0.063 |
| 61 | Irregular expenditure on procurement | | Procurement | 0.289 |
| 62 | Doubtful expenditure due non maintenance disbursement records of salary | | HR related | 5.367 |
| 63 | Unauthorized expenditure due to non-advertisement on PPRAs website | | Procurement | 0.238 |
| 64 | Non recovery of government money on account of SSB | | HR | 0.104 |
| 65 | Purchase of furniture without specifications | | Procurement | 0.388 |
| 66 | Irregular expenditure on civil work | | Other | 0.420 |
| 67 | Non verification of Sales Tax | | procurement | 0.091 |
| 68 | Irregular expenditure without the approval of SMC | | other | 1.667 |
| 69 | HM Govt. Institute for Slow Learners, Okara | Irregular expenditure on civil works | other | 0.242 |
| 70 | | Un-authorized drawl of pay and allowances recovery thereof | HR | 0.074 |
| 71 | | Excessive consumption of engine oil recovery thereof | Value for money | 0.135 |
| 72 | | Unauthorized sanction of expenditure beyond competency | other | 0.649 |
| 73 | | Non-deposit of GST | other | 0.589 |
| 74 | | Overpayment due to inclusion of clause of income tax in tender notice | other | 0.163 |
| 75 | | Misclassification of expenditure | other | 0.277 |
| 76 | | Non recovery of PST | other | 0.099 |
| 77 | | Less deposit of Income Tax on lower rate resulted non recovery of income tax | other | 0.036 |
| 78 | | Unauthorized drawl of POL | Value for money | 1.559 |
| District Education Authority Sheikhpura | | | | |
| 1 | CEO DEA SKP | Irregular procurement of furniture - | Irregularity | 1.281 |
| 2 | | Misclassification of Development expenditure | Irregularity | 105.321 |
| | | Irregular pension payments due to non-maintenance of Pension Fund | | 70.692 |
| | | Non-deposit of pension contribution to Pension Fund | | 48.834 |
| | | Excess payment than budget allocation | | 4.800 |
| 3 | | Irregular block allocation of funds | Irregularity | 250.000 |

| | | | | |
|----|---|---|--------------|-------|
| 4 | DO (SE) Sheikhpura | Non-Recovery of Social Contribution | Recovery | 0.219 |
| 5 | | Doubtful payment of Leave encashment | Irregularity | 0.825 |
| 6 | | Non-maintenance of Permanent Asset Register | Irregularity | - |
| 7 | Govt. Deaf & Defective Hearing higher Secondary School Sheikhupura | Irregular drawl of stipend | Irregularity | 0.790 |
| 8 | | Irregular procurement of Uniforms | Irregularity | 1.499 |
| 9 | | Irregular expenditure on POL – | Irregularity | 2.497 |
| 10 | | Non-deduction of conveyance allowance | Recovery | 0.045 |
| 11 | | Loss to Government due to non utilization of Generator | | - |
| 12 | Furqan Shaheed High School, Sheikhupura | Fake expenditure on physics lab | Irregularity | 0.093 |
| 13 | | Fake expenditure on repair of roof Jinnah Block | Irregularity | - |
| 14 | | Fake expenditure on instant Geyser | Irregularity | 0.030 |
| 15 | | Fake / Doubtful expenditure on Exhibition | Irregularity | 0.088 |
| 16 | | Fake / Doubtful expenditure on Uniform | Irregularity | 0.050 |
| 17 | | Fake repair expenditure | Irregularity | 0.139 |
| 18 | | Doubtful expenditure on School Gate | Irregularity | - |
| 19 | | Non-maintenance of School Donation Record | Irregularity | - |
| 20 | | Difference of balance between CashBook and Bank Statement | Irregularity | - |
| 21 | | Doubtful expenditure | Irregularity | 0.314 |
| 22 | | Irregular repair of furniture | Irregularity | 0.332 |
| 23 | | Irregular purchase furniture | Irregularity | 0.097 |
| 24 | | Irregular payment of TA/DA – | Irregularity | 0.046 |
| 25 | | Irregular repair | Irregularity | 0.273 |
| 26 | | Irregular repair expenditure | Irregularity | 0.380 |
| 27 | | Irregular expenditure on repair work- | Irregularity | 0.217 |
| 28 | | Defective School Council Meetings | Irregularity | - |
| 29 | | Irregular Utilization of School Coucil Funds | Irregularity | 2.103 |
| 30 | Non-maintenance of Permanent Asset Register | Irregularity | - | |
| 31 | Government High School, Manawal | Doubtful drawl of NSB funds | Irregularity | 0.160 |
| 32 | | Doubtful payment of white wash | Irregularity | 0.143 |
| 33 | | Doubtful procurement of equipment | Irregularity | 0.080 |
| 34 | | Irregular procurement of Maingate | Irregularity | 0.100 |
| 35 | | Non-maintenance of Permanent Asset Register | Irregularity | - |
| 36 | Government Special Education Center, Ferozewala | Irregular expenditure on POL | Irregularity | 1.453 |
| 37 | | Non-deduction of conveyance allowance | Recovery | 0.045 |
| 38 | | Non-auction of unserviceable vehicles | Irregularity | |
| 39 | Non-maintenance of Permanent Asset Register | Irregularity | - | |
| 40 | Government Special Education Center, Muridke | Irregular expenditure on Uniform | Irregularity | 0.390 |
| 41 | | Doubtful drawl of Uniform Funds | Irregularity | 0.105 |
| 42 | | Irregular expenditure on POL | Irregularity | 1.562 |
| 43 | | Overpayment of Pay & allowances | Recovery | 0.105 |
| 44 | | Non-auction of unserviceable vehicles | Irregularity | |
| 45 | | Non-maintenance of Permanent Asset Register | Irregularity | - |
| 46 | | Irregular procurement of School Uniform | | 0.699 |

Annexure-B

| Item purchased | No. of tenders during FY 2020-21 | DDO to whom higher rate charged | Low price tender supplier | High Price tender supplier | High tender rate | Low tender Rate | Excess rate | Qty in higher rate tender | Loss amount (Rs) |
|---------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|------------------|-----------------|-------------|---------------------------|------------------|
| Uniforms | 04 | DY. W (Chunian) & DY. W (Kasur) | Farooq Mehmood & FNF Enterprises | Farooq Mehmood & FNF Enterprises | 8,184 | 8,418 | 234 | 3,278 | 767,052 |
| Student Chair | 02 | DY. M (Kasur) | Rajppot Ent | Rajppot Ent | 8,073 | 5,999 | 2,074 | 1,099 | 2,279,326 |
| Teacher chair | 02 | DY. M (Kasur) | Rajppot Ent | Rajppot Ent | 8,190 | 6,590 | 1,600 | 99 | 158,400 |
| Teacher Table | 02 | DY. M (Kasur) | Rajppot Ent | Rajppot Ent | 21,036 | 16,950 | 4,086 | 146 | 596,556 |
| White Board | 02 | DY. M (Kasur) | Rajppot Ent | Rajppot Ent | 10,296 | 7,450 | 2,846 | 134 | 381,264 |
| Notice Board | 02 | DY. M (Kasur) | Rajppot Ent | Rajppot Ent | 17,433 | 14,350 | 3,083 | 108 | 332,964 |
| Computer Table | 02 | DY. M (Kasur) | Rajppot Ent | Rajppot Ent | 16,368 | 13,900 | 2,468 | 72 | 177,696 |
| Boring & submersible pump | 02 | DEO (SE) | Sultan & Co. | Sultan & Co. | 561,592 | 552,825 | 8,767 | 18 | 157,806 |
| Marry Goal | 02 | DY. W (Chunian) | Smith & Co. | Farooq | 57,000 | 55,000 | 2,000 | 13 | 26,000 |
| See Saw | 02 | DY. W (Chunian) | Smith & Co. | Farooq | 47,000 | 45,000 | 2,000 | 26 | 52,000 |
| Monkey Bar | 02 | DY. W (Chunian) | Smith & Co. | Farooq | 65,500 | 65,000 | 500 | 36 | 18,000 |
| Swing | 02 | DY. W (Chunian) | Smith & Co. | Farooq | 60,000 | 59,000 | 1,000 | 37 | 37,000 |
| Slide | 02 | DY. W (Chunian) | Smith & Co. | Farooq | 90,000 | 88,000 | 2,000 | 12 | 24,000 |
| Iron Bench w/o back rest | 02 | DY. W (Chunian) | Smith & Co. | Farooq | 36,500 | 35,000 | 1,500 | 25 | 37,500 |
| Iron bench with back rest | 02 | DY. W (Chunian) | Smith & Co. | Farooq | 42,000 | 40,000 | 2,000 | 12 | 24,000 |
| Grand total (Loss) | | | | | | | | | 5,069,564 |

Annexure-C
Rs in million

| Description | Unspent balance of releases | Amount |
|--|-----------------------------------|----------------|
| Non-transfer balance of Public Account included in Closing balance at A/C-V | | 51.101 |
| Unspent balance of tied grant received for clearance of pending liabilities leave encashment & financial assistance: | | |
| Release order No. FD(W&M)21-1/2019/DEA/1045 dated 11-06-20 | 25.000 | |
| Release order No. FD(PFC)2-2/2017-18(DEAs) dated 23-09-20 | 10.000 | |
| Release order No. FD(W&M)21-1/2020-21/DEA/1049 dated 02-06-21 | 204.392 | 239.392 |
| Unspent balance of Tied Grant for Non-formal basic education and Literacy Department: | | |
| Total of 08 releases | 51.706 | |
| Expenditure as per FI data | (37.549) | 14.157 |
| Unspent balance out of development fund received during 2020-21: | | |
| Development fund received from Govt. of the Punjab against 04 releases | 161.574 | |
| Total Expenditure booked out of development (Expenditure charged through deposit work and amount transferred to XEN buildings + Expenditure incurred on account of boring out of funds received from GOPb) (94.117+10.000) | (104.117) | 57.457 |
| Savings received from building dept. out deposit work on 11-06-21 | | 2.341 |
| Total amount required to be included in closing balance at A/C-V | | 364.448 |
| Closing balance at Account-V was Rs 357.763 million as on 30-06 2021 | | 357.763 |
| Exp incurred out of public account | | 6.685 |

Annexure-D

| Sr. No. | Description of item | Qty paid per bore | Rate Paid (per unit) | MRS Rate 2nd bi-annual 2018 | Excess Rate | Excess payment per bore | Excess payment of 27 bores |
|----------------|---|--------------------------|-----------------------------|---|--------------------|--------------------------------|-----------------------------------|
| 1 | Boring for tube well in all types of soil 5 inches dia 0-100 feet | 100 Rft | 420 | 159.50 | 260.50 | 26,050 | 703,350 |
| 2 | Boring for tube well in all types of soil 5 inches dia 101-200 feet | 100 Rft | 420 | 268.15 | 151.85 | 15,185 | 409,995 |
| 3 | Boring for tube well in all types of soil 5 inches dia 201-600 feet | 400 Rft | 420 | 374.8 | 45.20 | 18,080 | 488,160 |
| 4 | PVC strainers 2 inches dia D class | 500 Rft | 110 | 93.200 | 16.80 | 8,400 | 226,800 |
| 5 | PVC blind pipe 4 inches dia D class | 200 Rft | 321 | 304.85 | 16.15 | 3,230 | 87,210 |
| 6 | PVC blind pipe 2 inches | 400 each | 110 | 95.35 | 14.65 | 5,860 | 158,220 |
| 7 | S/E of single core PVC insulated copper conductor cables 7/0.036 | 450 Rft | 76 | 22.95 | 54.05 | 24,323 | 656,708 |
| 8 | P/L cutting jointing testing G.I. Pipe line 2 inches | 135 Rft | 318 | 257.25 | 60.75 | 8,201 | 221,434 |
| | Total | | | | | | 2,951,877 |