



SPECIAL AUDIT REPORT
ON THE ACCOUNTS OF
POLIO FUND
DISBURSEMENT IN KHYBER PAKHTUNKHWA
AUDIT YEAR 2022-23

AUDITOR-GENERAL OF PAKISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND
GOOD GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES

FOR THE CITIZENS OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

CCPO	Capital City Police Officer
DC	Deputy Commissioner
DDM	Direct Disbursement Mechanism
DHO	District Health Officer
DPO	District Police Officer
EOC	Emergency Operation Center
Home & TA	Home and Tribal Affairs
ISSAI	International Standards of Supreme Audit Institutions
NID	National Immunization Days
SNID	Sub National Immunization days
UNICEF	United Nations International Children Emergency Fund (United Nation Children Fund)
WHO	World Health Organization

PREFACE

The Auditor-General conducts audit subject to Article 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with sections 8 and 12 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Ordinance 2001. The special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa was carried out accordingly.

The Directorate-General Audit, Khyber Pakhtunkhwa conducted audit of Polio Fund Disbursement in Khyber Pakhtunkhwa during July 2023 for the Financial Years 2020-21 to 2021-22 with a view to report significant findings to stakeholders. Audit examined the economy, efficiency, and effectiveness aspects of the program. In addition, Audit also assessed, on test check basis whether the management complied with applicable laws, rules, and regulations in managing the project. The Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the program.

The observations raised were issued to the management for submitting initial management responses, however, the management did not submit their replies. The Principal Accounting Officer was also requested to convene DAC meeting. However, DAC meeting was not convened till finalization of this report.

The report is submitted to the Governor, Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly of Khyber Pakhtunkhwa.

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

Islamabad
Dated

EXECUTIVE SUMMARY

The Directorate General Audit, Khyber Pakhtunkhwa conducted audit of Polio Fund Disbursement in Khyber Pakhtunkhwa during July 2023 for the Financial Years 2020-21 to 2021-22. The audit was carried out as per the approved Audit Plan 2022-23. The main objectives of audit were to assess whether the program was managed with due regard to economy, efficiency and effectiveness to review its performance against the intended objectives, compliance with applicable rules & regulations. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI).

The polio campaigns in Pakistan are aimed at eradicating polio virus from the country. For this purpose, an amount of Rs. 505.372 million was received by the Home & Tribal Affairs Department during the Financial Years 2020-21 to 2021-22. The fund was disbursed through the respective Commissioners to the District Police Officers for further disbursement to the security personnel deployed for providing security services to the polio workers / vaccinators in the province.

Key Audit Findings:

- Unjustified payment due to excess deployment of security personnel - Rs. 6.425 million
- Excess payment to security personnel due to allowing extra day for polio campaigns - Rs. 2.200 million
- No whereabouts of details of surrendered amount - Rs. 151.229 million
- Unjustified retention / blockage of polio funds - Rs. 6.183 million
- Doubtful double payment on account of security of polio vaccination campaigns - Rs. 4.158 million
- Irregular / unauthorized expenditure on account of hiring of private vehicles - Rs. 17.841 million
- Unauthorized / unjustified retention of security funds - Rs. 29.250 million
- Loss to the government due to non-deduction of taxes - Rs. 3.211 million
- Unnecessary blockage of government money due to delayed payment on account of security charges - Rs. 9.688 million

Recommendations:

- Unjustified payments may be investigated
- Excess and double payments may be recovered
- Unjustified retention of funds / blockage of government money may be stopped
- Government taxes may be recovered
- Delayed payments may be stopped

1. Introduction

The Directorate General Audit, Khyber Pakhtunkhwa conducted audit of Polio Fund Disbursement in Khyber Pakhtunkhwa during July 2023 for the Financial Years 2020-21 to 2021-22. The special audit was planned under the Secretary Home & Tribal Affairs Department in Audit Plan 2022-23. There are two fund components of the Polio Campaigns: (i) the expenditure incurred on security provided to the polio teams by the police department and (ii) the expenditure made on workers of polio teams /vaccinators working under the management of District Health Officers (DHOs) with coordination of Emergency Operation Centre (EOC). The expenses of security are disbursed by Home & Tribal Affairs Department through Commissioners and District Police Officers to the security personnel. The payments to polio workers are disbursed through Direct Disbursement Mechanism (DDM) by the donors themselves directly to the bank accounts of the workers.

This audit embraces the expenditure incurred on the security provided to polio teams / workers by the District Police Officers.

2. Audit objectives:

- To check authentication of disbursement of Polio Funds paid to security personnel for polio campaigns by comparing the same with the data maintained by the District Health Offices (DHOs)
- To check that payments on account of security personnel were in accordance with the plans and that whether excess payment was made or otherwise
- To check whether payments on account of security personnel were timely made
- To check and authenticate the disbursement of funds to security personnel for approved number of campaigns / days
- To check whether unspent balance of fund was surrendered to the Government

3. Audit Scope and Methodology:

The scope of this audit embraces the expenditure incurred on security of polio teams by the police department for the Financial Years 2020-21 and 2021-22. The District Police Officer (DPO) Hangu and Capital City Police Officer (CCPO) Peshawar were selected as sample for this audit:

To cover the scope of audit, record related to the expenditure incurred on security of polio teams was checked. The plans and procedures followed for the execution of polio campaigns were checked. For this, the relevant documents including the security demand of the DHO, and the planned campaign days / national immunization days were compared with security personnel deployed and campaign days claimed by the DPOs.

4. Audit findings & recommendations:

4.1 Financial management

4.1.1 Unjustified payment due to excess deployment of security personnel - Rs. 6.425 million

According to the Deputy Commissioner Hangu letter 3662/Polio/EA/DC(H) dated 06.11.2020, the DPO Hangu was requested to submit a detailed / full-proof security plan for the National Immunization Day starting with effect from 30th November to 4th December 2020 in District Hangu to the District Emergency Operation Center (DEOC) Hangu by 12.11.2020 for onward submission to Provincial Emergency Operation Center (PEOC). The human resource to be deployed in the field in District Hangu is 475.

According to Para 106 of the General Financial Rules Volume-I, a disbursing officer may not on his own authority authorize any payment in excess of the funds placed at his disposal; but absence of funds should not necessarily prevent the payment of any sums really due by Government. If the disbursing officer is called upon to honor a claim which is certain to produce an excess over the allotment or appropriation at his disposal, he should take the orders of the administrative authority to which he is subordinate before authorizing payment of the claim in question.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - District Police Officer (DPO) Hangu for the Financial Years 2020-21 to 2021-22, it was observed that an amount of Rs. 6,425,750/- was paid to the security personnel on account of provision of security services for polio campaigns in excess of security personnel demanded / requested by the District Health Officer Hangu, which resulted into unjustified payment, as tabulated below (**details at Annexure-A**):

Actual Demand for Security Personnel	Number of Paid Security Personnel	Excess Personnel	Amount
6338	9132	2794	6,425,750

The lapse occurred due to weak financial controls which resulted in unjustified payment.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

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

4.1.2 Excess payment to security personnel due to allowing extra day for polio campaigns - Rs. 2.200 million

According to the General Headquarters Engineer-in-Chief's Branch, Directorate of Research & Support Rawalpindi letter No. 1803/Gen/Polio dated 20.10.2020, security charges were transferred to the Home & Tribal Affairs Department for Polio Eradication Campaign NID September 2020 for further distribution to the concerned districts. The total number of national immunization days were mentioned as "4" in the disbursement certificate for the period 21st to 24th September 2020 Annexure-A to the aforementioned letter.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - District Police Officer (DPO) Hangu for the Financial Years 2020-21 to 2021-22, it was observed that polio campaigns were carried out in the district in 5 days instead of the planned 4 days as evident from the list of national immunization days maintained by the Secretary Home & Tribal Affairs Department. Making payment in excess due to allowing extra days for the polio campaigns as compared to the immunization days planned by the Home & TA Department resulted in excess payment of Rs.2.200 million (**details at Annexure-B**).

The lapse occurred due to carrying out of the campaigns in excess to the days approved by the Home Department which resulted in excess payment.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

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

4.1.3 No whereabouts of details of surrendered amount - Rs. 151.229 million

According to Para 209 of the General Financial Rules Volume-I, every grant made for a specific object is subject to the implied conditions:

- the grant will be spent upon the object within a reasonable time if no time limit has been fixed by the sanctioning authority.
- any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - Secretary Home & Tribal Affairs Department for the Financial Years 2020-21 to 2021-22, it was observed that polio funds amounting to Rs. 151,229,261/- remained unspent which was shown as surrendered by the District Police Officers to the department, as per statement provided to Audit. However, further status of the surrendered amount was not made known to Audit.

The lapse occurred due to weak financial controls which resulted in no whereabouts of the surrendered money.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

Audit recommends inquiring the matter for fixing of responsibility against the person(s) at fault besides providing details of the latest status of the surrendered amount.

4.1.4 Unjustified retention of savings / blockage of polio funds - Rs. 6.183 million

According to Para 209 of the General Financial Rules Volume-I, every grant made for a specific object is subject to the implied conditions:

- the grant will be spent upon the object within a reasonable time, if no time limit has been fixed by the sanctioning authority and
- any portion of the amount which is not ultimately required for expenditure upon that object, should be duly surrendered to Government.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - Secretary Home & Tribal Affairs Department for the Financial Years 2020-21 to 2021-22, it was observed that the unspent balance of polio fund amounting to Rs. 6,183,026/- was shown as savings. However, reason for savings and its status was not made known to Audit.

The lapse occurred due to weak financial controls which resulted into blockage of the public money.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

Audit recommends inquiring the matter for fixing of responsibility against the person(s) at fault besides providing details of the latest status of the surrendered amount.

4.1.5 Doubtful double payment on account of security of polio vaccination campaigns - Rs. 4.158 million

According to Para 23 of the General Financial Rules Volume-I, every Government Officer 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 or on the part of his subordinate.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - Secretary Home & Tribal Affairs Department for the Financial Years 2020-21 to 2021-22, it was observed that an amount of Rs. 14.031 million was transferred to the Commissioner Peshawar Division vide Cheque No. 191409008 dated 13.10.2021 which was further transferred to the Deputy Commissioner Charsadda vide Cheque No. 36211452 dated 27.10.2021 for clearing the liabilities of security personnel deputed for polio vaccination campaigns for the period 16.12.2019 to 20.12.2019 and 30.11.2020 to 04.12.2020.

Further scrutiny of record revealed that an amount of Rs. 2,107,500/- and Rs. 2,051,250/- was already paid on account of liabilities of security personnel for vaccination of polio campaigns of the same period i.e. 16.12.2019 to 20.12.2019 and 30.11.2020 to 04.12.2020 respectively, meaning thereby that doubtful double payment on account of vaccination campaigns was made, as tabulated below;

Campaign Date	Amount	Cheque No. & Date	Home Dept. Release Reference No.
16.12.2019 to 20.12.2019	1,134,750	157789716 20.02.2020	No. SO(Accounts)/HD/6-4/2019-20/Polio dated 26-02-2020
0.11.2020 to 04.12.2020	2,349,000	191408978 15.01.2021	No. SO(Accounts)/HD/6-4/2019-20/Polio dated 20-01-2021
Total Amount	3,483,750		
16.12.2019 to 20.12.2019	2,107,500	191409008 13-10-2021	No. SO(Accounts)/HD/6-4/2019-20/Polio dated 13-10-2021
0.11.2020 to 04.12.2020	2,051,250	191409008 13-10-2021	No. SO(Accounts)/HD/6-4/2019-20/Polio dated 13-10-2021
Total Amount	4,158,750		

The lapse occurred due to weak financial controls which resulted into doubtful double payment.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

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

4.1.6 Irregular / unauthorized expenditure on account of hiring of private vehicles - Rs. 17.841 million

According to Para 12 of the General Financial Rules Volume-I, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

According to the Home & Tribal Affairs Department Khyber Pakhtunkhwa letter No.SO(Accounts)HD/6-4/2019-20/Polio dated 29-04-2021 and dated 25-08-2021, the funds released to DPOs were for further disbursement to the security personnel who performed duty with regard to the polio campaigns.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - Capital City Police Officer (CCPO) Peshawar for the Financial Years 2020-21 to 2021-22, it was observed that;

- Out of the total funds of Rs. 84.199 million for payment of security charges of polio campaigns, an amount of Rs. 17.841 million was spent on hiring of vehicles without any authorization.
- The department had its own pool of vehicles for transportation of police personnel, so hiring of private vehicle was not required.
- Utilization status of the departmental vehicles at the time of hiring of private vehicles was not shown to Audit.
- Need assessment for hiring of private vehicles after considering the department's own strength of vehicles was not made.

Audit held that in the presence of the department own vehicles, hiring of private vehicles was unjustified.

Audit further held that the funds received were to meet the security cost, hence the expenditure shown incurred on account of hired vehicles stands irregular / unauthorized.

The lapse occurred due to weak internal controls which resulted into irregular / unauthorized expenditure.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

Audit recommends investigating the matter and fixing responsibility on the person(s) at fault besides regularizing the expenditure incurred.

4.1.7 Unauthorized / unjustified retention of polio security funds - Rs. 29.250 million

According to Para 209 of the General Financial Rules Volume-I, every grant made for a specific object is subject to the implied conditions:

- that the grant will be spent upon the object within a reasonable time, if no time limit has been fixed by the sanctioning authority and
- that any portion of the amount which is not ultimately required for expenditure upon that object, should be duly surrendered to Government.

According to the Home & Tribal Affairs Department Khyber Pakhtunkhwa letter No. SO(Accounts)HD/6-4/2019-20/Polio dated 29-04-2021 and dated 25-08-2021, the funds released were for payment of security cost of polio campaigns.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - Capital City Police Officer (CCPO) Peshawar for the Financial Years 2020-21 to 2021-22, it was observed that an amount of Rs. 84.190 million was received to meet the security charges for 13 number of polio campaigns. However, scrutiny of record revealed that partial payment of security charges was made and an amount of Rs. 29.250 million was retained from the fund earmarked for the polio campaigns without any justification.

It is worth mentioning here that in some cases like August 2020; September 2020; November 2020 and September 2021; the payment of security charges was completely avoided by retaining the total amount of fund without any authorization.

The lapse occurred due to weak financial controls which resulted in unauthorized / unjustified retention of public money.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

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

4.1.8 Loss to the government due to non-deduction of taxes - Rs. 3.211 million

According to Para 29 of the Second Schedule to the Finance Act 2013, as amended through Finance Act 2021, sales tax on transportation services was required to have been deducted at the rate of 15%.

According to Section 153(1)(b), Part-III Division-III, income tax on transport services is required to be deducted @ 3% from filer and 6% from non-filer.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - Capital City Police Officer (CCPO) Peshawar for the Financial Years 2020-21 to 2021-22, it was observed that an amount of Rs. 17,841,390/- was paid to M/S Muhammad Usman Transport Services as hiring charges for transportation of police personnel from / to other districts. However, Sales Tax on Service @ of 15% was not deducted from the payment made to the contractor, which resulted into loss of Rs. 2,676,209/- to the government.

Similarly, income tax @ of 3% amounting to Rs. 535,241/- was not deducted from the payment made to the contractor, which resulted into loss to the government.

The lapse occurred due to violation of rules and regulations which resulted in loss of Rs. 3,211,450/- to the government.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

Audit recommends recovery of the tax amount.

4.1.9 Unnecessary blockage of government money due to delayed payment on account of security charges - Rs. 9.688 million

According to Para 105 of the General Financial Rules Volume-I, it is an important financial principle that money indisputably payable should not, as far as possible, be left unpaid, and that money paid should under no circumstances be kept out of accounts a day longer that is absolutely necessary even though the payment is not covered by proper sanction. It is no economy to postpone inevitable payments and it is very important to ascertain, provide for in the budget estimates, liquidate and record the payment of all actual obligations at the earliest possible date.

During special audit of Polio Fund Disbursement in Khyber Pakhtunkhwa - District Police Officer (DPO) Hangu for the Financial Years 2020-21 to 2021-22, it was observed that three polio campaigns were carried out in August 2019, December 2019 and February 2020 costing Rs. 676,000/-, Rs. 853,750/- and Rs. 868,750/- respectively totaling to Rs. 2,398,500/-. However, further scrutiny of record revealed that the payment of the security charges remained unpaid for 11 months till 24.11.2020 despite the fact that sufficient amount of funds amounting to Rs. 2,381,750/- was available with the local office in December 2019 as evident from their cash book.

Similarly record of the Capital City Police Officer (CCPO) Peshawar revealed that payment to security personnel for polio campaigns amounting to Rs. 7,290,200/- was delayed for 2 to 3 years. The statement containing details of campaigns and payment revealed that polio campaigns were carried out in 2018 and 2019, but the payment of security expenses was made in 2021. The bank statement revealed that fund of Rs. 63.587 million was available in August 2018, and Rs. 36.040 million was available in June 2019, but payment was delayed without any justification.

The lapse occurred due to weak financial controls which resulted into unnecessary blockage of government money amounting to Rs. 9,688,700/-.

The department was requested vide letter No. Special Audit/DAC/Home &TA/2021-22/843 dt 11.09.2023 for holding of DAC, however, no DAC meeting was convened till finalization of this report.

Audit recommends investigating the matter and fixing of responsibility against the person(s) at fault for making delayed payment of security charges.

4.2 Overall Assessment

i. Relevance

The expenditure was in line with Government's Sectoral policies.

ii. Efficacy

The overall physical and financial performance was good.

iii. Efficiency

The overall utilization of the fund was satisfactory.

iv. Economy

The overall program economy was good, however, in some cases excess payments were allowed.

5 CONCLUSION

5.1 Key issues for the future

The possible issues highlighted were excess payments and non-utilization of fund and its retention.

5.2 Lesson identified

Special focus may be paid towards timely payment of dues. Moreover, savings and surrendered of fund may be reported in time.

ACKNOWLEDGEMENT

We wish to express our appreciation to the management and staff of the program for their assistance and cooperation extended to the auditors during this assignment.

Annexure-A

4.1.1 Unjustified payment due to excess deployment of security personnel - Rs. 6.425 million							
S. No.	Campaign Date	Actual Demand for Security	Number of Paid Security	Excess	Days	Rate (Rs.)	Total Amount
1	30 th Nov to 4 th Dec 2020	475	621	146	5	500	365,000
2	17 th Sept to 21 st Sept 2021	421	560	139	5	500	347,500
3	10 th Dec to 14 th Dec 2021	426	561	135	5	500	337,500
4	24 th Jan to 28 th January 2022	396	593	197	5	500	492,500
5	28 th Feb to 4 th March 2022	404	581	177	5	500	442,500
6	13 th Aug to 16 th August 2020	412	613	201	4	500	402,000
7	21 st to 25 th Sept 2020	475	611	136	5	500	340,000
8	11 th to 15 th January 2021	482	616	134	5	500	335,000
9	29 th March to 2 nd April 2021	478	631	153	5	500	382,500
10	7 th to 11 th June 2021	391	551	160	5	500	400,000
11	30 th July to 3 rd August 2021	391	556	165	5	500	412,500
12	26 th to 29 th August 2019	435	590	155	4	250	155,000
13	16 th to 20 th December 2019	435	616	181	5	250	226,250
14	24 th to 28 th March 2022	47	204	157	5	500	392,500
15	23 rd May to 27 th May 2022	434	594	160	5	500	400,000
16	27 th June to 1 st July 2022	236	634	398	5	500	995,000
Total							6,425,750

Annexure-B

4.1.2 Unjustified payment to Security Personnel due to allowing extra day for Polio Campaigns - Rs. 2.200 million						
Date of campaign	Days allowed	Days avail	Difference	Rate	Rq. personnel	Amount
21 st to 24 th Sep 2020	4	5	1	250	611	152,750
30 th to 3rdDec 2020	4	5	1	500	621	310,500
11 th to 14 th Jan 2021	4	5	1	500	616	308,000
29 th Mar to 1 st April 2021	4	5	1	500	631	315,500
7 to 10June 2021	4	5	1	500	521	275,500
30 th July to 2 nd Aug 2021	4	5	1	500	556	278,000
17 th to 20 th Sep 2021	4	5	1	500	560	280,000
10 th to 13 th Dec 2021	4	5	1	500	561	280,500
Total						2,200,750