



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

AUDIT YEAR 2015-16

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS	I
PREFACE	III
EXECUTIVE SUMMARY	IV
SUMMARY TABLES & CHARTS	VII
TABLE 1: AUDIT WORK STATISTICS	VII
TABLE 2: AUDIT OBSERVATIONS	VII
TABLE3: OUTCOME STATISTICS	VII
TABLE4: IRREGULARITIES POINTED OUT	VIII
TABLE 5 COST BENEFIT	VIII
CHAPTER 1	1
1.1 DISTRICT GOVERNMENT, ATTOCK.....	1
1.1.1 INTRODUCTION OF DEPARTMENTS	1
1.1.2 COMMENTS ON BUDGET AND ACCOUNTS (VARIANCE ANALYSIS)	1
1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2013-14.....	3
1.1.4 BRIEF COMMENTS ON THE STATUS OF COMPLIANCE WITH PAC DIRECTIVES	3
1.2 AUDIT PARAS	4
1.2.1 IRREGULARITY AND NON-COMPLIANCE.....	5
1.2.2 PERFORMANCE.....	19
1.2.3 INTERNAL CONTROLS WEAKNESS	29
ANNEXES	40
ANNEX-A	41
ANNEX-B.....	46
ANNEX-C.....	47

ABBREVIATIONS & ACRONYMS

AEO	Assistant Education Officer
AIR	Audit Inspection Report
B&R	Building & Road
BHU	Basic Health Unit
CCB	Citizen Community Board
CD	Community Development
DAC	Departmental Accounts Committee
DCO	District Coordination officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DEO (EE-M)	District Education Officer (Elementary Education-Male)
DEO (EE-W)	District Education Officer (Elementary Education-Women)
DGA	Director General Audit
DHO	District Health Officer
DO	District Officer
DHQ	District Headquarter
DMO	District Monitoring Officer
EDO	Executive District Officer
FD	Finance Department
F&P	Finance and Planning
HR	Human Resource
HRA	House Rent Allowance
MB	Measurement Book
MFDAC	Memorandum for Departmental Accounts Committee
M&R	Maintenance and Repair
MS	Medical Superintendent
NFBE	Non Formal Basic Education
NSB	Non Salary Budget
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PESRP	Punjab Education Sector Reform Programme
PFR	Punjab Financial Rules
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
PPPRA	Punjab Public Procurement Regulatory Authority

RHC	Rural Health Center
SMC	School Management Council
SMO	Senior Medical Officer
TA	Travelling Allowance
THQ	Tehsil Headquarter
W&S	Works and Services

PREFACE

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

The report is based on audit of the accounts of various offices of the District Government, Attock for the financial years 2013-14 2nd Phase and 2014-15. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2015-16 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs1.00 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level. In all cases where the Principal accounting Officer (PAO) does not initiate appropriate action, the audit observations will be brought to the notice of PAC through next year audit report.

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

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

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 to cause it to be laid before the Provincial Assembly of Punjab.

Islamabad
Dated:

(Rana Assad Amin)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit (DGA), District Governments, Punjab (North), Lahore is responsible to carry out the audit of District Governments, Tehsil / Town Municipal Administrations and Union Administrations of three City District Governments and sixteen District Governments. Its Regional Directorate of Audit, Rawalpindi has audit jurisdiction of District Governments, Tehsil / Town Municipal Administration and Union Administrations of one City District Government i.e. Rawalpindi and three District Governments i.e. Jhelum, Chakwal and Attock.

The Regional Directorate has a human resource of 15 officers and staff, total 1292 man-days and the annual budget of Rs16.025 million for the financial year 2015-16. It has mandate to conduct Financial Attest, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes / projects & receipts. Accordingly, Regional Directorate of Audit Rawalpindi carried out audit of the accounts of various offices of the District Government, Attock for the financial years 2013-14 2nd phase and 2014-15.

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

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

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

a. Scope of Audit

Total expenditure of the District Government Attock for the financial year 2014-15 was Rs5,740.383 million covering 595 formations. Out of this DG District Audit (N) Punjab audited an expenditure of Rs1,148.076 million which in terms of percentage was 20% of total expenditure .Out of this DG District Audit (N) Punjab, audited 25 formations i.e. 100% achievement against the planned audit activities.

Total receipts of the District Government Attock for the financial year 2014-15, was Rs42.009 million. Out of this DG District Audit (N) Punjab audited receipts of Rs10.502 million which in terms of percentage 25% of total receipt.

b. Recoveries at the instance of audit

Recoveries of Rs58.501 million were pointed out, which were not in the notice of the executive before audit. An amount of Rs1.331 million was recovered and verified during the year 2015-16, till the time of compilation of report.

c. Audit Methodology

The audit year 2015-16 witnessed intensive application of Desk Audit techniques in this directorate. This was facilitated by access to live SAP/R3 data, internet facility, and availability of permanent files. Desk review helped auditors in understanding the systems, procedures, and environment, and the audited entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

d. Audit Impact.

A number of improvements as suggested by audit in maintenance of record and procedures have been initiated by the concerned departments, however audit impact in shape of change in rules has been less materialized due to non-convening of regular PAC. Had PAC meetings been regularly convened, audit impact would have been manifold.

e. Comments on Internal Control and Internal Audit Department.

Internal control mechanism of the District Government Attock was not found satisfactory during audit. Many instances of weak internal control have been highlighted during the course of audit, which includes some serious lapses like withdrawal of public funds against the entitlement of employees. Negligence on

the part of District Government authorities may be captioned as one of important reasons for weak internal controls.

Section 115-A (1) of PLGO, 2001, empowers District Administration to appoint and internal Auditor but the same was not appointed in District Administrations.

f. The Key Audit Findings of the Report

- i. Non Compliance of Rules of Rs277.164 million noted in fourteen cases¹.
- ii. Performance related issues of Rs66.187 million noted in nine cases².
- iii. Internal Control Weaknesses of Rs142.318 million noted in ten cases³

g. Recommendations

Head of the District Government

- i. Head of the District Government needs to conduct physical stock taking of fixed and current assets.
- ii. Departments need to comply with the Public Procurement Rules for rational purchases of goods and services.
- iii. Inquiries need to be held to fix responsibility for misappropriation, wasteful expenditure and unauthorized payment.
- iv. The PAO needs to make efforts for expediting the realization of various Government receipts.
- v. The PAO and his team need to ensure proper execution and implementation of the monitoring system.
- vi. The PAO needs to take appropriate action for non-production of record.
- vii. The PAO needs to rationalize its budget with respect to utilization.

¹ Para 1.2.1.1 -1.2.1.14

² Para 1.2.2.1 -1.2.2.9

³ Para 1.2.3.1 -1.2.3.10

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. No.	Description	No.	Budget
1	Total Entities (PAOs) under Audit Jurisdiction	1	5743.482
2	Total formations under Audit Jurisdiction	595	5743.482
3	Total Entities (PAOs) Audited	1	2111.56
4	Total formations Audited	25	2111.56
5	Audit & Inspection Reports	25	2111.56
6	Special Audit Reports	Nil	Nil
7	Performance Audit Reports	Nil	Nil
8	Other Reports	Nil	Nil

Table 2: Audit observations

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Unsound Asset management	24.654
2	Financial management	247.116
3	Internal controls	155.789
4	Others	58.11
TOTAL		485.669

Table3: Outcome Statistics

(Rs in million)

Sr. No.	Description	Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last year
1	Outlays Audited	208.103	107.558	10.502	832.414	1158.577*	1,862.476
2	Amount Placed under Audit Observation/ Irregularities of Audit	24.654	332.993	58.110	69.912	485.669	1,755.388
3	Recoveries Pointed Out at the instance of Audit	0	10.459	0	48.042	58.501	7.989

Sr. No.	Description	Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last year
4	Recoveries Accepted/ Established at the instance of Audit	0	10.459	0	47.236	57.695	10.237
5	Recoveries Realized at the instance of Audit	0	0.605	0	0.726	1.331	0

* The amount mentioned against serial No 1 in column "total current year" is the sum of expenditure and receipts, whereas the total expenditure audited for the current year was Rs1148.76 million

Table4: Irregularities Pointed Out

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations and principle of propriety and probity.	402.905
2	Reported cases of fraud, embezzlement, theft and misappropriations and misuse of public funds.	0
3	Accounting Errors (accounting policy departure from NAM ¹ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of Audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal control systems	24.654
5	Recoveries, overpayments or unauthorized payments of public money.	58.110
6	Non-production of record to Audit.	0
7	Others, including cases of accidents, negligence etc.	0
	Total	485.669

Table 5 Cost Benefit

(Rs in million)

Sr No	Description	Amount
1	Out lays Audited(Items 1 of Table3)	1158.577
2	Expenditure on Audit	1.603
3	Recoveries realized at the instance of Audit	1.331
	Cost Benefit Ratio	1:0.803

¹The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan

CHAPTER 1

1.1 District Government, Attock

1.1.1 Introduction of Departments

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

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

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

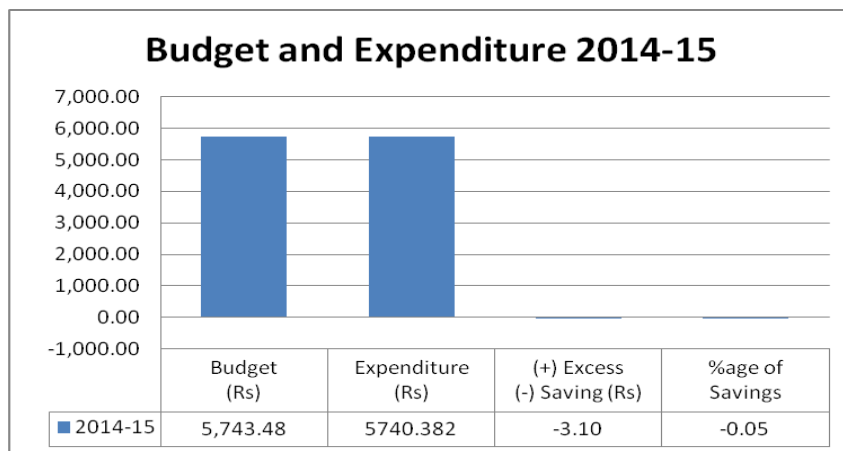
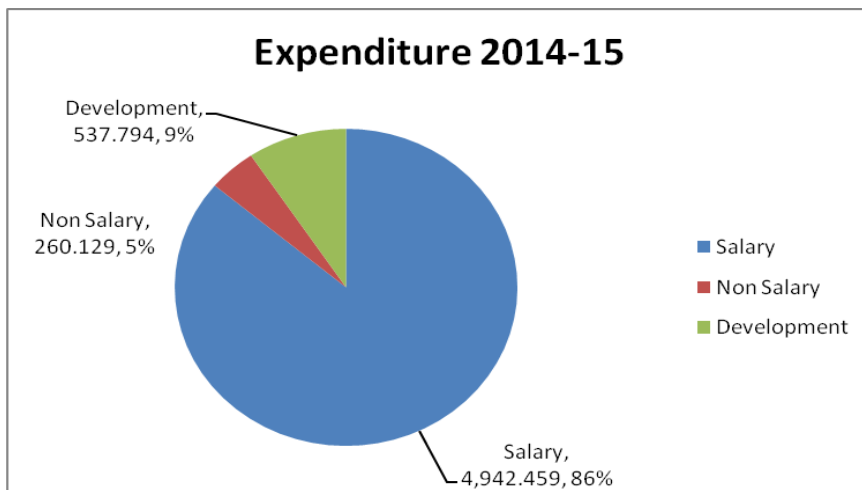
1.1.2 Comments on Budget and Accounts (Variance Analysis)

Total budget of District Government Attock was Rs5743.482 million including Salary component of Rs4,627.516 million, Non Salary component of Rs564.013 million and Development component of Rs551.953 million. Expenditure against Salary component was Rs4,942.459 million, Non Salary component was Rs260.129 million and Development component was Rs537.795 million. Overall savings were Rs3.10 million which was 0.054% of total budget.

2014-15	Budget (Rs)	Expenditure (Rs)	Excess (+) / Saving (-)(Rs)	% Saving
Salary	4,627.516	4942.459	314.94	-6.806
Non Salary	564.013	260.129	-303.884	53.879
Development	551.953	537.795	-14.159	2.565
Total	5,743.482	5740.383	-3.100	0.054

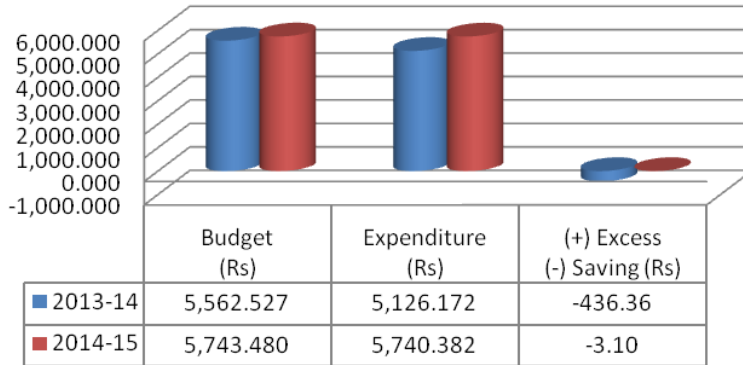
As per the Appropriation Account 2014-15 of District Government Attock the original budget was Rs5985.771 million, supplementary grant was Rs206.317 million whereas Rs448.606 million were surrendered/ withdrawn and the final budget was Rs5743.482 million. Against the final budget, total expenditure incurred by District Government during 2014-15 was Rs5740.383 million, as detailed at Annex-B

The Salary, Non Salary and Development Expenditure comprised 86%, 5% and 9% respectively of the total Expenditure.



The overall saving of Rs3.10 million was 0.05% of the final budget. The comparative analysis of the budget and expenditure of current and previous financial year is depicted as under:

Comparison of Budget and Expenditure 2013-14 & 2014-15



There was increase of 3.325% and 10.69% in Budget Allocation & Expenditure incurred respectively for the financial year 2014-15 as compared to the previous year.

1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2013-14.

Audit paras reported in MFDAC of last year audit report which have not been attended in accordance with the directives of DAC have been reported in Part-II of Annex-A.

1.1.4 Brief Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2002-03	31	Not convened
2	2003-04	10	Not convened
3	2004-05	10	Not convened
4	* Special Audit Report	129	Not convened
5	2009-10	31	Not convened
6	2010-11	15	Not convened
7	2011-12	25	Not convened
8	2012-13	8	Not convened
9	2013-14	10	Not convened
10	2014-15	7	Not convened

* It is Special Audit Report for the period 01/07/2005 to 31/03/2008 and also the title of the Audit Report reflects the financial year instead of the audit year which was 2008-09.

1.2 AUDIT PARAS

1.2.1 Irregularity and Non-Compliance

1.2.1.1 Non-imposition of Penalty Due to Delay in Completion of Work – Rs4.985 million

According to Clause 39 read with Clause 37 of Contract agreement, “The time allowed for carrying out the work as entered in the tender shall be strictly observed by the contract. The work shall throughout the stipulated period of contract be proceeded with all due diligence in accordance with programme of work approved by the Engineer in-charge. If a contractor fails to complete the work within stipulated period, he is liable to pay compensation @1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer in-charge to be worked out per day but not exceeding maximum of 10% of the cost of contract. The contractor shall have to apply for extension in time limit within one month before the expiry of scheduled time of completion

DO (Roads) and DO (Buildings) Attock awarded different works to contractors worth Rs49.853 million during 2014-15. Scrutiny of the record revealed that contractors failed to complete works within stipulated time. Management did not impose penalty of Rs4.985 million on defaulting contractors as detailed in Annex-C.

Audit is of the view that due to weak managerial controls, engineering staff was unable to get the work done from contractor within stipulated time.

The matter was reported to the management in November 2015. Management replied that time extension was under process. DAC in its meeting convened on 22.12.2015 directed to get the work done besides penalizing the contractors but no progress was reported till finalization of this report.

Audit recommends fixing responsibility against the person(s) at fault, besides recovery of penalty of Rs4.985 million under intimation to Audit.

(AIR Para No. 3, 2)

1.2.1.2 Irregular Procurement of Ceiling Fans –Rs2.351 million

As per provision of Punjab Procurement Rules 2014 Rule 12(1) & (2) 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. In case of procurements over rupees two million , these procurement opportunities may also be advertised on the PPRA’s website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least

two national dailies, one in English and the other in Urdu read with Rule 13 which states that under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

DO (Buildings) Attock incurred expenditure of Rs2.351 million on account of procurement of Ceiling Fans for schools directly from firms recommended by the Technical Officer for Chief Engineer, Punjab Buildings Department, North Lahore whereas the Chief Engineer advised to procure the fans through competitive bidding after fulfilling codal formalities. It was noticed by audit that procurement was made ignoring the PPRA rules to follow advertised open competitive bidding. This resulted in irregular expenditure of Rs2.351 million as detailed below:-

Sr. No	Vr/No & Date	Description	Qty	Rate /fan (Rs)	Amount (Rs)
1	111/28-06-15	Wahid Industries Gujrat (56"-1400 m) 03 Blades	112	2995	335,440
2	112/28-06-15	----do----	62	2,995	185,690
3	113/28-06-15	----do----	147	2,995	440,265
4	114/28-06-15	----do----	124	2,995	371,380
5	115/28-06-15	----do----	100	2,995	299,500
6	116/28-06-15	----do----	158	2,995	473,210
7	117/28-06-15	----do----	82	2,995	245,590
Total			785		2,351,075

Audit is of the view that due to weak managerial controls, PPRA rules were ignored for open competition.

The matter was reported to the management in November 2015. Management replied that quotations were called from pre-qualified firms notified by the Chief Engineer North Zone. Reply was not tenable as no tender was called for open competition. DAC in its meeting convened on 22.12.2015 directed to kept para pending for regularization.

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

(AIR Para No 5)

1.2.1.3 Irregular and Un-Justified Acceptance of Single Tender – Rs2.673 million

Instructions of Public Procurement Regulatory Authority given in Procurement Code provide that single tender would not be accepted for award of

contract without comparison of rates with(i) procurements in the current financial year or(ii) market rates or (iii) to re advertise in case of exorbitant rates.

DO (Buildings) Attock accepted the following single tenders worth Rs2.673 million during the FY-2014-15 in violation of the PPRA rules and instructions to follow advertised open competitive bidding. Incurring of expenditure without fulfilling the codal formalities resulted in irregular payment as detailed below:-

Sr. No	Name of work	Name of contractor	Tender date	Rate (%age)	Amount (Rs)
1	Up. Gradation of general nursing school	Basit Gallani	25-04-15	4.5% above T.S offered in bid and work awarded at 4.20% above T.S	408,088
2	Const. of car shed for lowers in Distt court Attock	Zahid Rashid	30-06-15	3.99% above T.S offered in bid and work awarded at 2.90% above T.S	590,896
3	Rehabilitation of electric sewerage and toilet BHU Kot fateh Khan	Syed ejaz Hussain Shah	30-06-15	4.60% above T.S offered in bid and work awarded at 4.35% above T.S	689,438
4	Provision of drinking water facilities BHU Kani, Dakhnair,	Haji safi Ud Din	30-06-15	5% above T.S offered in bid and work awarded at 4% above T.S	984,390
Total					2,672,812

Audit is of the view that due to weak internal controls, single tenders were accepted.

The matter was reported to the management in November 2015. Management replied that single tenders were approved by the EDO (W&S) after following all codal formalities. Reply was not tenable as approval of single tenders was made without compliance of above mentioned instructions of PPRA. DAC in its meeting convened on 22.12.2015 directed to keep para pending for detailed record reverification to ascertain the factual position. No progress was reported till finalization of this report.

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

(Para No- 7)

1.2.1.4 Unjustified Expenditure on Previous Years M&R Scheme in Current Financial Year – Rs3.904 million

According to Para 42(1) of Punjab District Government & Tehsil Municipal Administration(PGD&TMA) Budget Rules (2003) the works should be completed within the same financial year.

DO (Buildings) Attock, incurred expenditure of Rs3.904 million from the budget of current year on M&R to complete schemes of FY-2013-14. This resulted in unjustified expenditure of Rs3.904 million during 2014-15 as detailed below:-

Rs. in million

Sr. No.	Name of Work	Name of Firm	Date of Start	Completion Due Date	FY	Amount
1	Re-const of 03 Class rooms in GBPS Injra Jand	Rab Nawaz	30-01-14	29-04-2014	2014-15	0.710
2	GBHS Tarrap	Adeel Mohammad	31-01-14	30-05-2014		0.588
3	Const. of 4-6" high b/wall=3698 Rft 6ft high R/wall 180Rft 8ft high R/wall=50rft at graveyard in gulzar-e-madana hassanabdal		20-05-14	05-07-2014	2013-14	2.253
4	Const. of 4-6" high b/wall 651 rft 4ft high retaining wall=237, 6ft high R/wall=148rft, 8ft high R/wall=111 rft and b/wall=573 rft existing foundation of graveyard in village domail jhand		20-05-14	19-06-2014		0.353
Total						3.904

Audit is of the view that due to weak internal controls, budget of current year was expended on schemes of previous year.

The matter was reported to the management in November 2015. Management replied that no expenditure was incurred on previous year schemes out of budget of 2014-15. Reply was not tenable as progress report shows incurring of expenditure from current year budget on previous year schemes. DAC in its meeting convened on 22.12.2015 directed to kept para pending for regularization. No progress was reported for regularization till finalization of this report.

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

(Para No-12)

1.2.1.5 Irregular Execution Due to Unauthorized Change of Quantities Rs5.134 million

According to para 1(iii) of Finance Department's letter No. FD(R)11-2/89 dated 24th June, 1996 read with paras 1.59 , 2.88& 2.89 of Buildings & Roads Code, during the execution of work, Divisional Officers are strictly prohibited from making or permitting any material deviations from any sanctioned design without specific authority. Neither the specification nor the quantity of different

items / any additional item scheduled / Non-scheduled approved in the Technical Sanction may be changed and executed without prior approval of such change / new addition by the Competent Authority who has issued Technical Sanction. Such authority will record reasons if any. In case of important structural alterations, though not necessarily involving an increased outlay, orders of original sanctioning authority should be obtained. A revised estimate should be submitted for technical sanction, should the alterations involve any substantial change in the cost of work. In urgent cases, where the delay thus caused would be inconvenient, an immediate report of the circumstances must be made to superior authority and dealt with as the case may be.

DO (Building) Attock awarded works amounting to Rs5.134 million to contractors during 2014-15. Scrutiny of record revealed that contractors had been paid Rs5.134 million .The expenditure was unauthorized and un-justified as scope of work of these schemes was changed without obtaining prior approval from the Competent Authority. This resulted in unauthorized execution and irregular payment of Rs5.134 million being without any prior approval of competent authority and revised TS estimates in view of change of quantities of items of works. The detail is given as under.

Rs. in million

Item No	Name of work	T.S Amount	Work done	Violation
2	Re-Const.05 class rooms GGHS Ganda kus, Pindi Gheb	3.801	3.698	Work has not been executed as per original estimates
5	Const. of 02 Nos Additional Class Rooms GGES Dhrek, Fateh Jhang	1.475	1.436	Work has not been executed as per original estimates
Total		5.276	5.134	

Audit is of the view that due to weak managerial discipline, work was executed without observing the original scope of work.

The matter was reported to the management in November 2015 Management replied that revised TS had been approved for the work done but no record was provided for verification. DAC in its meeting convened on 22.12.2015 directed to keep the para pending till compliance. No compliance was reported till finalization of this report.

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

(Para No-14)

1.2.1.6 Expenditure without Budget- Rs201.342 million

According to note to para 2.4 of B&R code, no work shall be started without allotment of funds.

DO (Buildings) Attock awarded works amounting to Rs215.471 million during 2014-15 against which no budget was available. The payment of Rs201.342 million on the following schemes without budget resulted in irregular expenditure as detailed below:-

Rs. in million

Sr. No	Name of Schemes	Tender date	T.S. Amount	Expenditure
1	Provision of missing facilities in Govt. schools(138.00) million	31.10.2014	136.756	129.548
2	Re-Const. of dangerous class rooms in Govt. schools(55.000) million	31.10.2014	54.493	48.342
3	Const. of additional class rooms (27.0 million)	31.10.2014	24.222	23.452
Total			215.471	201.342

Audit is of the view that due to defective financial management, schemes were executed without budget.

The matter was reported to the management in November 2015. Departments replied that schemes were approved from DDC which were fully funded. Reply was not tenable as neither release of funds nor source of payment was shown to audit. DAC in its meeting convened on 22.12.2015 directed to keep the para pending for reconciliation with EDO (F&P) but no progress was intimated to audit till finalization of this report.

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

(Para No-15)

1.2.1.7 Unauthorized Payment due to Exceeding the Prescribed Limit of Annual Repair and Maintenance –Rs2.090 million

The Finance Department approves the financial yard stick for annual maintenance and repair of roads @ Rs63000 / per km / 10 feet width. Special repair, fixed charges and repair of structure (bridges and culverts) @ 9%, 2.5% and 1% per annum respectively would be in addition of the yard stick according to Finance Department No. FD (D-I)-21/78 P-II dated 17-3-2007.

District Officer (Roads) Attock incurred Rs2.090 million on the maintenance and repair of “Sanjwal Sangjani Road” from village Sangwal to

Bolianwala and Saiqababad part-I length 1.50 KM.As per yard stick, maximum expenditure of Rs70,000/km could be incurred for annual maintenance and repair of road and the consequent expenditure to be incurred was Rs105,000 for road length of 1.5km. DO Roads incurred expenditure over and above the yard stick estimates in violation of the instructions issued by the Finance Department. This resulted in unauthorized expenditure of Rs2.090 million resulting in excess expenditure/over payment of Rs1.985 million as detailed below:-

Rs. in million

Name of scheme	TS Cost	Expenditure	Yard Stick per KM Amount	Expenditure to be incurred for 1.5KM	Excess
Repair of road sanjwal sangjani road portion from village. Sangwal to bolianwala and saiqababad part-I length 1.50 KM	2.924	2.090	0.070	0.105	1.985
Total				0.105	1.985

Audit is of the view that due to defective financial mismanagement, FD instructions were ignored.

The matter was reported to the management in November 2015. Departments replied that schemes were approved from DDC for M&R work. Reply was not tenable as yard stick framed by the FD for M&R work was not followed. DAC in its meeting convened on 22.12.2015 directed to keep the Para pending for regularization but no progress was intimated to audit till finalization of this report.

Audit recommends regularization besides recovery of over payment of Rs1.985 million and fixing responsibility against person(s) at fault.

(Para No-1)

1.2.1.8 Un-authorized Purchase without Performance Warranty Certificates - Rs8.778 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.

EDO (Health) Attock awarded the rate contract of the equipment worth Rs8.778 million to suppliers mentioned against each during 2014-15 but Warranty Certificates were not obtained from the suppliers in failure of due vigilance. This

resulted in un-authorized purchases of Rs8.778 million as detailed below:-

Sr. No	Date of bill	Name of Supplier	Description	Qty	Amount (Rs)
1	17-06-2015	ENDO Care, Lahore	Olympus Stone punch(Japan)	01	280,000
2	--do--	--do--	Olympus adult flexible Cysto Urethro	01	1,050,000
3	--do--	--do--	Olympus adult Cysto resceto scope & urethrome set(Japan)	01	2,155,000
4	--do--	--do--	Endo Vision system (HD-1920x1080)3 Chip with NBI Camera Control unit VISERA ELITE OTV-S190 (Japan)	01	4,243,958
5	--do--	--do--	Olympus adult Nephro scope model vyf-5 with standard set of accessories (Japan)		1,050,000
Total					8,778,958

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs8.778 million was paid irregularly.

The matter was reported to the DCO / PAO in November 2015. The department provided performance guarantee but failed to provide the requisite warranty certificates. DAC in its meeting convened on 22.12.2015 directed for provision of invoices showing warranty. No progress was reported till finalization of this report.

Audit recommends regularization besides fixing responsibility against the officers / officials at fault under intimation to Audit.

(Para No-04)

1.2.1.9 Irregular Drawl of Pay of NFBE Teachers under Head A03970-Rs15.313 million

According to Rule 12 of General Financial Rules, the expenditure may be incurred for the purpose for which the budget allocation is made. Further according to Rule 2.2 of PFR Vol-I, all transactions of moneys received by government servants in their official capacity, and their subsequent remittance to the Treasury or to the Bank, as well as transactions of moneys withdrawn from the Treasury or the Bank by bills and their subsequent disbursement shall be recorded in the Cash Book.

EDO (Literacy) Attock paid Rs15.313 million on account of salary of NFBE teachers from head A03970-Others instead of salary heads during 2014-15. It was noticed that attendance register was not maintained & duly checked by the mobilizer and countersigned by the EDO Literacy. In addition, Performance

reports of teachers were neither prepared nor made available in the office of EDO (Literacy). This resulted in irregular expenditure of Rs15.313 million due to non exercise of due vigilance.

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs15.313 million was drawn irregularly.

The matter was reported to the DCO / PAO in November 2015. The department replied that the amount had been utilized after observing codal formalities. DAC in its meeting convened on 22.12.2015 kept para pending for provision of notification for incurrence of expenditure on pay and allowances from head AO3970-Others. No progress was reported till finalization of this report.

Audit recommends regularization besides fixing responsibility against the officers / officials at fault under intimation to Audit.

(ParaNo-10)

1.2.1.10 Unjustified Expenditure without Calling Tenders Rs2.621 million

Punjab Procurement Rules 2014 Rule 12(1) & (2) provide that 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. In case of procurements over rupees two million , these procurement opportunities may also be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.

Management of formations under Dy. DEO (EE-M & EE-W) Jand District Attock incurred Rs2,621,344 during 2014-15, without calling tenders and advertisement as required under Punjab Public Procurement Regulatory Rules and the PESRP for NSB sub clause 7.

Sr. No.	Name of School	Detail of Expenditure	Amount (Rs)
Dy DEO (EE-M) Jand			
1	GBPS Makhad	Repair of Buildings	110,161
2	GBPS Mariala	Repair of Buildings	125,874
3	GBES Bhall	Repair of Buildings	100,823

Sr. No.	Name of School	Detail of Expenditure	Amount (Rs)
4	GBPS Thata	Purchase of Furniture	170,100
5	GBES Gulial	White Wash of 7 rooms	201,228
	Total		708,187
Dy DEO (EE-W) Jand			
1	GGPS Trangabad	Cons of Washroom	164,000
2	GGES Mariala	Rep of Building	200,625
3	GGES Gari	Rep of Building	139,751
4	GGPS Dhk Maida	Repair of Building	143,600
5	GGPS Gulial Kalan	Const of Varanda	175,066
6	GGPS Mari	Const., of One Room 14*20	258,027
7	GGPS No 2 Nara	Purchase of Watercooler	141,008
8	GGPS Gharbi Basal	Const of One room 30*15	298,051
9	GPS No.1 Nara	Repair of Building	219,988
10	GGMES Ghandian	Repair of Building	173,050
	Total		1,913,166
	Grand Total		2,621,344

Audit is of the view that due to weak internal controls, departments procured store articles ignoring the tender process.

The matter was reported to the management in November 2015. It was replied that expenditure was incurred with the approval of SMC. Reply was not tenable as tender was necessary for economical purchase. DAC in its meeting convened on 22.12.2015 directed to conduct enquiry under chairmanship of EDO(F&P) with members from DMO & DO (Buildings). No progress was reported till finalization of this report.

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

(Para No-04, 05)

1.2.1.11 Irregular Payment without DTL Reports & Batch Number-Rs3.431 million

According to Chapter-III 23(1)(i) of Drugs Act 1976 “No person shall himself or by any other person on his behalf sell any drug without having a warranty in the prescribed form bearing the name and batch number of the drug issued” Further according to the Sr No.19 of Drug Act 1976 and the Drug Rules, 1988, made there-under, the payments for medicines shall be made after obtaining Drug Testing Laboratory (DTL) reports

Management of following formations of the Health Department of the District Attock paid Rs.3.431 million to suppliers for purchase of medicines without DTL reports and invoices having no batch numbers during 2014-15, resulting in irregular payment. The detail is given below:

Sr. No	AIR Para No	Formation	Description	Amount Rs in million
1	4	MS THQ Hospital Pindi Gheb	Without Batch No. Invoices	0.539
2	7	DHQ Hospital	Without Batch No. Invoices	0.772
3	8	DHQ Hospital	DTL Not satisfactory	0.832
4	4	THQ Hospital Hazro	Without Batch No. Invoices	0.488
5	6	THQ Hospital Fateh Jhang	DTL not satisfactory	0.456
6	1	THQ Hospital Jhand	NO DTL	0.344
Total				3.431

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs3.431 million was paid irregularly.

The matter was reported to the DCO / PAO in November 2015. The department replied that batch no and expiry date would be shown but required documents were not provided for verification. DAC in its meeting convened on 22.12.2015. directed to regularize the irregular expenditure. No progress was reported till finalization of this report.

Audit recommends regularization besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.1.12 Un-Authorized/Irregular Expenditure from SMC/NSB Funds and Non Maintenance of Form-6 –Rs10.993 million

According to SMC policy 2007, money can only be drawn and expense be incurred with the approval of the SMC and signature of co-signatory. The proposal of the project on form of the policy based on the estimates prepared and should be sent to AEO concerned for approval.

Management of following formations under Dy. DEO (EE-M & EE-W) District Attock incurred Rs10.993 million through school councils on account of purchase of different items and on execution of civil works. The expenditure was un-authorized as project proposal on Form-6 was not sent to AEO for approval. Expenditure was not presented to council for vetting and signature on invoices on half yearly basis in special meetings required to be held on 15th January and 15th July of each year. Hence expenditure stands un-authorized .The detail is given below.

Rs in million

Sr. No	PDP No	Para No	Formation	Description	Amount
1	50	5	Dy.DEO(EE-W) Hazro 2014-15	Form-6 not maintained and .approval of AEOs not available.	4.170
2	51	6	Dy.DEO(EE-W) Hazro 2014-15		1.933
3	126	-	Dy.DEO(EE-M) Hassanabdal 2013-14		1.883

Sr. No	PDP No	Para No	Formation	Description	Amount
4	129	-	Dy.DEO(EE-M) Fateh Jhang 2013-14		0.739
5	132	-	Dy.DEO(EE-W) Attock 2014-15		0.411
6	176	-	Dy.DEO(EE-W) Jand 2014-15		1.248
7	194	3	Dy.DEO(EE-M) Attock 2013-14		0.070
8	195	4	Dy.DEO(EE-M) Attock 2013-14		0.070
9	199	2	Dy.DEO(EE-M) Hazro 2013-14		0.212
10	200	3	Dy.DEO(EE-M) Jand 2013-14		0.257
Total					10.993

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs10.993 million was paid irregularly.

The matter was reported to the DCO / PAO in November 2015. The department replied expenditure was made through SMC but approval of AEOs on form-6, was not shown to audit. DAC in its meeting convened on 22.12.2015 kept para pending for verification. No progress was reported till finalization of this report.

Audit recommends regularization besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.1.13 Unjustified Payment of HSRA –Rs6.450 million

According to Government of the Punjab Health Department Notification No.SO(P&E-I)19-113/2004(V) dated 10.03.2007, HSRA will be paid to less attractive area notified No. PO(P&E-I)19-113/2004 dated 13.04.2007.

DDOs of the following offices authorized officers/officials to draw HSRA amounting to Rs6.450 million during 2014-15. Scrutiny of the record revealed that the health institutions did not fall within the criteria of the said allowance .Hence payment made was unjustified.

Rs. in million

Sr. No	AIR Para No	Formation	Description	Amount
1	6	THQ P.Gheb	HSRA/Non entitled	0.344
2	6	THQ Hassan Abdal	HSRA/Non entitled	3.276
3	9	THQ Hazro	HSRA/Non entitled	1.413
4	1	THQ F.Jhang	HSRA/Non entitled	1.329
5		DO(H)	HSRA/Non entitled	0.088
Total				6.450

Audit is of the view that due to weak managerial controls, unjustified allowance was paid, resulting in overpayment of Rs6.450 million.

The matter was reported to the management in November 2015. Department replied that clarification had been sought from the health authorities in

this matter. DAC in its meeting convened on 22.12.2015 kept para pending for proof of admissibility. No such proof for admissibility of said allowance was provided till finalization of this report.

Audit recommends that payment of HSRA should be stopped forthwith and recovery of Rs6.450 million, as pointed out by Audit for the audit period, be effected along with payments made in previous years after detailed calculation under intimation to Audit.

1.2.1.14 Non-Surrendering of Savings–Rs7.100 million

According to rule 17.16 and 17.20 of PFR vol-I, the anticipated savings must be surrendered by 31st March of the financial year so that the amounts surrendered might be utilized for some other purpose.

Following ten (10) offices of District Government Attock incurred Rs17.594 million against the budget allocation of Rs24.694 million during 2014-15 which resulted in non surrendering of funds amounting to Rs7.100 million mentioned below

Rs. in million

Sr. No	AIR Para No	Name of Formations	Budget	Expenditure	Saving
1	1	THQ Pindi Gheb	4.335	2.628	1.706
2	-	Dy.DEO(EE-M) Hassanabdal	5.587	3.267	2.320
3	-	Dy.DEO(EE-W) Attock	7.411	7.004	0.407
4	1	Dy.DEO(EE-W) Jand	1.904	1.506	0.398
5	1	DO (Social Welfare) Attock	1.131	0.184	0.947
6	1	Dy.DO social Welfare Fateh Jhang	1.092	0.802	0.290
7	1	DO (Social Welfare) Pindi Gheb	0.075	0	0.075
8	1	Dy. DO (Social Welfare) Attock	0.891	0.394	0.497
9	1	Manager Industrial Home	0.327	0.063	0.264
10	1	Secretary RTA	1.941	1.746	0.195
			24.694	17.594	7.100

Audit is of the view that due to weak financial management, funds were not utilized and hence lapsed at the end of financial year.

The matter was reported to the management in November 2015. Departments replied that regularization was under process. DAC in its meeting convened on 22.12.2015 kept pending for regularization. No progress was intimated to audit till finalization of this report.

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

1.2.2 Performance

1.2.2.1 Non utilization of funds - Rs4.700 million

According to Rule 64(1)(ii) & (2)(i)(ii) of PDG & TMA (Budget) Rules 2003, each Local Government 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.

EDO Health Attock provided Rs4.700 million for the purchase of ambulance for RHC Ghourghasti Tehsil Hazro District Attock but the same was not utilized for the said purpose. This resulted in non utilization of released funds during 2014-15.

Audit holds that due to poor performance and financial mismanagement, amount of Rs4.700 million was not utilized.

The matter was reported to the DCO / PAO in November 2015 The department replied that M/S Toyota Motors was unable to make supply of ambulance by June, 2015. DAC in its meeting convened on 22.12.2015 directed for provision of reply by Toyota Motors. No progress was reported till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault under intimation to Audit.

(Para No-05)

1.2.2.2 Blockage of Government Funds- Rs1.55 million

According to Rule 64(i)& (ii) of PDG & TMA (Budget) Rules, 2003, every local government shall be responsible to ensure that it develops the effective means to implement the budget as passed by the council; and to ensure that authorized budget allocations are expended in conformity with the Schedule of Authorized Expenditure.

MS DHQ Hospital, Attock purchased Baby Incubator worth Rs1.55 million for baby nursery during 2014-15, which was lying unused since its purchase resulting in blockage of government money.

The matter was reported to the DCO / PAO in November 2015. The department replied that Baby Incubator was purchased on need basis and nursery will start functioning soon on the availability of human resources. DAC in its meeting convened on 22.12.2015 kept para pending for regularization. No progress was reported till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at

fault under intimation to Audit.

(Para No-13)

1.2.2.3 Non Recovery on Account of Food License Fee-Rs7.500 million

According to the Punjab Pure Food Act, 2011, Food License Schedules are as for Category 1(a) Rs5,000 Category 1(b) Rs10,000 and for Category (c) Rs50,000.

DO (Health) Attock did not recover Food license fee from 1,500 food outlets (approximately) per annum amounting to Rs7.500 million (1,500x5,000=Rs7,500,000) during 2014-15, in violation of rule ibid. This resulted in non recovery of food license Fee.

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs7.500 million was not recovered.

The matter was reported to the DCO / PAO in November 2015. The department replied that authority of recovering license fee had been shifted to Food Department. Reply was not tenable. DAC in its meeting convened on 22.12.2015 directed for recovery. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility against the officers / officials at fault besides early recovery of Rs7.500 million under intimation to Audit.

(Para No-02)

1.2.2.4 Non Deduction of Tax Receipts -Rs1.385 million

According to Sales Tax Act 1990 and as further clarified vide CBR letter No. 3(72)/STP/97 dated 29-12-1997 payment against GST is to be made on production of Sales Tax invoices by the suppliers read with the section 153 Income Tax Ordinance 2001, tax at-source @4.5% was required to be deducted at the time of payment to suppliers of stores etc.

Management of the following formations of District Government Attock neither deducted the GST and Income Tax amounting to Rs1.385 million from supplier bills nor intimation for verification of deposit was forwarded to Collectorate of Sales Tax during 2014-15 resulting in non deduction of tax receipts.

Rs. in million

Sr. No	Para No.	Formation	Description	Amount
1	03	EDO (Education)	Suzuki Motor Mianwali / Non verification GST	0.794
2	10	DO(Health)	Qazi Surgical, Apex Enterprises, Sahar International	0.148

Sr. No	Para No.	Formation	Description	Amount
3	02	DO (OFWM)	Recoverable from Water Users Associations	0.290
4	05	THQ Pindi Gheb	Income Tax deducted 1% instead of full rates	0.078
5	02	Dy. DEO(EE-M) Hassanabdal	Income Tax Not deducted	0.075
Total				1.385

Audit holds that due to poor internal controls and financial mismanagement, tax receipts amounting to Rs1.385 million was not recovered.

The matter was reported to the DCO / PAO in November 2015. The department replied that recovery would be affected. DAC in its meeting convened on 22-11-2015 directed for compliance. No progress was reported till finalization of this report.

Audit recommends fixing responsibility against officers / officials at fault besides early recovery of Rs1.385 million under intimation to Audit.

1.2.2.5 Non-Recovery of House Rent and Conveyance Allowance – Rs4.428 million

According to Government of the Punjab Finance Department No.FD(M-I) 1-15/82-P-I dated 22.01.2000. In case of designated residence, the officer / official for which residence is meant cannot draw House Rent Allowance and will have to pay 5 % house rent even if he does not avail the facility and residence remains vacant during the period read with the notification of the Finance Department Government of the Punjab No.FD.SR.1.9-4/86 (PR) dated 15.10.2011, “The officers/ officials residing in the residential colonies situated within work premises are not entitled to the facility of conveyance allowance and as per Finance Department Government of the Punjab No.FD.SR 19-86(P)(PR) dated 21.04.2014, it is clarified that Officers/Officials who are availing Govt. vehicles including bikes are not entitled to the facility of conveyance allowance.

Management of the following offices of the District Government Attock made payments of Rs4.428 million on account of House Rent and Conveyance Allowance to the staff who were provided with government accommodation and residing within the premises of the health institutions during 2014-15 resulting in overpayment.

(a) Recovery on account of non deduction of House Rent Allowance

Rs in million

Sr. No	Para No	Name of Formations	Description	Amount
1	7	THQ Pindi Gheb	5% normal rent/maintenance charges	0.030
2	8	THQ Pindi Gheb	HRA	0.230
3	4	DHQ Attock	5% normal rent/maintenance charges	0.278
4	5	DHQ Attock	HRA/CA	0.230
5	6	THQ Hazro	5% normal rent/maintenance charges	0.038
6	4	DO (H)	HRA	3.034
7	1	DO live Stock	CA	0.069
8	3	Dy.DEO(EE-W) Jand	HRA	0.186
Total				4.095

Moreover the officers of the following offices had been provided the vehicle and they had been paid conveyance allowance amounting to Rs333,003.

(b) Recovery on account of non deduction of Conveyance Allowance

Sr. No	Para No	Formation	Description	Amount (Rs)
1	4	Dy.DEO(EE-W) Hazro	Provided Car	75,000
2	3	MS.THQ Hospital Hazro	CA during Leave	30,000
3	5	Dy.DEO(EE-M) Attock	CA during Leave	16,732
4	-	Dy.DEO(EE-M) Fateh jhang Attock	CA during Leave	40,297
5	-	Dy.DEO(EE-M) Fateh jhang Attock	CA during Leave	40,907
6	2	DO Live Stock	Having Car	60,000
7	4	Dy.DEO(EE-M) Jhand	Half Pay leave	70,067
Total				333,003

A+B=4.428 million

Audit is of the view that due to weak internal controls, unjustified payment of conveyance allowance was made resulting in loss to government.

The matter was reported to the management in November 2015. Management replied that recovery in some cases was in process and remaining were authorized by the department to draw the said allowances due to damage of residential buildings but no record was provided for verification. DAC in its meeting convened on 22.12.2015 directed for recovery but no progress was reported till finalization of this report.

Audit recommends recovery of Rs4.428 million besides fixing responsibility against the person(s) at fault.

1.2.2.6 Non Utilization of Funds-Rs15.01 million

As per policy 2007 all funds collected either from government or from donation be spent on betterment of the student after following financial procedure defined by government of the Punjab, Finance Department read with the rule 17.16 and 17.20 of PFR Vol-I, the anticipated saving must be surrendered by 31st March of the financial year so that the amounts of surrendered might be utilized for some other purpose.

Following five (05) Offices of the education department of District Attock did not utilize the funds amounting to Rs15.01 million during 2014-15 which resulted in non-utilization of budget .The detail is given below:

Rs in million				
Sr. No	AP No	Formation	Description	Amount (Rs)
1	9	EDO (Literacy)	Development	8.174
2	3	Dy. DEO(EE-M) Attock	SMC Account	0.522
3	-	Dy. DEO(EE-M) Hassanabdal	SMC Account	0.780
4	-	Dy. DEO(EE-W) Fateh Jhang	SMC Account	5.370
5	-	Dy. DEO(EE-M) Attock, 2013-14	SMC Account	0.164
Total				15.010

Audit is of the view that due to weak internal controls and financial mismanagement, Govt., money was not utilized effectively and promptly.

The matter was reported to the DCO / PAO in November 2015. The departments replied in some cases that amount had been utilized as per need and in some cases no reply was furnished. DAC in its meeting convened on 22.12.2015 directed to regularize the expenditure from Finance department Government of Punjab. No progress was reported till finalization of this report.

Audit recommends regularization of irregular expenditure besides fixing responsibility of officers / officials at fault and early recovery under intimation to Audit.

(Para No.9, 3)

1.2.2.7 Non recovery of Overpayments and Charges–Rs2.607 million

According to Rule 2.31 (1) of the PFR Vol-I, a drawer of a bill of pay and allowances, contingent charges and other expenses the DDO will be held personally responsible for any over charges, fraud and misappropriation read with the Rule 7-A of Sub Treasury Rules, the Conveyance Allowance is not admissible during leave period and the Qualification Pay admissible to the teaching staff of

the Education Department or to the department notified by the government. Moreover According to Government of Punjab Health Department Order No. SO(ND)2-26/2004(p-II) the Non Practicing Allowance @ 4,000 P.M (B-17&18) and 6000 for (BS-19&20) is admissible only for those doctor who do not avail option for private practices.

Nineteen (19) offices of the District Government Attock made payments of Rs2.607 million on account of Pay & Allowances during 2014-15 to different incumbents at higher rates and beyond entitlement which resulted in overpayment. Detail is given below:

				Rs. in million
Sr. No	Para No	Formations	Description	Amount
1	7	EDO(H)	Qualification Pay	0.124
2	8	EDO(H)	N.P.A	0.048
3	9	EDO(H)	Residence Telephone bill unpaid	0.018
4	11	THQ Pindi Gheb	Dental Charges (Free Extraction)	0.048
5	1	DHQ Attock	Qualification pay	0.225
6	2	DHQ Attock	Incentive	0.036
7	3	DHQ Attock	N.P.A	0.952
8	4	THQ Hassan abdal	SSB 30% to regularized person	0.213
9	12	DOH	SSB 30% to regularized person	0.034
10	7	THQ Hazro	Qualification allowance	0.060
11	5	Dy.DEO(EE-M) Attock	Conveyance Allowance during long leave	0.016
12	8	DO(H) Dr. Waqas	NPA	0.048
13	12	Dy.DEO(EE-M) Jabd	Pay	0.103
14	02	Dy.DEO(EE-W) Jabd	CA during leave	0.082
15	-	Dy.DEO(EE-W) Jabd	CA during leave	0.116
16	02	Dy.DEO(EE-M) Hassanabdal	CA during leave	0.122
17	04	Dy.DEO(EE-M) Hazro	Non fixation at initial pay after regularization	0.259
18	05	-Do-	Resign from service	0.033
19	04	Dy.DEO(EE-M) Jand 2013-14	Half pay leave CA not deducted	0.070
Total				2.607

Audit is of the view that due to weak internal controls and defective management overpayment on account of pay and allowances was made.

The matter was reported to the DCO / PAO in November 2015. It was replied that the concerned officers/officials had been directed for recovery. DAC in its meeting convened on 22.12.2015 directed for recovery. No compliance was reported till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault besides early recovery of Rs2.607 million under intimation to Audit.

1.2.2.8 Non-Recovery of License Fee and Rent of Shops-Rs27.761 million

According to section 4.1 of PFR volume-I “The departmental controlling officer should assure that all sums due to Government are regularly received and checked against demand and that they are paid in to treasury”. Further, section 126 of Punjab Local Government Ordinance 2001 states, in case of any loss of property of Local Government, the responsibility of such loss shall be fixed by the concerned Local Government and the amount of loss shall be recovered from the concerned defaulting person.

Council Officer of District Attock failed to recover license fee from different oil companies and shop rent of District Government property amounting to Rs27.761 million during 2003-14, resulting in non recovery. The detail is given below.

(a) Non recovery of License fee w.e.f 2003 to 2014

Sr. No	Name of Entity	Rate/ year (Rs)	Amount recoverable (Rs)
1	Attock Oil Co.	500,000	5,500,000
2	Toot Oil Co. Jand	500,000	5,500,000
3	Dakhny Oil Co.Jand	500,000	5,500,000
4	Ratana Oil Co. Jand	500,000	5,500,000
5	POL Ltd Koor	500,000	5,500,000
Total			27,500,000

(b) Shop Rent

Sr. No	Shop No	Name of Occupants	Amount(Rs)
1	12	Ahmed Saeed	10,650
2	14	M. Ayub	121,682
3	17	Malik Khalid	6,050
Total			138,382

(c) Non recovery of licence fee Rs0.123 million

Sr. No	Name of concerned	Nature of business	Amount (Rs)
1	Manager, Attock Marble Factory, GT Road near Haropal	Marble factory	20,000
2	Manager abdal marble factory, abbotabad road, near KSB, Hassan Abdal	Marble factory	20,000
3	Manager, classic marble factory GT Road Sanjwal Chowk, Faqirabad	Marble factory	20,000
4	Manager Rehman CNG GT Road Mannu Nagar, Hassan Abdal	CNG	14,000
5	Manager Noor CNG Attock, Kamra road,near three mila	CNG	10,000
6	Manager Masa Allah CNG station Attock Kamra Road People colony	CNG	19,000
7	Riaz brothers call tax hazro, gondal road, kalu khurd hazro	Filling Station	5,000
8	Manager PSO filling station dhulian pindi gheb	Filling Station	5,000

Sr. No	Name of concerned	Nature of business	Amount (Rs)
9	Manager Attock petroleum service station dhulian pindi gheb	Filling Station	5,000
10	Manager sardar bali khan petroleum service court mor Rawalpindi tehsil fateh jang	Filling Station	5,000
Total			123,000

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs27.761 million was not recovered.

The matter was reported to the DCO / PAO in November 2015. The department replied that in case of shop rent Rs88,862 has been recovered and balance of Rs49,520 would be recovered soon and recovery of license fee would be effected as arrear of land revenue act. The reply was not tenable because the recovered amount was not got verified by audit. DAC in its meeting convened on 22.12.2015 directed for recovery. No progress was reported till finalization of this report.

Audit recommends fixing responsibility against officers / officials at fault besides early recovery of Rs27.761 million under intimation to Audit.

(Para No-1,2,4)

1.2.2.9 Loss to Government of Rent due to Non re auction of Shops- Rs1.246 million

According to letter No. SO III (LG)2-11, Govt. of The Punjab Local Government & Rural Development, Department dated Lahore, 30th May, 2002, contracts of the shops shall be re-auctioned after 2001.

Council Officer of District Attock made contract of shops rent before the promulgation of the Punjab Local Government Ordinance-2001 which was still renewed by 10% annual increase in rent of shops/land of the Local Government. Whereas in the light of the above said letter, terms & conditions laid in the memorandums No.SO.III/2-11/80 /07-07-1982, it was invalid and no longer applicable as the value of properties had been increased manifold during the last decade. As a consequence of non re-auction of shops and non compliance of the PLGO instructions, the Local Government suffered loss of Rs1.246 million. Detail is given below.

Amount in Rupees					
No of Shops	Name of Lessee	Rent Per month	Market Rate of Rent	Less Rate of Rent	Rent for one year
1	M. Rafique	9,025	13,538	4,513	54,150
2	Frasat ellahi	9,182	13,773	4,591	55,092
3	Syed m. zahid	10,100	15,150	5,050	60,600

No of Shops	Name of Lessee	Rent Per month	Market Rate of Rent	Less Rate of Rent	Rent for one year
4	Zubair Khan	10,100	15,150	5,050	60,600
5	Babar khan	6,652	9,978	3,326	39,912
6	Waqas ahmed	7,172	10,758	3,586	43,032
8	Danish zahoor	9,100	13,650	4,550	54,600
9	Syed m. ayub	4,562	6,843	2,281	27,372
10	Kaleem ahmed	5,747	8,621	2,874	34,482
11	Kaleem ahmed	4,505	6,758	2,253	27,030
12	Ahmed saeed	3,905	5,858	1,953	23,430
13	Rustam khan	5,753	8,630	2,877	34,518
14	Syed m.ayub	4,562	6,843	2,281	27,372
15	Rafiq ul islam	5,178	7,767	2,589	31,068
16	Syed m. jamil shah	5,203	7,805	2,602	31,218
17	Khalid mehmoood	6,655	9,983	3,328	39,930
18	Irshad hussain	9,000	13,500	4,500	54,000
19	Amjad mehmoood	10,000	15,000	5,000	60,000
20	Karam khan	10,100	15,150	5,050	60,600
21	Karam khan	10,100	15,150	5,050	60,600
22	Karam khan	10,100	15,150	5,050	60,600
23	Karam khan	9,061	13,592	4,531	54,366
24	Karam khan	8,000	12,000	4,000	48,000
25	Karam khan	8,000	12,000	4,000	48,000
26	M.Mushtaq	3,993	5,990	1,997	23,958
27	Azam sarwar	4,707	7,061	2,354	28,242
28	Nadeem afzal	5,000	7,500	2,500	30,000
29	Ali Muhammad	4,935	7,403	2,468	29,610
30	Rafique ahmed	5,345	8,018	2,673	32,070
31	Muhammad bilal	1,997	2,996	999	11,982
Total		207,739	311,609	103,870	1,246,434

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs1.246 million was not recovered.

The matter was reported to the DCO / PAO in November 2015. The department replied that rent had been already enhanced. Reply was not tenable. DAC in its meeting convened on 22.12.2015 directed for re auction of shops keeping the present rent as reserve price. No progress was reported till finalization of this report.

Audit recommends re auction besides fixing responsibility against officers / officials at fault and early recovery of Rs1.246 million under intimation to Audit.

(Para No-05)

1.2.3 Internal Controls Weakness

1.2.3.1 Irregular, Unauthorized and Un-Justified Change in Scope of Work without Tender – Rs35.181 million

As per provisions of Punjab Procurement Rules 2014 Rule 12(1) & (2) 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. In case of procurements over rupees two million, these procurement opportunities may also be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. According to para 1(iii) of Finance Department's letter No. FD(R)11-2/89 dated 24th June, 1996 read with paras 1.59 & 2.89 of Buildings & Roads Code, during the execution of work, divisional officers are strictly prohibited from making or permitting any material deviations from any sanctioned design without specific authority. Neither the specification nor the quantity of different items / any additional item scheduled / Non-scheduled approved in the Technical Sanction be changed and executed without prior approval of such change / new addition by the Competent authority who has issued Technical Sanction. Such authority will record reasons if any. In case of important structural alterations, the orders of original sanctioning authority should be obtained. A revised estimate should be submitted for technical sanction, should the alterations involve any substantial change in the cost of work.

District Officer (Roads) awarded work for "Construction of road from Amanpur to Brawala Jand" valuing Rs27.760 million during 2014-15 against Admin Approval of scheme Rs35.181 million. Expenditure was unauthorized, irregular and unjustified as main item of work scupper of 2296Rft costing Rs7.421 million was executed without (prior approval) orders of competent authority & revised T.S, after the commencement of work and also without issuance of tender for competitive rates. This resulted in unauthorized and irregular change in scope of work without tender and also without any justification.

Rs. in million

Name of Work	Work. Order Date	Original Scope	Revised Scope on 08-04-15	Scope of work
Const. of road scupper 2296rft, 4" span, culvert=09 numbers ,18" diameter pipe culvert= 20 numbers 6" high/retaining wall, 1040 rft, 10ft high R/wall=245 rf parapet wall-1200 rft from amanpur to brawala jand	16.10.2014	27.760	35.181	Revised pavement designed & Enhancement required

Audit is of the view that due to weak internal controls, departments executed the scheme without following tender process.

The matter was reported to the management in November 2015. Management replied that revised TS had been approved for execution of the work but no record was provided about tender/bidding process of item of work scupper. DAC in its meeting convened on 22.12.2015 directed to keep the para pending till compliance. No compliance was reported till finalization of this report.

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

(Para No-03)

1.2.3.2 Non-adjusting of Material at Site – Rs1.574 million

Page 207 of Book of Specification of B&R 1967, states that adjustment/reuse of material available at site should be mentioned in Technical Sanction estimate.

DO (Roads) Attock made payment of Rs6.969 million paid vide Doc. No. 5100237249 dated 24.06.2015 against work “Construction of road from Amanpur to Barwala Jand L=4.45 KM” including Rs1.574 million but material for this amount at site was not found credited to the work. This resulted in non adjustment of material at site. Detail is as under:

Sr. No.	Item	Qty	Extra Material taken from outside for utilization	Rate of extra material (Rs)	Amount (Rs)
1	Excavated soft rock useable for sub base	689,148	51,546	3,054.75	1,574,622

Audit is of the view that due to weak financial management and internal controls, deductions of material at site was not made.

The matter was reported to the DCO / PAO in November, 2015 Management replied that soft rock was unable to be reused due to less density but no lab test report was provided. DAC in its meeting convened on 22.12.2015 directed for recovery on account of material used for sub base instead of soft rock material. No progress was reported till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault besides recovery under intimation to Audit.

(Para No-4)

1.2.3.3 Irregular Expenditure on Account of Rehabilitation Causeway –Rs17.363 million

As per provision of Punjab Procurement Rules 2014 Rule 12(1) & (2) 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. In case of procurements over rupees two million, these procurement opportunities may also be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. Rule 13 ibid states that under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

DO (Roads) Attock awarded work "Construction of Road from Kot Fateh Khan to Dhok Innayait via Thatti Noor Ahmed Shah Fateh Jhang L=2.85 km" worth Rs17.363 million during 2014-15. Scrutiny of the record revealed that only prequalified firms were invited to participate through notices during Feb, 2013 and work was awarded without open competition through advertisement for the most economical rates ignoring the PPRA rules. Moreover, the response time in calling and opening of bids submitted by only pre-qualified firms was also less than fifteen days which led to unhealthy completion and resulted in irregular expenditure of Rs17.363 million.

Audit is of the view that due to weak financial management and internal controls, advertisement on PPRA was not published after pre-qualification of firms.

The matter was reported to the DCO / PAO in November, 2015. Managementt replied that advertisement was published on PPRA's website for prequalification. Reply was not tenable as advertisement for open competition was not published and response time in opening of bids was also less than fifteen days. DAC in its meeting convened on 22.12.2015 directed to keep the para pending for regularization. No progress for regularization was reported till finalization of this report.

Audit recommends fixing responsibility against the officers / officials at fault besides regularization from Competent Authority.

(Para No-08)

1.2.3.4 Irregular Procurements without District Tender Board- Rs57.920 million

According Government of the Punjab, LG&CD Department notification No. SO.D.G (Dev) (LG)9-7/2009 dated 23.12.2010, District Tender Board comprising the following is hereby constituted in all the Districts of Punjab for issuing, receiving and opening of tender “EDO of client department as Chairman, Representative of Commissioner, DCO, EDO(F&P), EDO(W&S) members and DO of the executing agency will be the Secretary of the Board”. All works shall also be awarded within the District through this Board.

EDO (Health) Attock executed annual rate contract for purchase of medicines, lab items, X-ray films, stationary, and miscellaneous item for the financial year 2014-15. Scrutiny of the record revealed that the process was executed through “District purchase committee” notified by the DCO Attock instead of District Tender Board in violation of above criteria. On the basis of this rate contract, different health institutions of District Attock made purchases for Rs57.920 million during financial year 2014-15 which was un-justified. Detail is as under:

Sr. #	Name of Institution	Amount (Rs)
1	DO Health (BHUs)	20,500,000
2	SMO I/C RHC Bahtar	700,000
3	SMO RHC Rango	700,000
4	SMO PHC Chab	700,000
5	SMO RHC Domeli	800,000
6	M.S. THQ Hospital Fateh Jhang	1,720,000
7	M.S. THQ Hospital Hazro	3,800,000
8	M.S T.H.Q. Hospital Jand	1,700,000
9	MS DHQ Hospital attock	18,000,000
10	MS THQ Hassan Abdal	1,900,000
11	RHC Magian	700,000
12	DO Health GRDs	700,000
13	THQ Pindi Gheb	3,800,000
14	DO Health Others Disp Rural	2,200,000
	Total	57,920,000

Audit is of the view that due to weak internal controls, departments procured medicines and store articles without following tender process.

The matter was reported to the management in November 2015. Department replied that purchase was made through District Tender Board notified by the Govt. of The Punjab but no evidence was shown to audit. DAC in its meeting convened on 22.12.2015 kept para pending for provision of proceeding duly approved by District Tender Board. No compliance was reported till

finalization of this report.

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

(Para No-1)

1.2.3.5 Irregular Procurement of Medical Equipment-Rs7.275 million

As per provision of Punjab Procurement Rules 2014 Rule 12(1) & (2) 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. In case of procurements over rupees two million, these procurement opportunities may also be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. Rule 13 ibid states that under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

EDO (Health) paid Rs7.275 million to the following firms on account of purchase of equipment during 2014-15 but in violation of the Public Procurement Regulatory Rules, neither the advertisement was published in national newspapers nor inspection certificate from technical expert / end user was obtained. This resulted in irregular purchase for Rs7.275 million.

Name of Suppliers	Invoice No	Description	Qty	Amount (Rs)
Sigma international	SIA/306/13-06-15	Dental unit model DE 20 adept DA 110 A diplomat solovkia	01	1,388,000
-do-	-do-	Orthopedic Table Model SU-02 Famed Poland	01	1,997,000
Radiant Medical Pvt Ltd.	465/ 10-06-15	Phaco emulsification machine	01	3,890,000
Total				7,275,000

Audit is of the view that due to weak internal controls, departments procured machinery and equipments without following PPRA rules.

The matter was reported to the management in November 2015. Management replied that the procurement was made following the PPRA rules. Reply was not convincing as advertisement was published in local news papers and inspection certificate was also not obtained from technical expert. DAC in its meeting convened on 22.12.2015 kept para pending for verification of documents.

No compliance was reported till finalization of this report.

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

(Para No-03)

1.2.2.6 Non award of Left over Works under Rescinded Contract - Rs5.954 million

As per clause 61 of the Contract Agreement in every case in which Contract should be rescinded under clause 60 and in the opinion of the engineer in-charge such work should be done at the risk and expense of the contractor and the work shall be executed out of his hand and given to another contractor.

DO (Buildings) awarded works worth Rs6.301 million to the following contractors who failed to complete the work within stipulated period of time valuing Rs5.954 million despite several notices by DO(Buildings) Attock. Department neither recovered the price escalation nor awarded the works after invoking clause 61 of the Contract Agreement.

Rs. in million

Sr. No.	Name of Scheme	Agreement amount & Date	Paid to contractors	Balance work	50% of Balance work	Total Recoverable
1	2	3	4	5	6(4+5)	
1	Re-construction of 4 Nos. of Class Rooms(28x18) size with 7" wide verandah in GBHS Tarap, Jhand	Rs 3.624 Million Start.31.10.14 end 30.05.15	1.621	2.003	1.001	3.004
2	Re-construction of 4 Nos. of Class Rooms(24x16) size with 7" wide verandah in GBPS Injra	Rs 2.677 million Start 30.10.14 End 29.04.15	0.710	1.967	0.983	2.950
Total		6.301	2.331	3.97	1.984	5.954

Audit is of the view that due to weak managerial controls, engineering staff was unable to get the work done from contractor in time.

The matter was reported to the management in November 2015. Management replied that final notice had been served to the contractor for completion of work. DAC in its meeting convened on 22.12.2015 directed to recover the price escalation from contractors and get the work completed at his risk and cost but no progress was reported till finalization of this report.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of price escalation amounting to Rs5.954 million and completing the work at risk and cost of defaulting contractors under intimation to Audit.

(AIR Para No.04)

1.2.3.7 Non-credit of Lapsed Securities– Rs1.802 million

According to Para 12.7 of PFR Vol-I, unclaimed/lapsed Securities be deposited to revenue if lying outstanding for more than 3 years shall be credited to the Treasury and Page 207 of Book of Specification of B&R, 1967, adjustment/reuse of material available at site should be mentioned in T.S estimate.

Management of the following formations of District Attock did not credit the lapsed securities to government treasury during 2014-15 resulting in non-credit of lapsed securities of Rs1.802 million.

Rs. in million					
Sr. No.	Name of Formation	PDP	Description	Para in AIR	Amount
1	DO (Roads)	24	Non-crediting Lapsed Securities	10	1.245
2	DO (Buildings)	11	Non-crediting Lapsed Securities	11	0.557
	Total				1.802

Audit is of the view that due to mismanagement, the lapsed securities /material were not credited .

The matter was reported to the DCO / PAO in November 2015. Management replied that the compliance was under process and Rs1.162 million had been credited. Reply was not convincing as verification from DAO Attock was not shown to audit. DAC in its meeting convened on November 22.12.2015 directed for compliance. No compliance was reported till finalization of this report.

Audit recommends verification of credit of lapsed securities besides fixing responsibility against the officers / officials at fault under intimation to Audit

(Para No-10)

1.2.3.8 Irregular and Defective Supply of Medicines -Rs3.078 million

According to the Section 3(s)(i) of the Drugs Act, 1976 "Misbranded drug" means a drug which is not labeled in the prescribed manner and according to Clause 13 the rate contract of medicine awarded by the City District Government Rawalpindi for 2014-15, "leaflets packing must be supplied as per specifications".

DO (Health) purchased following medicines of Rs3.078 million during 2014-15. It was noticed by the audit that medicines were misbranded as they were supplied without having leaflet containing specifications inside in violations of Rate Contract and Drugs Act, 1976.

Name of Medicine	Supplier	Rate (Rs)	Quantity	Total (Rs)
Tab Diclofenic Sodium	BJ Pharmaceutical	0.32	744,000	238,080
Syp Zinc Sulphate	BJ Pharmaceutical	12.90	40,000	516,000

Name of Medicine	Supplier	Rate (Rs)	Quantity	Total (Rs)
Tab Maganamic Acid 250mg	Lisco Pharmaceutical	0.70	744,000	520,800
Tab Chloriquine	Sunwin Pharmaceutical	1.70	124,000	210,800
Tab Chlorophermine 4 mg	Sunwin Pharmaceutical	0.11	300,000	33,000
Syp Mebendazole	Sherook Pharmaceutical	20.45	24,800	507,160
Inj Metronidazole	Punjab Pharmacy	30.44	12,000	365,280
Gentacimine Cream	Punjab Pharmacy	22.90	30,000	687,000
			Total	3,078,120

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs3.078 million was paid irregularly for defective supply.

The matter was reported to the DCO / PAO in November 2015. The department replied that leaflets were missing in some packets of medicines. DAC in its meeting convened on 22.12.2015 directed to conduct an Inquiry under EDO(F&P) along with DMO & Drug Inspector as members. No progress was reported till finalization of this report.

Audit recommends regularization besides inquiry for fixing responsibility against the officers / officials at fault under intimation to Audit.

(Para No-06)

1.2.3.9 Non/Late Supply of Medicines -Rs8.497 million Non Recovery of Security -Rs0.492 million

As per S.No.13 of rate contract executed by the EDO (Health) for the period 2014-15, terms and conditions” 2% penalty will be deducted/recovered from supplier bill for late supply of medicines, If suppliers fail to provide the supplies within the time limit given in the supply orders, then performance guarantee @ 5% in shape of call deposits in favor of EDO (Health) (Chief Purchase Officer) as required under clause 39 of PPRA 2009, shall have to be forfeited.

Following seven (07) Offices of the Health Department Attock placed supply orders for the purchase of medicines and machinery worth Rs8.497 million during 2014-15 which were required to be delivered within stipulated time period. Suppliers did not provide the medicines within the stipulated period of time even after lapse of financial year .Department neither recovered the 2% liquidated damages & forfeited security @ 5% amounting to Rs0.492 million nor the firm was declared black listed. This resulted in non supply of medicines worth Rs8.497 million and non-forfeiture of security.

(Rs. in million)

Sr. No	AP No	Formations	Description	Value of supplies	Security/ LD Charges
1	5	EDO (H)	Suction Machine(02) M/S Quintex Medical Lahore	0.254	0.012
2	3	THQ Pindi Gheb	Medicines	1.037	0.041
3	5	MS DHQ hospital	Medicines	3.231	0.065
4	9	MS DHQ hospital	Medicines	0.769	0.038
5	8	THQ Hassan Abdal	Medicines	0.242	0.012
6	9	THQ Hassan Abdal	Medicines	0.297	0.005
7	9	THQ Hazro	Medicines	2.667	0.319
Total				8.497	0.492

Audit holds that due to poor internal controls and financial mismanagement, amount of Rs8.497 million was paid irregularly without recovering the liquidated damages of Rs0.492 for late supply.

The matter was reported to the DCO / PAO in November 2015. The department replied recovery would be affected. No compliance was shown in DAC meeting. DAC in its meeting convened on 22.12.2015 directed for recovery which was not reported till finalization of this report.

Audit recommends regularization besides fixing responsibility against the officers / officials at fault under intimation to Audit.

1.2.3.10 Non- Maintenance of Account/Cash Book –Rs 3.674 million

According to Rule 2.2 of PFR Vol-I, all transactions of moneys received by government servants in their official capacity, and their subsequent remittance to the Treasury or to the Bank, as well as transactions of moneys withdrawn from the Treasury or the Bank by bills and their subsequent disbursement shall be recorded in the Cash Book.

Following offices of the District Government Attock made payments of Rs3.674 million during 2014-15 but Cash Book was not maintained properly as DDOs of the offices did not acknowledge the payments on monthly basis.

Rs in million

Sr. No	AP No	Description	Amount
1	4	Dy DEO(EE-M) Pindi Gheb 2013-14	0.155
2	3	Dy DO Social Welfare 2013-14	0.652
3	1	DO Excise 2014-15	2.330
4	8	Dy.DEO(EE-W) Jand 2014-15	0.299
5	10	Dy.DEO(EE-W) Jand 2014-15	0.238
Total			3.674

Audit holds that due to defective financial discipline and weak internal controls, relevant record was not maintained properly in violation of constitutional

provisions.

The matter was reported to the DCO / PAO in November 2015. Department did not give any reply. DAC in its meeting convened on 22.12.2015 kept para pending till compliance.

Audit recommends regularization besides fixing responsibility on the officers / officials at fault under intimation to Audit.

ANNEXES

Part-A MFDAC Paras for the Audit year 2015-16

Sr No	Formation	Description	Rs -in million)	Nature of Para
1	DO Excise & Taxation	Non reconciliation of expenditure statement	12,932,000	No compliance of Rules
2	---do---	Irregular expenditure on account of rent of building.	387,000	---do---
3	---do----	Non accountal of stationary worth .	124,123	---do---
4	-----do----	Non obtaining of actual payees receipts	200460	---do---
5	EDO Education	Non imposition of penalty due to late Supply of Vehicles	123,000	---do---
6	---do----	Irregular drawl of TA without approved tour programme.	6,776	---do---
7	DHQ Attock	Non deposit of X-Ray developer fixer waste water charges –.	59,780	---do---
8	---do----	Misappropriation of Syringes.	63,788	---do---
9	THQ Hospital Hassanabdal	Irregular drawl of TA/DA without approved tour programs	185,000	---do---
10	THQ Hospital Hazro	Irregular drawl of TA/DA without approved tour programs	228,000	---do---
11	THQ Hospital Fateh Jhang	Unjustified / Doubtful payment of GST	99,478	---do---
12	---do----	Irregular Procurement without Proper planning	275,757	---do---
13	DOH	Substandard supply of Susp Ibuprofen-	385,500	---do---
14	---do----	Irregular purchase of injections in violation of rate contract –	255,000	---do---
15	DO Live Stock	Illegal occupation on 2 Civil Veterinary Dispensaries.	0	---do---
16	-do-	Reduction of efficacy of vaccine/ medicines amounting to due to non maintenance of cold chan for vaccine and proper temperature for medicines	0	---do---
17	THQ Jhand	Unjustified expenditure without quotation	92,332	---do---
18	Dy.DEO(EE-M) Jhand	Unjustified/Uneconomical expenditure.	201,228	---do---
19	Dy.DEO(EE-W) Jhand	Non-production of record.	0	---do---
20	--do--	Irregular sale of old material of GMS-Jaba	64,400	---do---
21	DO Social Welfare	Irregular payment of bills in cash	83,474	---do---
22	---do----	Irregular expenditure	94,366	---do---

23	---do---	Doubtful expenditure.	63,000	---do---
24	Dy.DEO (EE-M) Jhand	Non provision of award list of PST CM Packag,2012 and irregular Payment	1,256,000	---do---
25	Dy.DEO (EE-M) Pindi Gheb	Irregular drawl of pay and allowances due to excess teachers.	1,008,000	---do---
26	Dy. DO SW F. jhang	Irregular expenditure	61,425	---do---
27	Manager District Industrial Home	Irregular expenditure on POL.	101,873	---do---
28	Secretary RTA	None obtaining of schedule of payments / Non maintenance/ reconciliation of Expenditure Statement	2,096,000	---do---
29	Secretary RTA	Non maintenance of log book irregular drawl of POL	50,000	---do---
30	DO Excise	Non surrendering saving	202,500	---do---
31	MS THQ Hospital Hassan abdal	Non deposit of hospital receipt into Govt.,	60,640	---do---
32	DO Building	Non obtaining of additional performance security due to quoting of rates below 5% MRS.	736,420	---do---
33	DO Building	Doubtful release of securities without completion certificate from end users	76,966	---do---
		TOTAL		

Part-B MFDAC para for the Audit year 2014-15

Sr. No	Name of Formation	Description of Para	Amount	Nature of Irregularity
1	RHC Rangoo	Unauthorized expenditure on account of Health Risk Allowance to class iv employee	306,000	No compliance of Rules
2	DHQ Hospital	Non supply of medicines Rs64,600 and non-forfeiture of security	64,600	---do---
3	THQ Hospital Fatehjang	Irregular expenditure on account of local purchase of medicine -	255,000	---do---
4	DO (Agri Ext)	Non-account for in cash book –	10,092,000	---do---
5		Un-authorized expenditure in excess of budget allocation-	795,694	---do---
6		Non-surrendering of Savings –	320,917	---do---
7	EDO (Health)	Overpayment due to award of excess earned leave	77,772	Recoverable
8	THQ Hospital Pindigheb	Non-recovery of liquidity demerges	53,290	Recoverable
9	GSEC Fatehjang	Unjustified payment of POL without approved route –	1.026,000	No compliance of Rules
10		Unjustified Excess expenditure then budget	250,934	--do--
11		Non-surrendering of Savings –	220,359	---do---
12		Un-authorized purchase without tender board		---do---
13		Unjustified purchase in violation of codel formalities	99,900	---do---
14		Unjustified expenditure beyond competence	95,120	---do---
15	Govt., Institute of Slow	Violation of Incentive Package	102,400	---do---
16	Learners	Non delivery of summer uniform-	137,808	---do---
17	DHQ Hospital Attock	Overpayment of pay and allowances	114,000	Recoverable
18	DCO Attock	Non Auction of old Machineries		Recoverable
19	DO (Sports)	Allocation Excess budget	674,194	No compliance of Rules
20	--do--	Excess expenditure due to Non-observing 15% economic cut on contingency	556,611	---do---
21	--do--	Unjustified expenditure on Cricket Stadium	453,063	---do---
22	--do--	Unjustified purchases	422,421	---do---
23	--do--	Un-authorized expenditure in excess of budget allocation-	241,829	---do---
24	--do--	Non-surrendering of Savings	226,456	---do---
25	Deaf & Defective Hearing School Attock	Expenditure over and above then budget allocation	697,273	---do---
26		Non-surrendering of saving	688,208	---do---

Sr. No	Name of Formation	Description of Para	Amount	Nature of Irregularity
27		Unjustified purchase of Uniform	294,191	---do---
28		Irregular purchase of uniform	294,191	---do---
29		Unjustified purchases from defaulter firms	216,285	---do---
30		Non-supply of uniform items	183,744	---do---
31		Unjustified expenditure on pay & allowance	3,400,000	---do---
32	GSEC Hassanabdal	Expenditure over and above then budget allocation	384,519	---do---
33		Unjustified purchase of Uniform	164,532	---do---
34	EDO (CD)	Non-supply of uniform items	114,840	---do---
35	DEO (EE-W),	Allocation Excess budget	1,137,153	---do---
36		Non-surrendering of Savings –	953,223	---do---
37		Excess expenditure due to Non-observing 15% economic cut on contingency	182,249	---do---
38		Overpayment due to unjustified special increment	64,090	Recoverable
39	DEO (SE)	Allocation Excess budget	472,938	No compliance of Rules
40		Excess expenditure due to Non-observing 15% economic cut on contingency	173,225	--do--
41		Overpayment due to unjustified special increment	73,950	Recoverable
42	Do (Soil Conservation)	Unjustified Excess expenditure then budget	12,883,000	No compliance of Rules
43		Excess expenditure due to Non-observing 15% austerity cut on contingencies	789,247	--do--
44		Variation in reconciliation and FI-Data	272,729	--do--
45		Over budgeting than limit –	272,729	--do--
46	GSEC Hazro	Late purchase of Uniform worth	214,479	--do--
47		Non deduction of conveyance allowance	2,150,000	Recoverable
48	EDO (Health)	Loss to Government due to non-implementation of PPFO 1960	5,000,000	No compliance of Rules
49		Abnormal flow expenditure of	9,000,000	--do--
50	THQ Hospital Hassanabdal	Non reconciliation of hospital receipt	564,425	--do--
51		Loss due to Less deduction of income tax		Recoverable
52	--do--	Wasteful expenditure due to non achieving the objectives		No compliance of Rules
53	THQ Hospital	Non reconciliation of hospital receipt	513,770	--do--
54	--do--	Irregular purchase of uniform	189,000	--do--

Sr. No	Name of Formation	Description of Para	Amount	Nature of Irregularity
55	Govt. Razia Sultana School for blind Girls	Non surrendering of saving of	2,000,000	--do--
56	GSEC Pindigheb	Irregular purchase of uniform	169,139	--do--
57	DO (Health)	Non deduction of conveyance allowance	57,666	Recoverable
58	THQ Hospital Hassanabdal	Doubtful expenditure without DTL	219,260	No compliance of Rules
59	THQ Hospital Jand	Doubtful expenditure without DTL	556,430	--do--

Annex-B

SUMMARY OF APPROPRIATION ACCOUNT DISTRICT ATTOCK 2014-15						
No. & Name of the Grant / Appropriation	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Variation	
					(+) Excess	(-) Saving
Rs	Rs	Rs	Rs	Rs	Rs	
Provincial Excise.	10,734,000	-	10,734,000	7,474,052	(-)	7,474,052
Forests.	8,293,000	-	8,293,000	7,273,019	(-)	7,273,019
Charges on A/c of M. V. Act.	3,149,000	-	3,149,000	2,491,015	(-)	2,491,015
Other Taxes & Duties	5,375,000	-	5,375,000	4,951,880	(-)	4,951,880
General Admin	184,243,000	-	184,243,000	93,503,010	(-)	93,503,010
Education	3,799,268,000	48,315,000	3,847,583,000	3,845,797,977	(-)	3,845,797,977
Health Services	835,001,000	-	835,001,000	779,159,656	(-)	779,159,656
Agriculture	112,450,000	-	112,450,000	104,614,545	(-)	104,614,545
Fisheries	1,899,000	-	1,899,000	1,329,564	(-)	1,329,564
Veterinary	99,781,000	11,985,000	111,766,000	111,484,426	(-)	111,484,426
Co-operative	22,998,000	-	22,998,000	22,052,646	(-)	22,052,646
Industries	1,851,000	121,000	1,972,000	1,961,840	(-)	1,961,840
Misc Departments	4,081,000	-	4,081,000	2,684,392	(-)	2,684,392
Civil Works	53,845,000	-	53,845,000	46,317,712	(-)	46,317,712
Communications	167,079,000	-	167,079,000	141,010,203	(-)	141,010,203
Miscellaneous	38,696,000	-	38,696,000	27,712,049	(-)	27,712,049
Civil Defence	10,971,000	-	10,971,000	2,771,002	(-)	2,771,002
Increase in Pay	220,000,000	-	220,000,000	-	(-)	-
	5,579,714,000	60,421,000	5,640,135,000	5,202,588,988	(-)	437,546,012
Development.	92,062,000	54,228,000	146,290,000	146,240,912	(-)	49,088
Roads & Bridges	84,863,000	-	84,863,000	70,836,148	(-)	14,026,852
Govt. Buildings	229,132,000	91,668,000	320,800,000	320,717,863	(-)	82,137
Total Development	406,057,000	145,896,000	551,953,000	537,794,923	(-)	14,158,077
Grand Total :	5,985,771,000	206,317,000	6,192,088,000	5,740,383,911	(-)	451,704,089
Surrender /Withdrawal	-	-	-448,606,000	-	(+)	448,606,000
	5,985,771,000	206,317,000	5,743,482,000	5,740,383,911	(-)	3,098,089

Annex-C

A. District Officer (Buildings)

Rs in million

Sr: No.	Name of Scheme.	TS Amount	Date of Start	Due Date of Completion.	Exp upto Jun, 2015	Penalty @ 10%
1	Const. of 02 add. class rooms in GGPS No.2 Jand	1.475	30.10.14	28.02.15	1.44	0.148
2	GMPS Jabba	0.926	16.12.14	15.04.15	0.896	0.093
3	GBHS Qutbal	3.19	19.01.15	18.04.15	2.802	0.319
4	Provision of missing facilities boundary wall GBHS Kisran	5.209	10.2.2015	9.4.2015	5.152	0.521
5	Up-gradation of GBES from elementary to high level i.e 03 nos of C. rooms 28x18 science lab 18x35 library 28x18 office 13x12 staff room 17x13x12 02 numbers of stores, corridor 7 “ wide in village bolianwal attock	7.485	6.11.2014	5.5.2015	6.378	0.749
6	Up-gradation of GGES from elementary to high level i.e 03 nos of C. rooms 28x18 science lab 18x35 library 28x18 office 13x12 staff room 17x13x12 02 numbers of stores, corridor 7 “ wide in village shaia hassanabdal	6.097	31.10.2014	30.04.2015	5.572	0.610
7	Up-gradation of GBES from elementary to high level i.e 03 nos of C. rooms 28x18 science lab 18x35 library 28x18 office 13x12 staff room 17x13x12 02 numbers of stores, corridor 7 “ wide in village gali jagir fateh jang.	6.338	30.10.2014	29.04.2015	6.015	0.634
Total DO (Buildings)		30.72			28.255	3.072

B District Officer (Roads)

Sr: No.	Name of Scheme	TS Amount	Date of Start	Due Date of completion	Exp upto June, 15	Penalty @ 10%
1	Rif to darbar masoom badshah jand L=1.50 KM	1.770	05.11.2012	14.05.13	0.789	0.177
2	Const. of road from kot fateh khan to dhok innayait via thati Noor ahmed shah fateh jhang L-2.85 KM	17.363	28.02.2013	27.08.13	2.028	1.736
Total DO (Roads)		19.133	32.336		12.823	1.913
Grand Total (A+B)						4.985