



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT EDUCATION AUTHORITIES
OF 19 DISTRICTS OF PUNJAB
(NORTH)**

AUDIT YEAR 2018-19

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

BF	Benevolent Fund
CEO	Chief Executive Officer
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DDC	District Development Committee
DEA	District Education Authority
DGA	Director General Audit
FBR	Federal Board of Revenue
FD	Finance Department
GPF	General Provident Fund
HEC	Higher Education Commission
HM	Headmaster
IAS	International Accounting Standard
MB Din	Mandi Baha-ud-Din
NAM	New Accounting Model
NFBE	Non-formal Basic Education
NSB	Non-Salary Budget
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PDA	Punjab District Authorities
PDG	Punjab District Governments
PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PLGA	Punjab Local Government Act
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
PST	Provincial Sales Tax
S&GAD	Services and General Administration Department
TMA	Tehsil Municipal Administration

PREFACE

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

The report is based on audit of the accounts of District Education Authorities of 19 Districts of Punjab (North), for the financial year 2017-18. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2018-19 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 significant audit findings. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

Most of the observations included in this Report have been finalized in light of written responses. However, DAC meetings were not convened in most of the cases despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

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

The Directorate General of Audit has a human resource of 90 officers and staff having 22,500 man-days and annual budget of Rs 137.013 million for the Financial Year 2018-19. Directorate General carried out audit of the accounts of District Education Authorities of 19 Districts of Punjab (North) for the Financial Year 2018-19 and utilized 1416 man days in execution of field audit activity of the planned assignments.

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

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

Audit of District Education Authorities was carried out with the view to ascertaining that the expenditure was incurred with proper authorization, in conformity with applicable laws.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with rules.

a) Scope of Audit

Total expenditure of District Education Authorities of 19 Districts for the Financial Year 2017-18 was Rs 120,976.458 million (Annexure-B). Out of this, DG Audit District Governments Punjab (North) Lahore audited expenditure of Rs 36,292.937 million which in terms of percentage was 30 % of total expenditure.

Total receipts of District Education Authority of 19 Districts for the Financial Year 2017-18 was Rs 336.805 million. DG Audit District Governments Punjab (North), Lahore audited receipts of Rs 36.041 million.

b) Recoveries at the instance of Audit

Recoveries of Rs 1,002.585 million were pointed out during audit which was not in the notice of the executive before audit. Recovery of Rs 121.051 million was affected till finalization of this report.

c) Audit Methodology

Desk Audit techniques were applied intensively during the Audit Year 2018-19. This was facilitated by access to live electronic data and availability of permanent files. Desk Audit Review helped auditors in understanding the systems, procedures and environment of the entities before the start of field activity. This facilitated greatly 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 authorities. However, audit impact in the shape of change in rules is yet to be materialized as this is the second Compliance Audit Report on accounts of District Education Authorities to be placed before Public Accounts Committee.

e) Comments on Internal Control and Internal Audit Department

Internal control mechanism of District Education Authorities was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which include some serious lapses like withdrawal of public funds contrary to the entitlement of employees. Negligence on the part of District Education Authorities may be captioned as one of the important reasons for weak Internal Controls.

Internal Control failures come to surface on recurrent basis reflecting serious instances of non-compliance of rules and regulations.

f) The key Audit findings of the report

- i. Misappropriation of Rs 0.200 million was noted in 01 case¹.
- ii. Non-production of record of Rs 1,017.088 million was noted in 11 cases².
- iii. Irregularities & non-compliance of rules amounting to Rs 7,004.923 million was noted in 175 cases³.
- iv. Internal Control Weaknesses of Rs 1,959.729 million was noted in 131 cases⁴.
- v. Performance issues amounting to Rs 6,199.729 million were noted in 12 cases⁵.
- vi. Recovery of Rs 1,002.585 million was pointed out in 75 cases⁶.

¹ Para 3.4.2.1

² Para 1.4.1.1, 3.4.1.1, 6.4.1.1, 8.4.1.1, 10.4.1.1, 11.4.1.1, 13.4.1.1, 14.4.1.1, 15.4.1.1, 16.4.1.1, 18.4.1.1

³ Para 1.4.2.1 to 1.4.2.13, 2.4.2.1, 3.4.3.1 to 3.4.3.26, 4.4.1.1 to 4.4.1.2, 5.4.1.1 to 5.4.1.3, 6.4.2.1 to 6.4.2.3, 7.4.1.1 to 7.4.1.13, 8.4.2.1 to 8.4.2.17, 9.4.1.1 to 9.4.1.3, 10.4.2.1 to 10.4.2.6, 11.4.2.1 to 11.4.2.12, 12.4.1.1 to 12.4.1.7, 14.4.2.1 to 14.4.2.4, 13.4.2.1 to 13.4.2.13, 15.4.2.1 to 15.4.2.9, 16.4.2.1 to 16.4.2.13, 17.4.1.1 to 17.4.1.4, 18.4.2.1 to 18.4.2.13, 19.4.1.1 to 19.4.1.13

⁴Para 1.4.3.1to 1.4.3.5, 2.4.3.1 to 2.4.3.8 , 3.4.5.1 to 3.4.5.5 , 4.4.2.1 to 4.4.2.5 , 5.4.2.1 , 6.4.3.1 to 6.4.3. 3, 7.4.3.1 to 7.4.3.7, 8.4.3.1 to 8.4.3.3, 9.4.2.1 to 9.4.2.25, 10.4.3.1 to 10.4.3.3, 11.4.3.2 to 11.4.3.16, 12.4.2.1 to 12.4.2.13, 14.4.3.1. to 14.4.3.5, 15.4.3.1 to 15.4.3.9, 16.4.3.1 to 16.4.3.4, 17.4.2.1 to 17.4.2.14, 19.4.2.1 to 19.4.2.6

⁵Para 2.4.4.1, 3.4.4.1 to 3.4.4.2, 7.4.2.1 to 7.4.2.3 , 12.4.3.1., 13.4.3.1, 17.4.3.1, 18.4.3.1 to 18.4.3.3

⁶ Para 2.4.2.2-2.4.2.15, 9.4.2.2-9.4.2.3, 9.4.2.5, 9.4.2.7, 9.4.2.11, 9.4.2.12, 9.4.2.16, 9.4.2.19-9.4.2.25, 9.4.2.29-9.4.2.40, 12.4.2.2-12.4.2.9, 12.4.2.11, 12.4.2.13, 12.4.2.16, 12.4.2.18-12.4.2.22, 17.4.2.2, 17.4.2.5, 17.4.2.7, 17.4.2.10, 17.4.2.12-17.4.2.13, 17.4.2.16-17.4.2.21, 17.4.2.23-17.4.2.27

g) Recommendations

- i. Inquiries are needed to be conducted for fixing the responsibility in cases of misappropriations/ losses and irregular payments.
- ii. Heads of the authorities need to take action against the officer(s) / official(s) responsible for non-production of record along with provision of record for audit scrutiny.
- iii. Management needs to avoid recurring instances of non-compliance with rules (including Punjab Procurement Rules 2014) while incurring expenditure, as reported.
- iv. Management needs to ensure proper execution and implementation of the monitoring system.
- v. Heads of the authorities need to conduct physical stock taking of stores on regular basis.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

			Rs in million
Sr. No.	Description	No.	Budget
1	Total Entities (PAOs) under Audit Jurisdiction	19	133,209.020
2	Total formations under Audit Jurisdiction	3,228	133,209.020
3	Total Entities (PAOs) Audited	19	49,935.789
4	Total formations Audited	138	49,935.789
5	Audit & Inspection Reports	138	49,935.789
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

Table 2: Audit Observations regarding Financial Management

		Rs in million
Sr. No.	Description	Amount Placed under Audit Observation
1	Asset management	714.965
2	Financial management	1,002.785
3	Internal controls	1,959.729
4	Others	13,506.775
TOTAL		17,184.254

Table 3: Outcome Statistics**Rs in million**

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year	Total last year
1	Outlays audited	488.884	1,731.038	36.041	34,073.042	36,328.978	28,529.966
2	Amount placed under audit observation / Irregularities of audit	213.813	2,652.096	15.848	14,302.497	17,184.254	23,626.833
3	Recoveries pointed out at the instance of audit	11.624	50.778	15.848	924.335	1,002.585	796.708
4	Recoveries accepted / established at the instance of audit	11.624	50.778	15.848	924.335	1,002.585	21.601
5	Recoveries realized at the instance of audit	0	0	0.018	121.033	121.051	1.402

Table 4: Irregularities Pointed Out

		Rs in million
Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operations	7,004.923
2	Reported cases of fraud, embezzlement, theft and misuse of public resources	0.200
3	Accounting Errors (accounting policy departure from NAM ¹ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of Audit opinions on the financial statements	-
4	Quantification of weaknesses of internal controls systems	1,959.729
5	Recoveries and overpayments, representing cases of established overpayment or misappropriation of public money	1,002.585
6	Non-production of record	1017.088
7	Others, including cases of accidents, negligence etc.	6,199.729
TOTAL		17,184.254

Table 5: Cost-Benefit Ratio

		Rs in million
Sr. No.	Description	Amount
1	Outlays Audited (Item1 of Table 3)	36,328.978
2	Expenditure on Audit	14.098
3	Recoveries realized at the instance of Audit	121.051
4	Cost Benefit Ratio	1:8.59

¹ The Accounting Policies and Procedures prescribed by the Auditor General

CHAPTER 1

DISTRICT EDUCATION AUTHORITY, ATTOCK

1.1 Introduction of the Authority

District Education Authority (DEA), Attock was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Attock is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

District Education Authority Attock manages following schools /education offices:

Description	No. of offices / schools
CEO (District Education Authority)	1
DEO (Secondary Education)	2
DEO (Elementary Education)	2
Deputy DEO (W-EE)	6
Deputy DEO (M-EE)	6

Description	No. of offices / schools
Government Higher Secondary School	22
Government High School	116
Government Middle Schools	201
Government Primary Schools	850

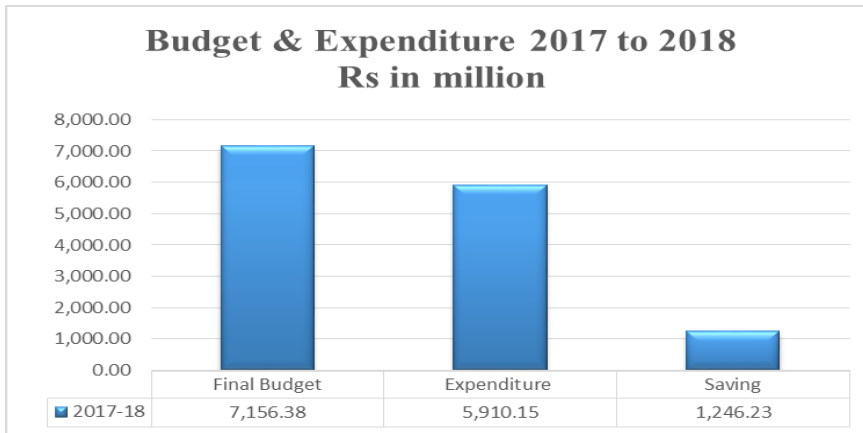
1.2 Comments on Budget and Accounts

Total budget of District Education Authority, Attock was Rs 7,156.379 million including Salary component of Rs 6,487.903 million, Non Salary component of Rs 341.47 million and Development component of Rs 327.006 million. Expenditure against Salary component was Rs 5,590.902 million, Non Salary component was Rs 71.135 million and Development component was Rs 248.11 million. Overall savings were Rs 1,246.24 million which was 17% of total budget.

(Rs. in million)

Financial year 2017-18	Budget	Expenditure	Excess (+)	% of Excess /
			/ Saving (-)	Saving
Salary	6,487.903	5,590.902	897.00	13.83%
Non Salary	341.47	71.135	270.34	79.17
Development	327.006	248.11	78.90	24.13
Total	7,156.379	5,910.147	1,246.24	

The Salary, Non-salary and Development Expenditure comprised 90.659%, 4.772% and 4.569% respectively of the total Expenditure.



1.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	19	Not Convened

1.4 AUDIT PARAS

1.4.1 Non-production of Record

1.4.1.1 Non-production of record – Rs1.298million

According to Section 14(1)(b) of Auditor General’s (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, “The Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection”.

Dy DEO (M-EE) Hazro did not produce the following record amounting to Rs 1.298 million pertaining to Financial Year 2017-18. In the absence of record, authenticity, validity, accuracy and genuineness of the payment could not be verified. The detail is as under:

Sr. No	Description	Amount (Rs)	Cheque No. with date	Remarks
1	Scholarships	149,860	0039827 dt.20.07.2017	Received from DEO (M-EE) for disbursement
2	Brick Kiln	16,000	342157 dt. 03.07.2017	
3	Sports festival	224,000	411371190 dt.12.08.2017	Received from CEO (DEA) Attock for disbursement
4	GBES Hazro	908,616	Various	NSB expenditure incurred during FY 2017-18
	Total	1,298,476		

Audit holds that due to defective financial discipline and weak managerial controls, record was not produced to audit in violation of constitutional provisions.

The matter was reported to CEO/PAO in November, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

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

[AIR Para No.10]

1.4.2 Irregularities & Non-compliance

1.4.2.1 Doubtful completion of development schemes – Rs 113.691 million

Rule 2.115 (1) of B&R Codes states that “a detailed Completion Report or a completion statement must be prepared on the completion of works”. Further, Rule 2.115 (2)(a) of B&R Codes states that “Detailed completion report in Building and Roads Account from 44, 47 is to be submitted on completion of works, on which the outlay has been recorded by the Sub-heads. It should give a comparison and explanation of differences between quantities rates, and cost of various items of work executed and those in the estimate, and should also mention the names of the Engineers and Overseers, who supervised the work from time to time during the periods of its execution”.

During audit of CEO (District Education Authority) Attock it was noticed that different development schemes of missing facilities in schools had been executed by XEN (Buildings) Attock against deposited work and declared physically 100% completed in the progress report up to June 2018 but the completion certificates were not shown to audit.

Audit is of the view that due to poor managerial controls, development works were unlawfully declared completed without completion certificate.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends matter be investigated for finalization of schemes without completion certificates.

[AIR Para No.12]

1.4.2.2 Unjustified award of contract on account of I.T lab equipment - Rs 55.72 million

According to Rule 37 to PPRA 2014, a procuring agency shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract. Further, according to rule 30(1) & (4) *ibid*, the date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids. The bids submitted after the closing time prescribed shall be rejected and returned without being opened.

During certification audit of DAO Attock, it was observed that CEO (Education Authority) Attock had incurred expenditure to the tune of Rs 55.72 million for procurement of I.T Lab Equipment. According to tender notice for procurement of I.T Lab Equipment, it was mentioned that proposal should reach on 08.11.2016 till 12:00 noon and will be opened at 12:30 PM in the presence of representative of the firms. But actually, the tender was opened on 06.03.2017 which was against the term and condition of bidding documents. Four firms were qualified in the technical bidding process whereas financial bid in respect of one firm, who also qualified in technical evaluation bid namely M/S ICT Ltd Lahore, was not opened without recording any reason. The companies were not awarded contract on the basis of item wise lower rates resulting in purchase at exorbitant rates.

Audit is of the view that due to non-quoting the rates of electric work and projector by M/s CMC, rate in total became the lowest from the rates of other firms which was an undue favour to contractor in awarding contract.

District Accounts Officer Attock informed that observation had been communicated to the department and compliance would be shown as and when reply received. DAC pended the para till compliance

Audit recommends that inquiry may be initiated for purchases at higher rates besides recovery to make the loss good.

1.4.2.3 Development expenditure incurred in excess of technical sanction estimates - Rs 21.272 million

According to Para 56 of Central Public Works Department Code (CPWD) the work was required to be executed according to technical sanctioned estimate.

During audit of CEO (Education Authority) Attock it was noticed that a sum of Rs 21.272 million was incurred in excess of Technical Sanction Estimate in various works of construction and re-construction of school buildings executed through XEN (Buildings) Attock in violation of above mentioned rules.

Audit is of the view that due to poor financial controls, expenditure was incurred in excess of Technical Sanction Estimate.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends regularization from Competent Authority besides recovery.

[AIR Para No.10]

1.4.2.4 Irregular purchase of busses for special education centers - Rs 11.800 million, loss - Rs 2.636 million

According to Rule 2.10(a)1 of PFR Volume-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”. According to Rule (10)(2) of PPRA, the specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications

During audit of CEO (Education Authority) Attock it was noticed that a sum of Rs 11,800,000 was incurred on purchase of two busses for Govt. Special Education Centers, Attock from M/S Hino Pak Motors Limited @ Rs 5,900,000 each without adopting open tendering process. Reasons were not recorded for purchase of specific brand instead of purchase made as per generic specification. Delivery of the buses were not made till the time of Audit i.e September 2018.

Cost Center	Cost Center	G/L Account	G/L Description	Vendor Name	Document Date	Amount (Rs)
AY8998	DO Special Education (Development)	A09501	Purchase of Transport	Hinopak Motors Ltd.	20.06.2018	5,900,000
AY8998		A09501	Purchase of Transport	Hinopak Motors Ltd.	16.02.2018	5,900,000
				Total		11,800,000

It was further noticed that Govt. Special Education Centers, Mansar (Attock) purchased the same specification vehicle during the similar time period from M/S FUSO Master Motors (Pvt.) Limited after adopting the procedure of open tender worth Rs 4,582,000. This resulted in loss to the government worth Rs 2,636,000 as detailed below:

(Amount in Rs)

Rate of Hino Bus	Rate of FUSO Bus	Rate Difference	Over payment for two Hino buses
5,900,000	4,582,000	1,318,000	2,636,000

Audit is of the view that due to poor financial indiscipline, government sustained a loss.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends fixing responsibility against the person(s).

[AIR Para No.6]

1.4.2.5 Unjustified award contract on account of science equipment and furniture – Rs 16.30 million

According to Rule 30(1) & (4) of PPRA 2014, the date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids. The bids submitted after the closing time prescribed shall be rejected and returned without being opened. Further, according to PPRA rule 37, a procuring agency shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract

During Certification Audit of DAO Attock, it was observed that CEO (Education Authority) Attock had incurred expenditure of Rs 9.0 million on purchase of science equipment. According to terms and conditions of advertisement, tender would be opened on 14.04.2016 but department opened the tender on 27.08.2016 which was against the terms and conditions of bidding document.

Similarly, CEO (Education Authority) purchased furniture for Rs 7.30 million through tendering process. Two companies namely M/s Akram Metal wood work Rawalpindi and M/S Hafeez traders Kabir wala had participated in the bidding process. It was observed that both the companies were failed in technical bidding process and could not achieved the passing marks but CEO (Education Authority) opened the financial proposal of companies in violation of PPRA. Further, tender was also opened on 06.03.2017 instead of 08.11.2016 in violation of terms & conditions of the bidding document.

Audit was of the view that due to poor financial management PPRA rules were not followed in true letter and spirit

DAO informed that observation had been communicated to the department and compliance will be shown as and when reply received. DAC pended the para till compliance.

Audit recommends that inquiry may be initiated to probe the undue favour to the contractors.

1.4.2.6 Irregular procurement without tendering– Rs 7.431 million

According to Rule 8 & 9 of PPR 2014, a procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

Govt., Primary and Elementary schools working under Dy. DEO (M-EE) Hazro and Dy. DEO (M-EE) Jand had incurred expenditure amounting to Rs 5,246,980 and Rs 2,184,779 respectively out of NSB Funds during 2017-18. The expenditures was split up to avoid tender process in violation of PPR, 2014.

Audit is of the view that due to poor financial management irregular procurement was made.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

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

[AIR Para NO.11 & 2]

1.4.2.7 Misclassification of expenditure – Rs 4.711 million

According to NAM, the budgetary allocation be made according to the chart of accounts/classification approved by the Auditor General of Pakistan. As per Article 30 of Audit Code, all financial transactions are required to be properly recorded and allocated to proper heads of account.

CEO (Education Authority) Attock had drawn merit Scholarship for 5th and 8th class students amounting to Rs 4,710,636 under development budget but had been booked under head A05270-others instead of its relevant head of account as mentioned below. This resulted in misclassification of expenditure.

(Amount in Rs)

Date	Document No	Description	Head Charged	Actual Head to be charged	Cost Center	Total (Rs)
30.06.2018	1900089078	Merit scholarships of high achiever students of 8 th class transfer to DEO (SE) Attock	A05270- Others	A06101- Merit Scholarship	AY8996	1,008,000
30.06.2018	1900089080	Do	A05270- Others	A06101- Merit Scholarship	AY8996	995,436
30.06.2018	1900089081	Merit scholarships of high achiever students of 5 th class transfer to DEO (M-EE) Attock	A05270- Others	A06101- Merit Scholarship	AY8996	1,633,082
30.06.2018	1900121966	Do	A05270- Others	A06101- Merit Scholarship	AY8996	1,074,118
		Total				4,710,636

Audit is of the view that due to financial mismanagement, expenditure was incurred under wrong head of account.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

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

[AIR Para No.2]

1.4.2.8 Doubtful disbursement of merit scholarship- Rs 4.710 million

According to Rule 2.26(1) of PFR Volume-I, “Subject to the provisions of note 2 under Subsidiary Treasury B lie 4.3 every voucher should also bear, or have attached to it, an acknowledgment of the payment, signed by the person by whom or in whose behalf the claim is put forward. This acknowledgment should always be taken at the time of that made”.

Scrutiny of accounts of CEO (Education Authority) Attock revealed that Merit Scholarship amounting to Rs 4,710,636 was drawn from treasury under development cost center AY8996 during Financial

Year 2017-18 and amount transferred to District Education Officers as detailed below:

Amount Transferred to	Class	Number of Students	Rate per Month	Amount (Rs)
DEO Secondary Attock	8th Class	84 students	800	1,008,000
DEO Secondary Attock	8th Class	84 students	800	995,436
DEO (M-EE) Attock	5th Class	129 Students	500	1,633,082
DEO (M-EE) Attock	5th Class	93 Students	500	1,074,118
Total				4,710,636

Lump sum amount was transferred to DEOs but the proof of disbursement of scholarship to the students was not provided to audit. In the absence of disbursement acknowledgements of actual payees, scholarship was held doubtful.

Audit is of the view that due to financial mismanagement, expenditure was held irregular

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

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

[AIR Para No.9]

1.4.2.9 Irregular expenditure incurred without approval of school council – Rs 3.914 million

According to School Council Policy 2007, money can only be drawn and expense be incurred with the approval of the council 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.

Various Government Primary and Secondary schools working under Dy. DEO (M-EE) Jand, District Attock had incurred expenditure of Rs 3.914 million during 2016-18 out of NSB funds but the approval of School Council and AEOs Co-signatory were not obtained in violation of rule *ibid*.

Audit held that due to non-compliance of rules, irregular expenditure of Rs3.914 million was incurred.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends that matter may be probed and responsibility be fixed against the person (s) at fault. [AIR Para No.1]

1.4.2.10 Irregular expenditure on purchase of uniform - Rs.1.599 million

According to Rule 38(2)(a)(i) to (iv) of Punjab Procurement Rules 2014, the bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal. The procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which does not conform to the specified requirements. During the technical evaluation no amendments in the technical proposal shall be permitted. After the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders.

Headmaster Special Education Center, Fateh Jang, District Attock had incurred expenditure of Rs 1.599 million on purchase of uniform for students during the years 2014-18 without advertisement at PPRA website. It was also observed that specification was not provided to the contractors and technical evaluation was also not made in violation of PPRA Rules.

Inv. No.	Date	Vendor Name	Sales Tax (Rs)	Amount (Rs)
S	18.03.15	Saqib Brothers	13,040	273,845
988	21.05.16	Kaleem Traders	11,711	245,947
140	02.04.16	Saqib Brothers	10,025	210,531
137	10.01.17	Zain Enterprises	5,095	107,000
79	21.12.16	Zain Enterprises	7,274	152,754
Nil	25.06.18	Bata Pakistan	36,288	249,750
332	10.05.18	Yaquob Traders	52,144	358,870
			135,577	1,598,697

Audit holds that due to weak internal controls purchases were made without following PPRA rules resulting in violation of government rules.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit requires that action be taken against the concerned besides regularization of expenditure.

[AIR Para No.6]

1.4.2.11 Irregular and un-authentic payment of stipends – Rs 1.014 million

According to Para 2.3.2.8 of Accounting Policies and Procedure Manual, the accounting system shall include control to minimize the risk of fraud and corruption. This objective shall be addressed through issue of payments through direct bank transfers and cheques. Further, Rule 2.22(1) of PFR Volume-I, every voucher should be supported by acknowledgement of the payment, signed by the person by whom or in whose behalf the claim is put forward.

Headmaster Special Education Center, Fateh Jang, District Attock had incurred expenditure of Rs 1,014,000 on account of scholarship to the students and payment was made through cash against rules during 2014-18. The detail is as under:

Sr. No.	Financial Year	Amount (Rs)
1	2014-15	158,800
2	2015-16	275,600
3	2016-17	316,000
4	2017-18	263,600
Total		1,014,000

Audit holds that due to weak internal controls, payments were not made through bank transfer in the bank accounts of the beneficiaries resulting in un-authentic payments in violation of the rules above.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit requires that action be taken after fixing responsibility against the concerned.

[AIR Para NO.9]

1.4.2.12 Irregular expenditure on account of contingent paid staff - Rs 1.173 million

As per Section 2 (a) of Schedule of Wages Rates, 2016 of Finance Department Government of the Punjab, “the posts shall be advertised properly in the leading newspapers”.

HM Special Education Centre Hazro had incurred expenditure of Rs 1.173 million on account of Contingent Paid staff during 2016-18. It was observed that neither approval of recruitment of contingent paid staff was obtained from Finance Department nor advertised in the Newspaper. The detail is as under.

Sr No	Year	Particulars	Amount (Rs)
1	2016-17	Contingent Paid staff	311,920
2	2017-18	Contingent Paid staff	860,994
		Total	1,172,914

Audit is of the view that due to weakness of internal controls, irregularity was occurred.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit requires that action be taken after fixing responsibility against the concerned.

[AIR Para No.3]

1.4.2.13 Irregular purchase of uniform at the expiry of pertinent season- Rs 1.699 million

As per letter No.SO (SPL.EDU)8-16/86 Government of the Punjab Education Department dated 15.12.1990, special students are entitled for 3 uniforms for summer and 2 uniforms for winter seasons.

Special Education Centre Hazro incurred expenditure of Rs.1.699 million on purchase of Uniform for students during 2014-18. It was observed that uniforms were purchased at the expiry of winter and summer season.

Amount in Rs

Financial Year	Date of Purchase	Total	Amount
2017-18	12.06.2018	Bata	223,776
2017-18	10.05.2018	Rajput Traders	80,010
2017-18	10.05.2018	Yaqub Traders	234,440
2016-17	22.12.2016	Junaid Enterprise	229,830
2015-16	15.04.2016	Saqib Brothers	65,645
2015-16	21.05.2016	Kaleem Traders	341,921
2014-15	18.03.2015	Saqib& Brothers	269,807
2014-15	07.03.2015	Nadeem Brothers	155,869
2014-15	23.02.2015	Kaleem Traders	98,000
		Total	1,699,298

Audit is of the view that due to weakness of internal controls, irregularity was occurred.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends that action be taken against the person(s) at fault.

[AIR Para No.6]

1.4.3 Internal Control Weaknesses

1.4.3.1 Loss to Government due non-registration of private schools – Rs 6.352 million

According to Punjab Private Education Institutes (Promotion and Regulation) ordinance 1984 amended in 2017, section 3 for subsection 2 describes that “the Registering Authority shall within sixty days from the date of filling an application for registration, decide the application

Chief Executive Officer (Education Authority) Attock accounts revealed that according to survey conducted by PMIU in 2016, 847 private schools were established / working in the District Attock but record related to registration of private schools were not maintained by the management. Further, no record was maintained to monitor the expiry date of the licenses issued to private schools and renewal thereof. In absence of non-maintenance of record, revenue for renewal of license fee was not realized. Non-realizing the income from registration of private schools resulted in loss to the Government Rs 6.352 million.

(Amount in Rs)

Tehsil	Total Schools	Registration Fee	Verification Fee	Total Fee	Total Income
Attock	162	2,500	5,000	7,500	1,215,000
Fateh Jang	178	2,500	5,000	7,500	1,335,000
Hassanabdal	93	2,500	5,000	7,500	697,500
Hazro	151	2,500	5,000	7,500	1,132,500
Jand	156	2,500	5,000	7,500	1,170,000
Pindi Gheb	107	2,500	5,000	7,500	802,500
Total	847			Total Income	6,352,500

Audit is of the view that CEO (Education Authority) was willfully not taking action against the sub-committees for non-finalizing the applications of school and the sub-committees were giving undue favor by providing a chance to schools to work without registration and government suffering loss millions of the on account of registration fee and renewal fee.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Matter needs a high level inquiry against the sub-committees for delay in verification of schools applications.

[Para No 14]

1.4.3.2 Non-deposit of income tax/GST - Rs2.02 million

As per Section-153(1)(a) of income Tax Ordinance 2001 “the requisite deduction of Income Tax at the prescribed rate (4.5%) is required to be made at source while making payment on accounts of stores/ services rendered”.

Govt., Primary and Elementary Schools under Dy. DEO (M-EE) Jand, District Attock incurred expenditure of Rs 9.397 million during 2016-18, on purchase of different items from SMC/NSB Funds but the income tax/GST amounting to Rs 2.02 million was not deducted.

Audit is of the view that due to weak internal control, income tax/ GST was not deducted

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit desires that the amount should be recovered from the concerned and deposited into Govt. treasury.

[AIR Para 9]

1.4.3.3 Overpayment to the contractor, recovery thereof - Rs1.72 million

According to Rule 9(b) of Punjab District Authorities (Accounts) Rules, 2017, the DDO or payee of pay & allowances, contingent or any of the other expense signing and authorizing the payments shall be personally responsible for any erroneous payment and shall liable to make good the loss.

During certification audit of DAO Attock it was observed that CEO (Education Authority) Attock paid Rs 72,027,352 against the purchase of science & IT Lab equipment, and furniture to M/s Computer Marketing Company, Hafeez Traders, and United Science Corporation. It was observed that Computer Marketing Company (winner) and other companies quoted the rates in their quotations including all the taxes whereas income tax and GST was not deducted for calculation of net cost of item purchased while making payment resultantly overpayment of Rs 1.720 million. The taxes were required to be paid after calculation of cost of purchases, as companies had given the rates after inclusion of all the taxes as per comparative statement. The lowest bidder was evaluated on the basis of rates inclusive of taxes and while making payment sale taxes were not deducted to ascertain the cost of item. Contractor claimed exemption on two items of HP 280 Computer valuing Rs 32,190,883 and Rs 41,056,380 respectively but at the time of tender, the rates were quoted

including sales tax. Therefore, if sales tax was exempted on two items then why sales tax amount was not deducted during making payment because the rates were accepted after inclusion of all the taxes as per comparative statement.

Audit was of the view that due to financial mismanagement overpayment were made.

DAO informed that observation has been communicated to the department and compliance will be shown as and when reply received. DAC pended the para till compliance

Audit recommends that earnest money be forfeited besides recovery.

1.4.3.4 Overpayment on account of 30% SSB due to non-fixation of pay after regularization – Rs 1.187 million

According to Rule 9(b) of Punjab District Authorities (Accounts) Rules, 2017, the DDO or payee of pay & allowances, contingent or any of the other expense signing and authorizing the payments shall be personally responsible for any erroneous payment and shall liable to make good the loss. Further SSB @ 30% of basic pay is not allowed to regular government employees.

During certification audit of District Education Authority Attock, it was noticed that 30% SSB were drawn during 2017-18 by the regular employees who were recruited prior to 2011-12 in violation of rules.

Audit is of the view that due to weak internal control, pay was not fixed after regularization.

The matter was reported to CEO/PAO in October, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit desires that the amount should be recovered from the concerned and deposited into Govt. treasury.

[Para No.53]

1.4.3.5 Irregular payment of Inadmissible charge allowance – Rs 1.405 million

According to Finance Department notification dated 29.10.2009 Charge Allowance is only admissible to the teacher working against administrative posts of DEOs, Dy. DEOs, AEOs and Head of Institution (HM/Principal).

During scrutiny of HR Data of DEA, Attock it was noticed that officers & teachers had drawn charge allowance during Financial Year 2017-18 in violation of above rules. This resulted in overpayment amounting to Rs 1.405 million.

Audit was of the view that due to weak internal control irregular payment was made.

The matter was discussed in the DAC meeting, DAO Attock informed that observation has been communicated to the department and compliance will be shown as and when reply received. DAC pended the para till compliance.

Audit recommends that matter be justified besides recovery.

CHAPTER 2

DISTRICT EDUCATION AUTHORITY, BHAKKAR

2.1 Introduction of the Authority

District Education Authority, Bhakkar was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Bhakkar is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Bhakkar manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	4
Dy. DEO (W-EE)	4
High and Higher Secondary Schools	95
Elementary & Primary Schools	1146

2.2 Comments on Budget and Accounts

Total budget of District Education Authority, Bhakkar was Rs 5,373.888 million including Salary component of Rs 5,151.330 million, Non Salary component of Rs 189.188 million and Development component of Rs 33.370 million. Expenditure against Salary component was Rs 4,591.306 million, Non Salary component was Rs 137.511 million and Development component was Rs 34.636 million. Overall savings were Rs 610.435 million which was 11% of total budget.

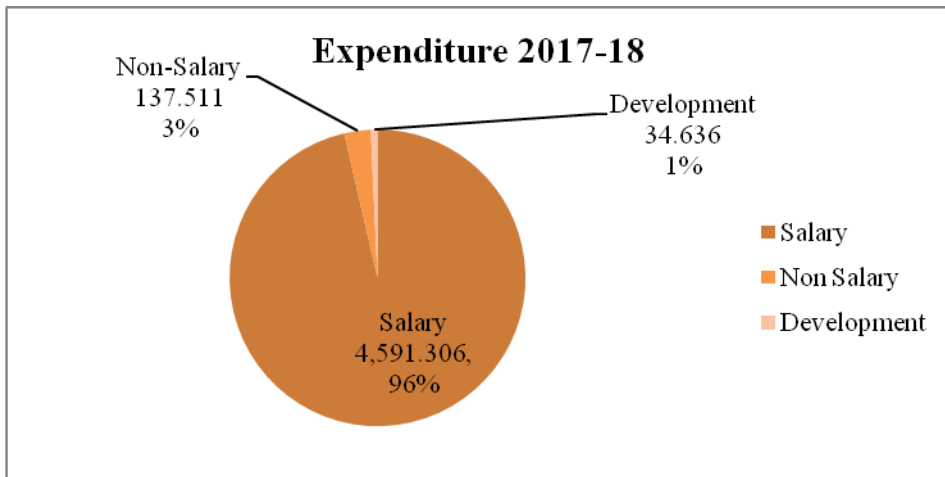
(Rs. in million)

Financial Year 2017-18	Budget	Expenditure	Excess (+) Saving (-)	% of Excess/ Saving
Salary	5,151.330	4,591.306	560.024	11
Non Salary	189.188	137.511	51.677	27
Development	33.370	34.636	1.266	4
Total	5,373.888	4,763.453	610.435	11

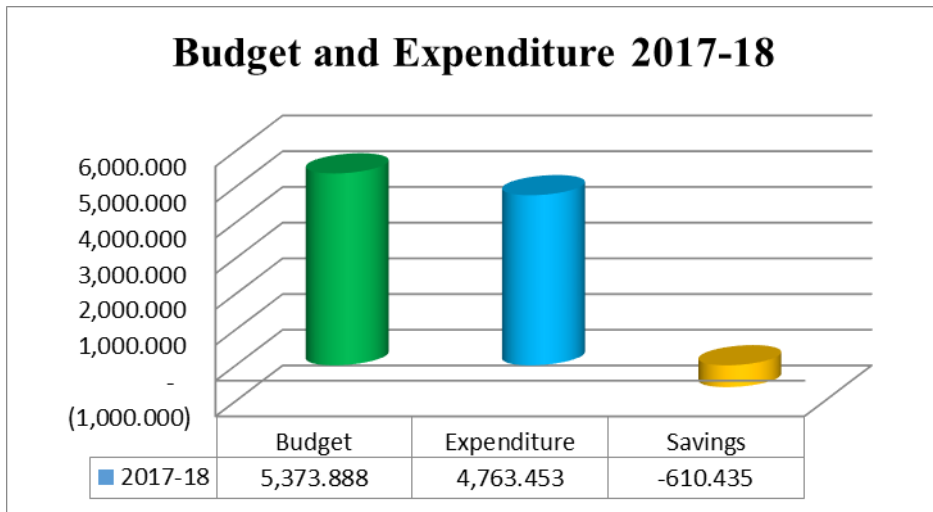
As per the Appropriation Account 2017-18 of District Education Authority Bhakkar, the original budget was Rs 4,606.900 million, supplementary grant was Rs 766.988 million and the final budget was Rs 5,373.888 million. Against the final budget, total expenditure incurred by District Education Authority during 2017-18 was Rs 4,763.453 million, as detailed at Annexure-B

The Salary, Non Salary and Development Expenditure comprised 96%, 3% and 1% respectively of the total Expenditure.

(Rs in million)



(Rs in million)



The overall saving of Rs 610.435 million was 11% of the final budget.

2.3 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:

Sr. No	Audit Report Year	No. of Paras	Status of PAC/ZAC Meetings
1	2017-18	08	Not convened

2.4 AUDIT PARAS

2.4.1 Irregularities & Non-compliance

2.4.1.1 Un-justified provision of earth filling – Rs 1.297 million

Para 2.7.2.12 and 2.86 of B & R code laid down that design, drawing, specifications and scope of work of a scheme once approved cannot be allowed to be changed without prior written approval by the competent Authority as well as saving from one head of A/C cannot be utilized toward execution of additional work not contemplated in the original scheme.

During audit of development schemes of District Education Authority Bhakkar executed by XEN buildings, scrutiny of works “Construction of special education center darya khan” revealed that as per the attached report of Building Research Station, Lahore the plot of construction site was 1.25 feet below the adjacent road at one side and on other side its level was above the road. As the lawn of constructed buildings is at the level of adjacent road hence only 0.5 feet filling excluding the quantity of main building and residential buildings was justified. While the XEN Buildings paid earth filling up to 3.5 feet for whole plot rather calculating the actual quantity. Moreover, lead for filling was also un-justified as the earth was available at site of work. Detail is as under.

Quantity of Earth Filling for Yards and lawns	216144 Cft
Rate	6000/ %0 Cft
Amount	Rs 1,296,864

Audit held that due to weak financial and internal controls incorrect quantity of earth filling was provided in estimates and paid accordingly.

This resulted in un-justified payment of Rs 1.297 million.

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that site of the said project was located in shape of open plot surrounding by Private Houses. NSL was badly disturbed by digging out large & deep trenches by the people for filling in their houses etc. Moreover, as per approved drawing, plinth levels of the “Main Building” as well as lawns were to be maintained above the adjacent roads level. Therefore, in the estimate a huge quantity of earth filling, with lead of one mile, was provided and approved by the competent authority and

accordingly payment was made to the contractor. The committee upheld the viewpoint of the Audit and directed to constitute inquiry committee for verification of site and submit the findings of inquiry committee within ten days. No progress was reported till finalization of this Report.

Audit recommends recovery of overpayment and fixing of responsibility against the person (s) at fault under intimation to audit.

[PDP No.19]

2.4.2 Internal Control Weaknesses

2.4.2.1 Non-surrendering of savings – Rs 67.230 million

As per Rule 17.20 of PFR Vol-I and para 8 of the Punjab Budget Manual, all anticipatory saving should be surrendered well in time in the 2nd excess & surrender statement so that savings may be used by other needy offices.

During audit of accounts record of following formations for the financial year 2017-18, it was noticed that funds amounting to Rs 67.230 million were neither utilized nor surrendered in time.

Sr. No.	Name of formations	PDP No.	Object Head	Amount (Rs)
1	CEO DEA Bhakkar	13	Development	16,243,981
			School NSB	285,592
			Contingency	2,518,889
2	DEO SE Bhakkar	30	Salary / Non-Salary	505,457
3	DEO (W-EE) Bhakkar	36	-	46,793,000
4	Special Education School Mankera	73	Salary / Non-Salary	883,281
Total				67,230,200

Audit held that due to weak administrative controls, the funds were blocked without surrendering the savings.

This resulted in irregular blockage of government funds of Rs 67.230 million.

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that the savings of Rs 46.793 million were within the prescribed limit of 10% of budget allocation. The limit is in accordance with rules quoted in the para. Hence, there is no need to surrender. Audit contended that savings on the basis of actual expenditure of 8 months was required to be surrendered in 2nd statement as per rule mentioned *ibid*. DAC directed the department to regularize the amount from competent forum. No progress was reported till finalization of this Report.

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

2.4.2.2 Overpayment of social security benefit–Rs 31.842 million

According to (XIII)(i)(b) Contract Appointment Policy in 2004 issued by Government of the Punjab S&GAD circular vide No. DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004, “Social Security Benefit @ 30% of minimum of basic pay is admissible only for the persons working on contract in lieu of pension” “The regularization shall not be entitled to the payment of 30% social security benefit in lieu of pension or any other pay package, being drawn by them during the contract period”.

Drawing & Disbursing Officers of following formations made overpayment of Rs 31.842 million on account of Social Security Benefit @30% of basic pay to the staff of different scales / categories after regularization of their services in violation of rule ibid.

Sr. No.	Name of formation	Description	PDP No.	Amount (Rs)
1	CEO DEA Bhakkar	Teachers, Junior Clerks & Class-IV	01	24,833,000
2	DEO (W-EE) Bhakkar	Junior Clerks / Drivers	39	114,779
3	Dy. DEO (M-EE), Bhakkar	Teachers	44	3,933,690
4	Dy. DEO W-EE Mankera	Teachers	57	873,377
5	Dy. DEO M-EE Kallurkot	Teachers & Class-IV	65	2,087,257
			Total	31,842,103

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

This resulted in over payment of social security benefits of Rs 31.842 million.

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The lapse and negligence was admitted by the department. The committee directed to recover the stated amount from the concerned. No progress was reported till finalization of this Report.

Audit recommends that recovery of overpayment of social security benefits from the concerned.

2.4.2.3 Non-imposition of penalty due to non-completion of work – Rs 27.36 million

The clause 7 of Tender Document laid down that before entering into Tendering, the contractor will visit and examine the site and aware himself about the availability of labour, material, water, electric power, access of material as well as local scenario for his execution of work as department will not assume any responsibility subsequently. According to clause 39 of Contract, a penalty @ 1% to 10% is required to be imposed for delayed completion of work.

Scrutiny of development schemes of District Education Authority Bhakkar revealed that funds were transferred to XEN Buildings, Bhakkar for the year 2017-18 who awarded development schemes costing Rs 273.606 million to different contractors. But these schemes were either late completed or were still in progress as shown in progress report even after lapse of time limit. But no penalty for delay in completion of work was imposed on contractors.

Audit held that due to weak internal and financial controls penalty was not imposed on the contractors.

This resulted in non-imposition of penalty of Rs 27.36 million.

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that sufficient funds were deposited with Buildings Division Bhakkar for construction of different school Buildings. XEN Buildings Division Bhakkar accordingly allotted the said works. Up to June 2018, Construction works of almost all the buildings were completed within time limit. Only in some cases proper procedure of handing over / taking over was awaited. Thus, in this case contractors were not at fault. The committee upheld the viewpoint of the Audit and directed to probe the matter through an inquiry committee for finding of factual position within 15 days and to impose penalty upon the contractors those could not complete works within stipulated time. No progress was reported till finalization of this Report.

Audit recommends imposition of penalty and recovery from the contractors.

[PDP No.24]

2.4.2.4 Loss to government due to non-deduction of PST from contractors and charging to works –Rs 12.060 million

As per Sr. N.14 of Second Schedule of Punjab Revenue Authority, 5% Provincial Sales Tax without input tax credit/adjustment was required to be deducted at source on construction services provided by contractors of buildings. Moreover as per Finance Department Government of the Punjab, the input rates/MRS are market based rates inclusive of all taxes and royalties.

During scrutiny of development schemes of District Education Authority Bhakkar, it was observed that XEN Buildings Bhakkar made payment of Rs 241.193 million to different contractors during 2017-18. But it was observed that PST @ 5% was actually paid by the Government rather deducting from the contractors as required in Finance Act Punjab, 2017-18. Audit noticed that the XEN buildings initially added 5% PST in estimates/bills and deducted the same at the time of payment. Undue financial benefit of Rs 12.060 million was given to the contractor at the cost of the Government.

(Rs in million)

Total Payment made to contractor	PST was to be deducted @ 5% from non-filer Contractors
241.193	12.060

Audit held that due to poor financial discipline PST was charged to works instead of deducting from contractors.

This resulted in loss to the Govt. on account of Provincial Sales Tax amounting to Rs 12.060 million.

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that a provision of 5% PST was included on construction services (Civil Works) while preparation of PC-1 and estimates of the development works were sanctioned by the competent

authority inclusive the cost of 5% PST. The committee upheld the viewpoint of the Audit and directed the department for recovery or clarification from the Finance Department within three months. No progress was reported till finalization of this Report.

Audit recommends recovery of PST from the contractors.

[PDP No.20]

2.4.2.5 Loss to government due to less deduction of income tax– Rs 12.060 million

According to Section 153 (1)(c) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person on the execution of a contract shall deduct tax @ 7.5% of the gross amount payable, if the person is a filer and 12.5% if the person is a non-filer.

XEN Building Bhakkar made payment of Rs 241.193 million on account of development schemes of District Education Authority during 2017-18. Income Tax was deducted @7.5% instead of 12.50% as the evidence of filer neither produced nor available in record. Government sustained a loss of Rs 12.060 million.

Audit held that due to weak financial controls the income tax was less deducted at prescribed rates.

This resulted in loss to the Govt. on account of income tax Rs 12.060 million.

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that as per policy of C&W Department, NTN with attested copy of income tax Returns is a necessary condition for the contractor who wants to participate in the tendering process of a civil work relating to C&W Department. In light of the above, works under observation were allotted only to the filers and accordingly income tax @7.5% was correctly deducted from the filers/contractors. Audit contended that there is difference between income tax registered and filers. No proof of filers was produced by the buildings department. The

committee upheld the viewpoint of the Audit and directed the department to effect recovery at prescribed rates from non-filers contractors and produce evidences of filers. No progress was reported till finalization of this Report.

Audit recommends recovery of less deducted income tax under intimation to audit.

[PDP No. 21]

2.4.2.6 Loss due to dual payment of taxes – Rs 10.914 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 6.50% respectively on account of supplies and services rendered. Furthermore according to Central Board of Revenue Standing Instructions read with notification SRO 660 (1)/2007 dated 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly registered under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill shall be deducted at source and deposited into Government Treasury. In case of non-availability of a registered firm, the purchases may be made from unregistered firm. The printed GST @ 19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

During the audit of Dy. DEO M-EE, Bhakkar for the financial year 2017-18, it was observed that Non Salary Budget was allocated to the schools who incurred expenditure out of the NSB funds. Audit noticed that the department instead of deducting of Income Tax and Sales Tax from the vendors, added in the bill of the contractors.

Audit held that due to weak administrative and financial controls the GST was not deducted from the gross amount of the bill.

This resulted in over payment of dual payment of GST valuing Rs 10.914 million

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that total amount of tax has been deposited by the suppliers in the treasury. The committee upheld the viewpoint of the Audit and directed for production of proof i.e. original CPRs along with school wise detail otherwise recovery from the supplier within one month. No progress was reported till finalization of this Report.

Audit recommends that dual payment of GST needs to be recovered from the concerned.

[PDP No.42]

2.4.2.7 Overpayment due to non deduction of GPF, BF and group insurance for regular period – Rs 2.079 million

According to Rule 2.31 of PFR Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

During the audit of CEO District Education Authority, Bhakkar for the financial year 2017-18, it was observed that the services of Junior Clerks and Class IV were regularized w.e.f 01-03-2013 but GPF, BF and Group Insurance were not deducted from the pay of staff from their regularization to June 2018, which resulted in over payment of Rs 2.079 million.

Audit held that due to weak administrative and financial controls payment was made to the employees without mandatory deductions.

This resulted in overpayment due to non deductions of GPF, BF and group insurance of Rs 2.079 million.

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department admitted the lapse and stated that the District Accounts Officer Bhakkar has been requested to make good the recovery in the shape of installments from the monthly salaries of the incumbents concerned. The committee directed the department to incorporate changes

in the pay immediately and produce pay slips for the months of November, 2018 to audit for verification.

Audit recommends that the deduction of GPF/BF Group Insurance may be started at once and recovery of overpayment may also be made.

[PDP No.16]

2.4.2.8 Non recovery of charge allowance – Rs 1.278 million

According to the Government of the Punjab Finance Department, Lahore Notification No.FD-PR10-71/72 dated 18-06-1973; charge allowance is admissible to Head Master/Head Mistress of Primary school with at least 5 Teachers and at least 150 Students.

Drawing & Disbursing Officers of following formations made payment of Rs 2.278 million on account of charge allowance to the Headmasters / Headmistresses of primary schools, who did not fulfill the criteria of at least 5 teachers and 150 students.

Sr. No.	Name of formations	PDP No.	Amount (Rs)
1	Dy. DEO (M-EE) Bhakkar	56	606,000
2	Dy. DEO (W-EE), Mankera	59	360,000
3	Dy. DEO (M-EE), Kallurkot	67	311,648
Total			1,277,648

Audit held that due to weak internal and financial controls, charge allowance was paid to the non-entitled head teachers.

This resulted in overpayment of charge allowance of Rs 1.278 million to the un-entitled head teachers.

Audit pointed out the lapse in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that recovery would be made from the concerned. The committee directed the department for recovery.

Audit recommends early recovery from the concerned under intimation to Audit.

2.4.3 Performance

2.4.3.1 Wasteful expenditure due to non-functioning of IT labs of schools – Rs 5.472 million

According to Rule 3 of PLG (Property) Rules, 2003, the Local Govt. shall take steps to ensure that the property vested in Local Govt. is managed and maintained in the best public interest.

During the audit of CEO (Education), Bhakkar for the period 2017-18, department incurred an expenditure of Rs 5.472 million for provision of IT Labs. Many IT Labs of schools were non-functional due to non-posting /availability of IT teacher.

(Rs in million)

Name of School where IT teachers were not posted	Cost of IT Lab per School
Govt. High School Hataran Wala	1.368
Govt. High School Gujja	1.368
Govt. High School Bhilmana	1.368
Govt. High School Binda Baho Shah	1.368
Total	5.472

Audit held that due to weak administrative controls, the school labs were not functioning.

This resulted in wasteful expenditure of Rs 5.472 millions

Audit pointed out the matter in September, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 01.11.2018. The department replied that I.T Labs of the many schools are functional as the teachers out of existing staff of the schools concerned are working as I.T Teachers having required professional qualification. Audit contended that effective utilization of these sophisticated IT labs is not possible without specialized teachers. The committee upheld the view point of the Audit and directed the department to take up the matter of appoint of teachers with the School Education Department.

Audit recommends the posting of IT teacher at the earliest.

[PDP No.07]

CHAPTER 3

DISTRICT EDUCATION AUTHORITY, CHAKWAL

3.1 Introduction of the Authority

District Education Authority, Chakwal was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Chakwal is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Chakwal manages following schools / education offices:

Description	No. of offices / schools
Primary Schools	739
Middle Schools	208
High School	227
Higher Secondary School	22
Deputy DEO (MEE)	4
Deputy DEO (WEE)	4
DEO (Elementary Education)	2
DEO (Secondary Education)	2
CEO (District Education Authority)	1

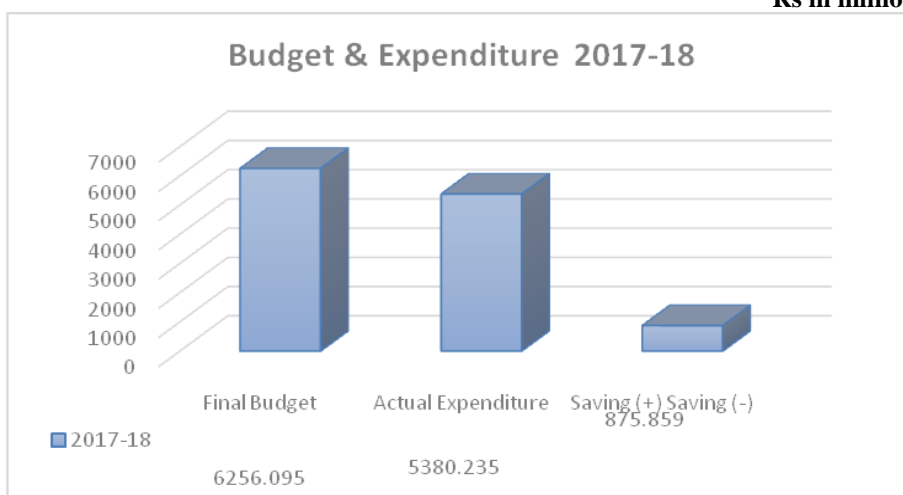
3.2 Comments on Budget and Accounts

Total budget of District Education Authority Chakwal was Rs 6,256.095 million including salary component of Rs 5,939.581 million, non-salary component of Rs 60.00 million and development component of Rs 256.517 million. Expenditure against salary component was Rs 5,192.73 million, Non salary component was Rs 9.521 million and development component was Rs 177.984 million. Overall savings were Rs 875.86 million which was 14.00% of total budget.

(Rs in million)

Financial year 2017-18	Budget	Expenditure	Excess (+)	% of Excess /
			/ Saving (-)	Saving
Salary	5,939.581	5,192.73	746.85	12.57
Non Salary	60.00	9.521	50.48	84.13
Development	256.517	177.984	78.53	30.61
Total	6,256.098	5,380.235	875.86	

Rs in million



Ineffective financial management resulted in savings to the tune of Rs 875.859 million which in term of percentage was 14% of the final budget.

3.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	16	Not Convened

3.4 AUDIT PARAS

3.4.1 Non-production of Record

3.4.1.1 Non-production of Record -Rs398.301million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, "The Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection According to the provision at Sr. No. X of the Govt. of Punjab, Finance Department letter No. 17 (FD) 03-07-2000 dated 01-01-2001, District Officer Buildings is required to render a completion certificate, signed statement of accounts and refund of the residual balance to authorities concerned.

The management of following formations did not produce auditable record of Rs398.301 million for Financial Year 2017-18. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified. Moreover proof of deposit of income tax on said amount was also not shown as detail below:

(Rs in millions)

Period	Office	AIR Para No	Description	Amount
2017-18	CEO(DEA)	06	Schools Buildings	130.360
2017-18	CEO(DEA)	06	Office + education institutions	254.717
2017-18	CEO(DEA)	25	CY-6009 (NSB) Funds transferred to Dy. DEOs	13.224
2017-18	GGPS DK Gondal under Dy.DEO(W-EE) Chakwal	11	NSB Record + FTF	-
2017-18	GGES HastalunderDy.DEO(W-EE) Chakwal	11	NSB Record + FTF	-
				398.301

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

The matter was reported to PAO in August 2018, It was replied that notice has been taken for non-production of record. No DAC meeting was convened till finalization of this report.

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

[AIR Para No.6,25,11,17&18]

3.4.2 Misappropriation

3.4.2.1 Misappropriation on account of Cash Award - Rs 200,000

According to Rule 2.10 (b)(5) of PFR Vol-I, it is not permissible to draw money from the treasury unless it is required for immediate disbursement and According to rule 2.32(a),“it is not sufficient that a Government servant accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant-General that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an amount is correct in all respects”. According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

CEO (DEA) Chakwal drew Rs 200,000 from treasury as cash award/ incentive for the students getting highest marks in Matriculation examination during Financial Year 2017-18 and amount was not disbursed. As per record, the award amount was also drawn and hence, disbursed by the Commissioner to the students. Therefore, drawl of award amount by CEO (DEA) was misappropriated.

Sr. No.	Name	Ch. No.	Amount (Rs)
1	Ms. Shehnaz Begum Sr.HM GGHS No-1 Chakwal	3233517/29-08-17	100,000
2	Ms. Munza Habib SST(Science) GGHS No.1, Chakwal	3233517/29-08-16	100,000
Total			200,000

Audit holds that due to Internal Control Weaknesses Rs 200,000 was misappropriated in the light of non-availability of disbursement record.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.2]

3.4.3 Irregularities & Non-compliance

3.4.3.1 Non-reconciliation of record of bank account maintained by the authority between NBP and SBP –Rs 396.755 million

As per Rule 2.10 of PFR Vol-I, government instructions, every DDO signing and authorizing the payments shall be personally responsible for any erroneous payment and claim of bill.

During the audit of CEO (DEA) Chakwal, revealed that there was a difference of Rs 396.755 million in bank account of DEA Chakwal maintained in bank (NBP) Chakwal with SBP Karachi as on 30th June,2018, as detailed below:

(Amount in Rs)

Financial Year	Cash balance as per SBP Head Office Karachi	Cash balance as per NBP local branch	Difference
2017-18	427,585,706	30,830,396	396,755,310

Audit holds that due weak internal controls and defective financial discipline cash balances of local bank were not got reconciled with SBP.

The matter was reported to PAO concerned in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be investigated besides fixing responsibility against the person (s) at fault.

[AIR Para No.10]

3.4.3.2 Advance Payments from SDA Account on account of Civil Works -Rs385.077 million

According to rule 2.10 (5) of PFR Vol-I, it is not permissible to draw advances from the treasury for the execution of work, the completion of which is likely to take considerable time.

CEO (DEA) Chakwal, had drawn Rs 385.077 million and transferred to X-En Building Chakwal for civil works i.e District Education Complex, Missing facilities in Governments schools, reconstruction of dangerous buildings during Financial Year 2017-18. Scrutiny of record revealed that amount was transferred in advance without sanction of competent authority.

CHQ No.	Date	Amount(Rs)
666834	18-11-2017	138,691,000
666836	30-12-2017	3,750,000
666843	15-02-2017	69,446,000
666871	04-05-2018	15,840,000

666872	04-05-2018	6,526,000
666875	04-05-2018	16,214,000
666876	23-05-2018	250,000
666837	29-01-2018	4,000,000
Total (Subtotal SDA)		254,717,000
AO 12403(CY-8996)		130,360,590
G. Total		385,077,590

Audit holds that due to weak internal controls amount was transferred in advance without sanction of competent authority.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe besides fixing of responsibility of person(s) at fault.

[AIR Para No.24]

3.4.3.3 Irregular payment due to non-maintenance of Separate SDA Account for each Project- Rs 281.112 million

According to the guidelines issued by Finance Department SDA cheques will be drawn by authorized signatories of these accounts. The cheques of SDA shall contain .a code number (cost center code or project code as per Budget). This code will be used for entry by the DAO/ TO on receipt of SDA cheques for endorsement along-with schedule of payment prescribed format and also on receipt of paid cheques from SBP/NBP. Separate SDA will be used for each project. The drawing authorities shall be primarily responsible for the recording and accounting of the expenditure on a daily basis. On a monthly basis (by 7th of each month), the drawing authorities will reconcile expenditure with DAO/TO and ensure its inclusion in the monthly accounts.

CEO (DEA) Chakwal maintained single SDA account for different projects in violation of SDA guidelines issued by Finance Department. Payment of Rs 281.112 million was made from SDA account during Financial Year 2017-18.

(Rs in millions)

Financial Year	Description	Expenditure
2017-18	Civil Work other buildings(AO 12403)	254.717
	IT Labs in High & Elementary Schools	24.595
	Revenue component (for Up-gradated schools-Furniture)	1.800
Total		281.112

Audit holds that due to weak internal controls the separate SDA account was not maintained for each project.

This resulted in irregular payment of Rs 281.112 million.

The matter was reported to PAO concerned in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends regularization besides fixing of responsibility of person(s) at fault [Para No.12]

3.4.3.4 Irregular Expenditure on Pay & Allowances—Rs 132.992 million

According to Rule 6 K of Punjab District Authorities, Budget Rules 2017, Budget and Accounts Officers shall maintain the schedule of establishment in respect of District authorities, institutions and offices.

Dy. DEO (EE-M), Lawa, District Chakwal did not provide sanctioned strength duly approved by the Finance Department. In absence of sanctioned strength, the establishment expenditure of Rs 132.992 million during Financial Year 2017-18 held irregular.

Budget Details (Amount in Rs)			
Cost Center	Salary	Non Salary	Total
RV 6496	3,862,560	238,513	4,101,073
RV6497	95,863,760	-	95,863,760
	99,726,320	238,513	99,964,833
Expenditure Details (Amount in Rs)			
Cost Center	Salary	Non Salary	Total
RV 6496	5,327,097	274,813	5,601,910
RV6497	127,665,226	3,303,539	130,968,765
	132,992,323	3,578,352	136,570,675

Audit is of the view that due to weak financial and internal controls, schedule of establishment approved by Finance Department was not maintained resulting in irregular payment on account of pay & allowances.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends appropriate action be taken besides fixing responsibility against the person (s) at fault.

[AIR Para No.01]

3.4.3.5 Irregular payment due to drawl of cheque in favour of DDO instead of vendor–Rs 17.906 million

According to Punjab Local Government Accounts Rules 2017, Chapter-II, Rules 4(b), all the payments exceeding Rs 10,000 should be made through cross cheques of vender account.

CEO (DEA) Chakwal, drew Rs 17.906 million and cheques were issued by DAO in favour of DDO instead of vendor.

Audit holds that due to weak internal controls amount of 17.906 million was drawn in name of DDO instead of payment through cross cheque to vendors.

This resulted in irregular payment of Rs 17.906 million.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe besides fixing responsibility of person(s) at fault.

[AIR Para No.21]

3.4.3.6 Irregular award of contract without approval the committee - Rs 24.595 million

According to PPRA Rules, 2014 Chapter IV at Sr.No-15 (1) A procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects and in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms having adequate managerial capability are invited to submit bids. Such pre-qualification shall solely be based upon the ability of the interested parties to perform that particular work satisfactorily.

(2) A procuring agency while engaging in pre-qualification may take into consideration the following factors, namely:

- (a) relevant experience and past performance;
- (b) capabilities with respect to personnel, equipment, and plant;
- (c) financial position;
- (d) appropriate managerial capability; and

- (e) any other factor that a procuring agency may deem relevant, not inconsistent with these rules. Also read with Sr.17,a procuring agency, at any stage of the procurement proceedings, having credible reasons for or prima facie evidence of any defect in supplier's or contractor's capacities, may require the suppliers or contractors to provide information concerning their professional, technical, financial, legal or managerial competence whether already pre-qualified or not:

Provided that such qualification shall only be laid down after recording reasons thereof in writing. They shall form part of the records of that procurement proceeding. As per policy of District Education Authority, System Network Administrator was required to carry out the inspection of IT labs for release of payment to firm on the basis of satisfactory report by SNA.

CEO (DEA) Chakwal awarded a contract for Rs 24.595 to a firm for establishment of IT Labs in Government High Schools of Chakwal District. It was observed that committee constituted for evaluation and ascertaining the prequalification of firms for purchase / installation IT equipments in schools did not sign the pre-qualification report of firms. Moreover, department has paid on the basis of inspection and satisfactory report given by System Network Administrator without inspection report duly issued by the committee constituted for the purpose.

Audit holds that weak internal controls the acceptance of evaluation report without signature/approval of all members of committee and inspection report was irregular.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends probe and regularization of expenditure from competent authority besides fixing responsibility of person(s) at fault.

[AIR Para No.28]

3.4.3.7 Irregular Expenditure in violation of PPRA - Rs 24.464 million

According to Rule 42(b)(1) PPRA, 2014 a procuring agency shall engage in this method of procurement (quotations) only if the cost of object of procurement is below the prescribed limit of one hundred

thousand rupees. Further, As laid down in the CBR letter No. 3(72)/STP/97 dated 29-12-1997 Purchases should be made by the Government Departments from the suppliers registered with Sales Tax Department and payment shall be made to the suppliers / contractors only on the bills supported with sales tax invoices read with at the end of month the department shall send a report on the prescribed format to the concerned Collector of sales tax intimating him the name and address of the supplier, GST number, cost of goods supplied including / excluding sales tax amount as per Government of the Pakistan (Revenue Division) Central Board of Revenue (Sales Tax Wing) Letter No. C.No.4(47)STB/98(Vol.I) dated 4th August, 2001.

Scrutiny of accounts of Dy. DEO (EE-W) Chakwal revealed that 229 Elementary and Primary Schools incurred expenditure of Rs 24.464 million from NSB Funds during Financial 2017-18. It was noticed that purchases were made from the firms not registered with Sales Tax Department. Moreover, indents were split up in order to avoid procurement process envisaged in PPRA Rules.

Audit hold that due to weak internal controls procurements were made in violation of government instructions.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.02]

3.4.3.8 Irregular and Unauthentic Payment to Teachers - Rs 21.315 million

According to the Rule 2.32 (a) of PFR Vol-I, it is essential that the records of payments and transactions in general must be clear, explicit and self-contained. According to First Schedule Part I of rule 2 of Punjab District Authorities (Delegation of Financial Powers Power) Rules 2017, the power to sanction expenditure on account of detailed head by the officer in Category-II is Rs2.0.

During Certification audit of District Education Authority for the year 2017-18, it was noticed that hundreds of teachers were granted

salaries amounting to Rs 21.315 million by the DEO (Literacy) in violation of government rules as detailed below:

1. Attendance of teachers was not verified by the supervisors.
2. Copies of Computerized National ID Cards were neither available on record nor shown to audit.
3. Acknowledgments of payments were not available.
4. The payment was made under the head Others instead of head Payment for services rendered.
5. DEO (Literacy) being officer in Category-II sanctioned expenditure of Rs 2.0 million on account of payment for services rendered over and above delegated financial powers.

Document No	G/L Description	Cost Center	Amount
1900063049	Others	CY8997	5,030,000
1900023485	Others	CY8997	3,290,000
1900022347	Others	CY8997	3,285,000
1900041129	Others	CY8997	1,675,000
1900049511	Others	CY8997	1,675,000
1900056575	Others	CY8997	1,655,000
1900107993	Others	CY8997	1,630,000
1900031698	Others	CY8997	1,600,000
1900047264	Others	CY8993	755,000
1900079287	Others	CY8997	720,000
			21,315,000

Audit holds that due to weak internal controls irregular payments were made. This resulting in unauthentic and un-authorized payments in violation of government rules.

In DAC held in October 2018, department replied that payment was made as per policy of literacy and non-formal basic education department Government of the Punjab. The payment made under head A03970 as per government of the Punjab Finance Department letter No. FD (W&M)1-31/2008-2009-108 dated 12.11.2008. The reply was not tenable. DAC directed for inquiry into the matter besides fixing responsibility. No compliance was made till the finalization of the report.

Audit recommends inquiry into the matter for fixing responsibility against the concerned.

3.4.3.9 Non-Maintenance Cash Book for-Rs 13.520 million

As required under 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.

DEO (Secondary Education) of District Health Authority Chakwal did not maintain Cash Book for expenditure of Rs 13,519,892 for the period 1.1.17 to 30.6.2018. In the absence of cash book, authenticity, validity and accuracy of the expenditure incurred, could not be verified.

Audit holds that due to non-compliance of rules, relevant record was not maintained.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe besides fixing responsibility against person(s) at fault for non-maintenance of record.

[AIR Para No.02]

3.4.3.10 Irregular Expenditure without approval of School Base Action Plan -Rs 11.490 million

According to Para 3.4(1) of Booklet of guide lines for NSB (Non-salary Budget) issued by PMIU Education Department Govt., of the Punjab, School Based Action Plan regarding needs of schools should be prepared and sent to AEO for approval.

Contrary to above, following schools working under Dy. DEO (EE-M) Chakwal did not submit the “School Based Action Plans” to AEO for concurrences and signature. This resulted in irregular expenditure of Rs 11,489,901.

Audit holds that due to weak financial discipline, expenditure was incurred without preparing and approving the School base action plan.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.07]

3.4.3.11 Irregular Drawl of Leave Encashment-Rs 9.024 million

According to Accounting Policies and Procedures Manual, a facility provided by the banks which allows salaries and other employee related payments to be made directly into the bank accounts of those persons, without the need for an exchange of physical cash or cheques.

During audit of Dy. DEO (M-EE) Chakwal of District Health Authority Chakwal, it was noticed that a sum of Rs 9,024,377 was paid on account of leave Encashment of L.P.R to different staff going on retirement during Financial Year 2017-18. It was noticed that payments were drawn by DDO self instead of actual payees. As the personal number and vender number of all the staff was operative and cheque was needed to be issued to the actual payee resulted in irregular drawl of Rs 9.024 million.

Audit holds that due to non-compliance of rules, payments were not drawn on actual payees names.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.01]

3.4.3.12 Irregular Payment without any nomenclature - Rs 8.342 million

According to NAM, the budgetary allocation be made according to the chart of accounts/classification approved by the Auditor General of Pakistan. As per Article 30 of Audit Code, all financial transactions are required to be properly recorded and allocated to proper heads of account, Furthermore, according to Rule 12 of General Financial Rules, the expenditure may be incurred for the purpose for which the budget allocation is made. Further, as per Article 30 of Audit Code, all financial transactions are required to be properly recorded and allocated to proper heads of account.

Dy. DEO (EE-M) Lawa, District Chakwal, drew Rs 8.342 million on account of different allowances pertaining to pay and allowances of the officials / officers under the head A01270-Others without clear object

description in violation of Govt., instructions during Financial Year 2016-18.

This resulted in irregular payments of Rs 8.341 million as detailed below.

Sr.No.	Cost Center	Account Code	Head	Amount (Rs)
1.	CY 6497	AO1270	Others	7,984,029
2.	CY 6496	AO1270	Others	357,866
Total				8,341,895

Audit holds that due to weak internal controls, payments were made without classified object description.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.03]

3.4.3.13 Non-transparent Payment of Leave Encashment- Rs 7.931 Million

According to PLG Accounts Rules, 2017 chapter 2 Rule 4(b), all the payments exceeding Rs 10,000 should be made through cross cheque to vendor.

Dy.DEO (EE-W) Chakwal had drawn Rs 7,931,415 through cheques favouring DDO instead of payees. Due to this, chances of fraud and misappropriation could not be ruled out.

Audit hold that due to weak internal controls payments were drawn through cheques favouring DDO.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.03]

3.4.3.14 Irregular Purchases Without Tender -Rs 6.197 Million

According to rule 9 read with rule 12(1) of PPRA 2014, “procurements over one hundred thousand rupees and up to the limit of

two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

CEO (DEA) Chakwal, had incurred Rs6.197 million on purchase of Hino Mini Bus& plant & machinery items during Financial Year 2017-18, without calling tender which resulted in irregular procurement of Rs 6.197 million.

(Rs in millions)

Bill No	Cost Center	Head of Account	Supplier	Description	Amount
	CY-8996			Mini Buss(Hino)	5.900
596/02-06-2018	CY-6009	(AO-9601) Plant & Machinery	Qutab shahi	photocopier	0.099
1396/01-06-2018	CY-6009	-do-	-do-	AC inverter 1.5 Ton	0.099
959/29-03-2018	CY-6009		-do-	Split AC 1.5 ton	0.099
Total					6.197

Audit holds that due to noncompliance of PPRA rules expenditure was held irregular.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends regularization besides fixing responsibility of the person(s) at fault, under intimation to audit

[AIR Para No.1& 7]

3.4.3.15 Non-registration of Private Schools resulted in loss - Rs 5.810 million

As per the Punjab Private Educational Institutions (Promotion and Regulation) ordinance 1984, an in charge shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance.

As per 11 of the Punjab Private Educational Institutions (Promotion and Regulation) ordinance, 1984 If an incharge contravenes

any provision of the ordinance or the rules, the Registering Authority may subject to reasonable opportunity of defense impose administrative penalty which may extend to twenty thousand rupees per day from the date when the notice of contravention is served on the institution till such time that the contravention continues.

Registration Branch of CEO (DEA) Chakwal, did not make efforts for registration of private schools running in district Chakwal. Scrutiny of record of registration branch revealed that 107 schools were running without registration. No action was taken against the non-registered schools by the education authority. Due to which government treasury sustained a loss of Rs 5.810 million in shape of non recovery of registration fee, annual inspection and penalty @ Rs 100/day.

(Amount in Rs)

Number of Non Registered Schools	Rate of Registration Fee@7,000	Late Period(days)	Penalty@100/day	Amount	Annual Inspection fee@1000/- per school	Total(Rs)
107	749,000	365	3,905,000	4,654,500		4,654,500
1156	-	-	-	-	1,156,000	1,156,000
Total						5,810,500

Audit holds that due to non compliance of rules neither the schools were registered nor the action was taken against non registered schools. In response to above, no reply was submitted.

The matter was reported to PAO in August 2018, but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends for immediate registration of these schools and recovery of penalty as per ordinance besides fixing responsibility of the person(s) at fault.

[AIR Para No.15]

3.4.3.16 Retention of Money in DDO Account -Rs 5.759 Million

According to rule 2.10 (b)(5) of PFR Vol-I, it is not permissible to draw money from the treasury unless it is required for immediate disbursement.

CEO (DEA) Chakwal being DDO had drawn an amount of Rs 10.845 million from treasury and shown disbursed Rs 6.997 million during 2017-18, resulted in non disbursement/retention of Rs 5.759 million as detailed below:

(Amount in Rs)

FY	Bank Name/Account No	Account Title	Total Credit	Total Debit	Closing Balance as on 30-06-2018
2017-18	NBP/4041709746	DDO	10,845,218	6,997,499	5,759,469
Total					5,759,469

Audit holds that due to non compliance of rules funds were drawn for retention instead of immediate disbursement.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe for non disbursement/retention of Govt. money besides fixing responsibility against the person (s) at fault.

[AIR Para No.26]

3.4.3.17 Non-maintenance of Stock Registers -Rs 5.155 Million

As per rule 15.4 (a) & 15.7 of PFR Volume-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register and signatures from the issuing persons and acknowledgement from the be receiving persons be made.

Dy. DEO (EE-M) Chakwal & DEO Secondary of District Education Authority Chakwal did not maintain stock register for items purchased during Financial Year 2017-18 under NSB & FTF amounting to Rs 5,155,151.

Audit holds that due to non-compliance of rules, relevant record was not maintained properly.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe besides fixing responsibility against person(s) at fault.

[AIR Para No.05& 03]

3.4.3.18 Irregular Payment on account of Financial Assistance – Rs 2.200 million

According to the Rule 2.32 (a) of PFR Vol-I, it is essential that the records of payments and transactions in general must be clear, explicit and self-contained.

Dy. DEO (EE-M) Lawa District Chakwal drew Rs 2,200,000 on account of financial assistance to the heirs of deceased Mr. Tariq Javed who was died during service.

Date	Cost Center	Head of Account	Amount
15.03.2018	CY6497	Fin. Assist. to the families of G. Serv. who expire	2,200,000.00

The expenditure was irregular due to the following:

1. Residual amount after payment to widow (Rs 275,000) and son (Rs 1,558,334) worth Rs 366,666 was neither paid to anyone nor paid into the treasury.
2. Original payment voucher, death certificate of deceased employee, Last pay slip, Copy of CNICs and acknowledgements were neither available on record nor shown to audit.

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

In absence of apropos record, authenticity and legitimacy of the payment could not be ensured.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.04]

3.4.3.19 Non-payment of Merit Scholarships -Rs 2.112Million

According to Rule 17.19 of PFR Volume-I, it is not permissible to Draw Advances from Government Treasury to prevent the lapse of Appropriation. Further Rule 2.10 (b)(5) stipulates that no money is withdrawn from Government Treasury unless it is required for immediate disbursement.

DEO (Secondary Education) of (DEA) Chakwal had drawn Rs 2,112,000 on account of Merit Scholarship for 8th class examination 2016 for the period 01.04.2016 to 31.03.2018 for 88 students @ Rs 1,000

per month per student. But the amount was lying in the bank account of DDO undisbursed till the date of audit (August 2018).

Audit holds that due to non-compliance of rules the amount was drawn from treasury without immediate need of disbursement.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe besides fixing responsibility against the person (s) at fault.

[AIR Para No.01]

3.4.3.20 Irregular expenditure from NSB - Rs 1.980 million

According to SMC policy 2007, money can only be drawn and expense be incurred with the approval of the council 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.

Various Schools working under Dy. DEO (M-EE) & Dy. DEO (W-EE) Lawa, District Chakwal incurred expenditure of Rs 1.980 million from NSB funds on development without verification from AEO concerned as required under the rule as well as approval of council during financial year 2017-18.

Audit held that due to non-compliance of rules, irregular expenditure of Rs 1.980 million incurred without approval of schools councils and respective AEOs.

This resulted in irregular expenditure of Rs 1.980 million.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends that matter be probed besides fixing responsibility against the person (s) at fault.

[AIR Para No.6 & 10]

3.4.3.21 Irregular Expenditure on Civil Work – Rs 1.828 Million

According to para-8 of Guidelines for Non-salary Budget (NSB) issued by the PMIU in accordance the School Council Police 2007 (revised in 2013), expenditure from NSB Account will be incurred with the approval of School Council and complete minutes of meeting should

be maintained and kept on record., As per rule 15.4 (a) & 15.7 of PFR Volume-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register and signatures from the issuing persons and acknowledgement from the receiving persons be made. According to para 4.4.7 of School Council Guide Lines 2007 (Revised in 2013), all development / civil work should be done according to the Government approved specifications and design. Further, according to para 4.4.8 the School Council will complete the civil work on the rates less the market rates and on completion of work the School Council will sent a written report to Dy.DEO concerned.

Scrutiny of record revealed that various schools under Dy. DEO (EE-M) Chakwal incurred expenditure of Rs 1.828 million without approval of school council and acknowledgement during Financial Year 2017-18.

Audit is of the view that due to weak internal control, expenditures held irregular

The matter was reported to PAO in September 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.05,06,09]

3.4.3.22 Unjustified booking of expenditure - Rs 1.791 million

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

Scrutiny of FI Data of CEO (DEA) Chakwal for the financial year 2017-18, revealed that Rs 1.791million had been booked and drawn from cost centre of CEO(DEA) Chakwal for the DDO of Jhelum vide cost centre Jv- 6007 resulted in un-justified drawl of Rs 1.791 million.

Audit holds that due to weak internal controls un-justified/wrong booking was made from CEO(DEA) Chakwal cost center for others DDOs.

This resulted in unjustified drawl of Rs 1.791 million.

The matter was reported to PAO concerned in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe for un-justified booking of expenditure from cost center of CEO (Chakwal) for other DDO of Jhelum besides fixing of responsibility against the person (s) at fault.

[AIR Para No.11]

3.4.3.23 Defective maintenance of Cash Book of NSB -Rs 1.036 million

According to Rule 2.32(a), it is not sufficient that a Government servant accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant-General that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an amount is correct in all respects. Further, according to para-5.1.1 of Guidelines for Non-salary Budget (NSB) issued by the PMIU, Head teacher of the school is responsible for preparation cash book the expenditure incurred from NSB Account.

Following schools working under control of Dy.DEO(EE-M) Chakwal incurred expenditure of Rs 1,035,676 from NSB account but cash book was not maintain on format described.

Sr. No.	EMIS Code	Name of School	Amount (Rs)
1	37410095	GES LANGAH	257,887
2	37410230	GPS HASTAL	109,569
3	37410321	GPS Nain Sukh	85,306
4	37410332	GPS Roopwal	280,710
5	37410353	GPS DhokeLadhial	145,000
6	37410346	GPS DhokeDabri	157,204
			1,035,676

Audit holds that due to non-compliance of rules, cash book was not maintained.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe besides fixing responsibility against person(s) at fault.

[AIR Para No.10]

3.4.3.24 Irregular expenditure beyond financial competency - Rs 997,434

As mentioned Para 4.9.1 of School Council Policy 2007 revised in 2017, according to Finance Department notification No.IT(FD)3-13/2002 dated 7th January 2004 and 29th January 2005, School council is authorized to incur maximum amount of Rs 400,000 during a financial year (From July to June)

Following schools working under control of Dy. DEO (EE-M) Chakwal, incurred an expenditure of Rs 997,434 from NSB fund with the approval of School Council beyond its competency during Financial Year 2017-18 as detailed below:

Sr. No.	Name of School	FTF (Rs)	NSB (Rs)	Total Expenditure (Rs)
1	GES KALAS	186040	406219	592,259
2	GES BEGAL	242401	162774	405,175
	Total			997,434

Audit holds that due to non-compliance of rules, expenditure incurred beyond the financial competency of the school council.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.11]

3.4.3.25 Doubtful Payment Without Acknowledgment -Rs 0.978 million

According to Rule 2.22 of PFR Volume-I read with note 2 under Subsidiary Treasury Rule 4.3, “every payment voucher should be supported with acknowledgement of payment”.

Following schools working under Dy.DEO (EE-W) Lawa, District Chakwal incurred expenditure of Rs 0.978 million on account of NSB fund during Financial Year 2017-18, but the acknowledgment of payment was not obtained resulting in doubtful payment as detailed below:

Name of School	Description	Amount
GGES Dhiba	Different work in school	226,000
GGES Sadiqabad		259,237
GGES DK Aitbar		203,896
GGES DK Mail		163,290
GGPS Jhatt		125,580
TOTAL		978,003

Audit holds that due to weak financial management, acknowledgment of payment was not obtained.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends matter be probe besides fixing responsibility against person(s) at fault.

[AIR Para No.09]

3.4.3.26 Irregular Payment on account of Leave Encashment- Rs 955,489

According to Rule 2.32 (a) of PFR Vol-I, It is essential that the records of payments and transactions in general must be clear, explicit and self-contained.

Dy. DEO (EE-M) Lawa, District Chakwal paid Rs 955,489 on account of Leave Encashment during Financial Year 2017-18. The expenditure was not justified and irregular due to the following:

1. Original vouchers, Last Pay Slips along with the acknowledgement of receipt was not on record.
2. Proof of bank transfer / payment through crossed cheques in the bank statement was not shown to audit.
3. Leave account was not available to ensure that no long leave was availed or availed by the official during the last year that needs to be adjusted or otherwise.

Date	Cost Center	Head of Account	Amount(Rs)
08.02.2018	CY6497	Superannuation Encashment of L.P.R	172,020
08.02.2018	CY6497	Superannuation Encashment of L.P.R	179,809
19.06.2018	CY6497	Superannuation Encashment of L.P.R	603,660
Total			955,489

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

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends appropriate action be taken besides fixing responsibility against the person (s) at fault.

[AIR Para No.09]

3.4.4 Performance

3.4.4.1 Excess / Expenditure without Budget -Rs54.518 Million

According to Rule 66(5) of (Budget) Rules 2003, “Drawing and Disbursing Officer shall not authorize any payment in excess of the funds placed at his disposal”.

Scrutiny of records revealed that various formations under CEO (DEA) Chakwal incurred expenditure of Rs 196.788 million against the budget allocation of Rs 142.17 million resulted in excess expenditure of Rs 54.618 million during Financial Year 2017-18. The detail is as under.

(Rs in millions)

Sr. No.	AIR Para No	Name of Formation	Description	Budget (Rs)	Expenditure (Rs)	Savings (Rs)
1	27	CEO(DEA)	Pay & Allowances	0	1.520	1.520
2	07	DEO(SE)	-do-	6.302	8.383	2.081
3	09	Dy.DEO(WEE) Chakwal	-do-	29.645	42.995	13.350
4	02	Dy.DEO(MEE), Lawa,	-do-	99.964	136.570	36.606
5	02	Dy.DEO(WEE), Lawa,	-do-	3.745	4.397	0.652
6	87	HM. Govt. Deaf & Defective hearing Chakwal	-do-	2.514	2.923	0.409
Total				142.17	196.788	54.618

Audit is of the view that due to internal control failures and financial mismanagement, an expenditure of Rs54.618 million made in excess of budget allocation.

The matter was reported to PAO in September 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.27,07,09,02,02,87]

3.4.4.2 Non-utilization of Development Budget –Rs 42.904 million

According to rule 64(iv) of PDG & TMA (budget) Rule 2003, “District Government shall utilize its resources effectively & efficiently”.

CEO (DEA) Chakwal utilized Rs 24,595,704 against the allocation of Rs 67,500,000 under (SDA) development grant for IT lab during 2017-18. This resulted in lapsed / non -utilization of Rs 42.904 million as detailed below:

(Amount in Rs)

Name of Scheme	Object Code	Budget(million)	Expenditure (Million)	Lapsed
8996 Development- CK 5414- AO 5270	AO9701	67,500,000	24,595,704	42,904,296
Total		67,500,000	24,595,704	42,904,296

Audit holds that due to weak internal controls funds amounting to Rs 42.904 million were not utilized resulted in lapse of funds.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends that matter be investigate for non-utilization of development funds besides fixing responsibility of the person(s) at fault, under intimation to audit

[AIR Para No.4]

3.4.5 Internal Control Weaknesses

3.4.5.1 Non-deposits of Security by Private Schools -Rs 209.800 Million

According to Rule 12-A(m) of Punjab private Educational Institution (Promotion and Regulation) Ordinance, 1984 “the institution shall deposit Rs 200000 (Two lac) as security with the Registration Authority.”

Scrutiny of record of registration branch of CEO (DEA) Chakwal, it was noticed that there were 1049 registered schools running in District Chakwal but nothing was deposited under the head of security fees @ Rs 200,000 per school (1049 x 200,000 = Rs209,800,000) with the registration Authority.

Audit holds that due to weak internal controls and financial indiscipline security was not deposited.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends to ensure recovery of security from concerned schools besides fixing responsibility of the person(s) at fault.

[AIR Para No.5]

3.4.5.2 Non-obtaining of 10% security for Purchase of IT Lab Items – Rs 6.750 Million

According to PPRA Rules 2014, Chapter VII at Sr. No. 39, where needed and clearly expressed in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee /security which shall not exceed ten per cent of the contract amount

CEO (DEA) Chakwal, awarded contract for supply of IT lab items for Rs 67.500 million during Financial Year 2017-18 but 10% performance security amounting to Rs 6.750 million was not obtained from successful bidder as detailed below:

FY	Suppliers	Description	Value	10% security
2017-18	Gul Enter Prises Mardan	IT lab items	67,500,000	6,750,000

Audit held that due to non compliance of rules, performance security Rs6.750 million was not obtained from successful bidder.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[AIR Para No.9]

3.4.5.3 Non-supply of IT Equipments –Rs 26.290 million

As per supply order No. 1478/11-04-17 for 45 days time 01-07-18 (FY 2016-17) & NO.15542/30-11-2017 for 45 days till 15-01--18(FY 2017-18), supply was required to be completed within 45 days from issuance of supply orders.

CEO (DEA) Chakwal, awarded a supply order to M/S Gull Enter Prizes Mardan for supply of 480 computer system for 30 IT Labs during Financial Year 2017-18 for Rs 26.289 million. It was required to supply lab items within 45 days from issue of supply orders i.e till 15-01-2018 but the firm was failed to complete the supply till the date of audit. Department neither imposed any penalty nor black listed the said firm.

(Amount in Rs)

No. of IT Labs	Supply Order	Amount paid	2% penalty
30 labs = 480 computers	15542 / 30-11-2017 for 45 days till 15-01-18	26,289,600	3,154,752

Audit holds that due to weak internal controls the form was not black listed for non supply of lab items.

The matter was reported to PAO in August 2018. Neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of penalty from concerned suppliers be recovered for delay supply besides fixing responsibility of person(s) at fault.

[AIR Para No.20]

3.4.5.4 Inadmissible payment of Income Tax on behalf of vendors–Rs 2.171 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount on account of supplies and services rendered.

Various schools of Dy. DEO(EE-W) Chakwal deposited an amount of Rs 2.171 million on account of income tax on behalf of vendors during Financial Year 2017-18 from NSB Funds. This resulted in unjustified payment of Income Tax Rs 2.171 million.

Audit holds that due to weak internal controls Income tax was on behalf of vender was deposited out of NSB funds.

The matter was reported to PAO in September 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of un-authorized drawl/payment from NSB funds from concerned besides fixing responsibility of person(s) at fault.

[AIR Para No.01]

3.4.5.5 Payment of 30% SSB to regular staff –Rs 1.188 million

As per terms and conditions of the contract appointment, SSB in lieu of pension @ 30% of the minimum of the respective scale admissible to contract employees only. As per Sr. 04 of terms and condition of appointment, the pay of newly appointed staff formally on contract service, would be fixed on the initial of the pay Grade / Scale and the difference of pay would be paid as their personal allowance.

CEO of (DEA) Chakwal regularized contract staff of the Dy. DEO (EE-W&M) under regularization policy of services. Their pay was required to be fixed on initial of the respective scale with the benefit of Personal allowance to cover difference of their basic pay. Department did not re-fix their pay and allowed to draw SSB.

This resulted in overpayment of Rs 1.188 million.

Audit is of the view that due to weak financial discipline, 30% SSB and other allowances was not stopped at the time of regularization.

The matter was reported to PAO in September 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit desired recovery besides fixing responsibility of person(s) at fault.

[AIR Para No.42,55]

CHAPTER 4

DISTRICT EDUCATION AUTHORITY, GUJRANWALA

4.1 Introduction of the Authority

District Education Authority, Gujranwala was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Gujranwala is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Gujranwala manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1

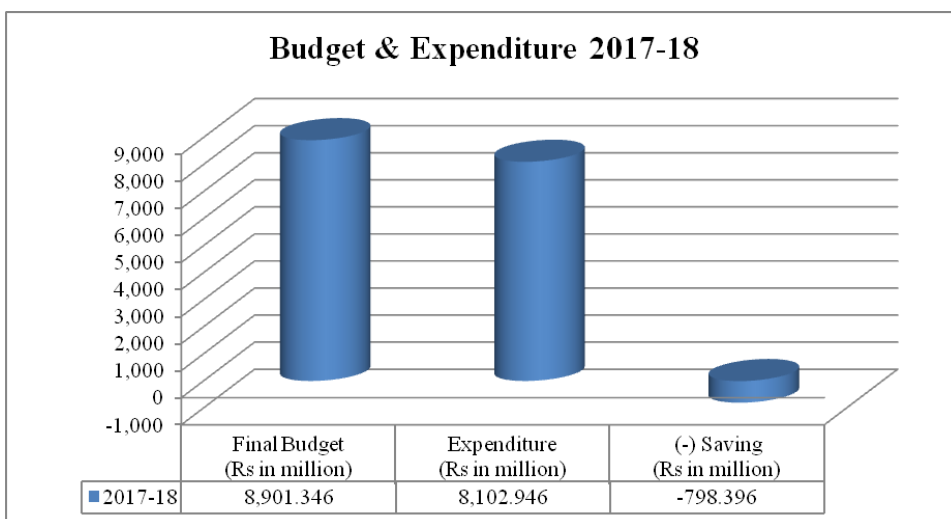
Description	No. of offices / schools
Dy. DEO (MEE)	4
Dy. DEO (WEE)	4
High and Higher Secondary Schools	269
Elementary & Primary Schools	1263
Any other institute	12

4.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2017-18 was Rs 8,901.345 million, against which Rs 8,102.946 million was spent. Overall savings of Rs 798.396 million during the Financial Years 2017-18 which was 9% of budgetary allocation.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2017-18	8,901.345	8,102.946	798.396	9



4.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab:

Sr. #	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	7	Not convened

4.4 AUDIT PARAS

4.4.1 Irregularities & Non-compliance

4.4.1.1 Irregular utilization of development funds- Rs 754.134 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. Further, as per section 103 (2) of Punjab Local Government Act 2013, A local government shall not transfer monies to any other local government except by way of payment of debts, for carrying out deposit works or for such other purposes as may be prescribed.

During Audit of CEO Education of Gujranwala for the financial year 2017-18, it was observed that CEO Education Gujranwala released development funds of Rs 754.134 millions to Cost Center GY 8995 of XEN Building –II. Cost Center GY 8995 was opened in account – 5 that was being operated by XEN Building –II who authorized payments of Rs 121.634 million to contractors during financial year 2017-18. In this way, pre audit by Divisional Accountant and reflection of expenditure on Form-26 for onward submission to DG Works Accounts was avoided. Further, the expenditure was also rendered unaudited willfully by DG Works Audit Punjab as booking/processing of the expenditure was made through mode meant for regular Non-Salary expenditure in SAP/FI. Further, operating of DDO account within account -5 by XEN Building – II was not supported / allowed by financial rules.

Audit holds that defective financial procedure was willfully adopted to manage pre-audit of expenditure with connivance of Officers of DHA and District Account Office Gujranwala due to weak internal controls.

It resulted into irregular expenditure of Rs. 754.134 million from public exchequer.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

Audit recommends for regularization of expenditure besides fixation of responsibility under intimation to Audit.

[PDP No.1]

4.4.1.2 Irregular expenditure on purchase of furniture - Rs 1.396 million

As per standing instructions of government for utilizing the NSB funds, " approval / sanction of school council is required for incurring any expenditure out of NSB funds".

During audit of Govt. Girls High School, Wahndo for the financial year 2001-18, it was observed that furniture of Rs 1.396 million was purchased without approval of school council as detailed below:

Bill No.	Date	Particulars	Quantity	Rate per unit inclusive GST	Supplier	Amount (Rs)
370	28.06.13	Students chairs	25	2574/each	K&W Traders	64,350
370	28.06.13	3-seater bench with desks	71	4680/each	K&W Traders	332280
1224/3	17.01.17	3-seater bench with desks	61	8190/each	K&W Traders	499,590
1225/3	12.01.17	3-seater bench with desks	61	8190/each	K&W Traders	499,590
Total						1,395,810

Audit holds that NSB funds were utilized without acquiring approval / sanction of school council due to weak internal controls.

It resulted into irregular expenditure of Rs 1.396 million.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

Audit recommends regularization of the matter besides fixing the responsibility on the concerned quarters under intimation to Audit.

[PDP No.79]

4.4.2 Internal Control Weaknesses

4.4.2.1 Doubtful utilization of development funds amounting to Rs.289.782 million

According to Rule 2.33 of the PFR Vol-I, Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud.

Audit of the accounts of CEO (Education) Gujranwala revealed that Rs.691.704 million was placed at disposal of XEN Buildings II to execute the various schemes during the financial year 2017-18. A progress report was submitted and shown that schemes have been completed 100% and all the funds have also been utilized. But upon physical verification, on random test basis, it was revealed that not a single scheme was completed by 100%. A number of schemes were completed by 20% to 30% only whereas in progress report these were mentioned as 100% completed along with 100% utilization of funds. Further, probe in record revealed that No completion certificate and PC-IV were not found available. Furthermore, No handing over/ taking over certificate was found available.

Financial Year	No. of schemes	Amount (Rs in million)
2017-18	39	289.782

Audit holds that development schemes were not 100% completed due to weak internal and financial controls.

It resulted into likely embezzlement of government money.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

Audit recommends that an inquiry be initiated at higher level and hectic steps be taken against the persons at fault for reporting fictional figures to higher authorities under intimated to Audit.

[PDP No.9]

4.4.2.2 Doubtful payment of Basic Pay Rs. 13.512 million

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

During audit of Dy DEO Female Wazirabad for the financial year 2017-18, it was observed that Basic Pay of eighteen employees increased in November 2017 and regular annual increment was also granted on 1st December 2017. Further, Basic Pay of fifteen employees was also increased in month May 2018. Increase in basic pay was neither due to annual increment not due to revision of pay scale. Further, management was unaware about changes in employees' basic pays.

Audit holds that increments in basic pay were allowed without entitlement due to weak internal controls.

It resulted into irregular expenditure of Rs 13.512 million.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

Audit recommends regularization of expenditure besides fixation of responsibility on person at fault under intimation to Audit.

[PDP No.44]

4.4.2.3 Non deduction of conveyance allowance- Rs 2.451 million

According to Rule 1.15 of Punjab Traveling Allowance Rules no conveyance allowance is admissible during leave, or joining time.

During audit of formations of District Education Authority Gujranwala for the financial year 2017-18, it was observed that conveyance allowance of Rs 2.451 million was not deducted during leave as detailed below:

Sr. No.	Name of Formation	Description of leave	No. of employees	Amount (Rs)
1	Dy. DEO (M-EE) Wazirabad	Summer vocation 2018	926	1,404,558
		Winter vocation 2017	928	939,705
2	Govt. Girls High School Wahndo	Maternity Leave	14	106,707
Total				2,450,970

Audit holds that connivance allowance was not deducted due to weak internal controls and defective financial discipline.

It resulted into overpayment of Rs 2.451 million from public exchequer.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

Audit recommends for recovery besides fixation of responsibility on person at fault under intimation to Audit.

[PDP No.27,28 & 80]

4.4.2.4 Unjustified Payments of pay & allowances Rs. 1.924 million

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

During audit of following formations of District Education Authority Gujranwala for the financial year 2017-18, it was observed that pay and allowances were drawn through off cycle pay roll but no documentary evidence was available as detailed below:

Sr. No.	Name of Formation	Description of payment	No. of employees	Amount (Rs)
1	Dy DEO Female Wazirabad	Off cycle payment	12	1,768,459
2	Govt. Jinnah Memorial High School, Gujranwala	Off cycle payment	14	155,127
Total				1,923,586

Audit holds that record of arrears was not maintained due to negligence of management and weak internal controls.

It resulted into irregular expenditure of Rs 1.924 million.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

Audit recommends regularization of expenditure besides fixation of responsibility on person at fault under intimation to Audit.

[PDP No.43 & 56]

4.4.2.5 Irregular payment of arrears of Pay & Allowances - Rs.1.588 million

According to Rule, 2.20 of PFR Vol-I, every payment must be supported by a voucher setting forth full and clear particulars of the claim.

During audit of Dy DEO (WEE) Kamonke for the financial year 2017-18, it was observed that Rs.1,587,971 was paid to Assistant Education Officers as arrears of pay & allowances but no documentary evidence was maintained as detailed below:

Sr. No.	Name of Employee	Designation	Amount of arrears claimed
1	AMNA MAQSOOD	AEO	363,560
2	KHAZIMA	AEO	363,560
3	MUHAMMAD BILAL CHISHTY	AEO	363,560
4	SAIMA LIAQAT	AEO	180,111
5	SIBGHAT ULLAH	AEO	317,180
Total			1,587,971

Audit holds that due to weak internal controls irregular payment was made.

It resulted into irregular payment of arrears of pay & allowances.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.40]

4.4.2.6 Non-deduction of government taxes amounting to Rs.1.364 million

According to rule 2.31 (a) of the Punjab Financial Rules, Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. Further according to Income tax ordinance 2001, GST @ 19% Income tax at source @ 7.5% should be deducted from non filer suppliers.

Audit of CEO (Education) Gujranwala for the financial year 2017-18 revealed that an amount of 1.364 million was not deducted out of claims of vendors / suppliers as due government taxes.

Audit holds that due to weak internal controls of management government taxes were not deducted.

Resultantly government sustained a loss of Rs.1,364,186.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in August, 2018 but no DAC meeting was convened till the finalization of this report.

Audit recommends recovery besides fixation of responsibility under intimation to Audit.

[PDP No.6,18,19,22,24,29,35,53,66,68,75 and 81]

CHAPTER 5

DISTRICT EDUCATION AUTHORITY, GUJRAT

5.1 Introduction of the Authority

District Education Authority, Gujrat was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Gujrat is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Gujrat manages following schools / education offices:

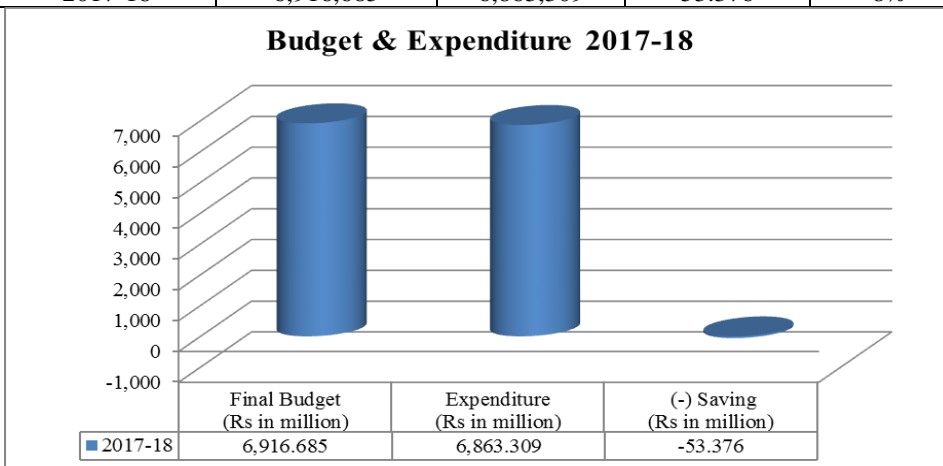
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3
High and Higher Secondary Schools	308
Elementary & Primary Schools	955
Any other institute	6

4.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2017-18 was Rs 6.916 million, against which Rs 6.863 million was spent. Overall savings of Rs 53.376 million during the Financial Years 2018-19 which was 8% of budgetary allocation.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2017-18	6,916,685	6,863,309	53.376	8%



5.3 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:

Sr. #	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	6	Not convened

5.4 AUDIT PARAS

5.4.1 Irregularities & Non-compliance

5.4.1.1 Irregular expenditure due non-obtaining of vouched account Rs 391.658 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, as per Rule 2.32 (a) of PFR Vol-1, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During the audit of Chief Executive Officer DEA Gujrat for the financial year 2017-18, it was observed that funds of Rs 327.375 million were transferred to Executive Engineer Buildings Gujrat for provision of missing facilities. In addition to this Rs 64.283 million were transferred for the completion of ongoing schemes relating to previous financial years but vouched accounts were not received / obtained.

Sr. No.	Cheque No	Dated	Payee Name	No of Schemes	Amount
1	658346	16-11-17	XEN Building Div Gujrat	49	170,698,000
2	658347	23-12-17	XEN Building Div Gujrat	12	50,955,000
3	658349	06-02-18	XEN Building Div Gujrat	34	50,569,000
4	658353	10-03-18	XEN Building Div Gujrat	5	34,163,000
5	658354	25-04-18	XEN Building Div Gujrat	3	13,491,000
6	658353	11-05-18	XEN Building Div Gujrat	1	7,499,000
7	5100045008	08-09-2017	XEN Building Div Gujrat	A12403	64,283,000
Total					391,658,000

Audit is of the view that due to non compliance of standing instructions, vouched accounts were not obtained.

It resulted into irregular expenditure of Rs 391.658 million from public exchequer.

The matter was reported to PAO in November, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends provision of requisite record besides fixation of responsibility against the person(s) at fault under intimation to Audit.

[PDP No.12 & 10]

5.4.1.2 Doubtful payments of arrears of pay & allowances – Rs 3.980 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, as per Rule 2.32 (a) of PFR Vol-1, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During the audit of Chief Executive Officer DEA Gujrat for the financial year 2017-18, it was observed that arrears of pay & allowances through off cycle were paid to employees. The officers/officials were drawing salaries in same cost center (Office). Therefore payment of arrears of pay and allowances was required to be paid through adjustments. Further arrears of pay & allowance were paid twice within the financial year. Supporting documents regarding entitlement of arrears and payment through off cycle was not maintained.

Person nel No.	Cost Center	Cost Center Description	Employee Name	Payroll Execution Date	Payment (Rs)
307784 33	GV6009	DY D E O MALE GRT	MUHAMMAD RIAZ	05.03.2018	22,070
				15.12.2017	68,700
308627 84	GV6050	H MISTRESS GGHS SAROKI	SALMA PARVEEN	12.06.2018	1,515,625
				05.03.2018	257,682
305556 26	GV6103	PRIN GHSS TANDA	MUHAMMAD SAI	22.05.2018	174,525
				02.10.2017	433,875
305504 88	GV6120	H M GHS IMLAMIA-2 JPJ	AKHTER NAEEM	08.05.2018	160,620
				07.05.2018	106,240
305505 28	GV6216	H MASTER GHS SARAI ALAM GIR	KHADIM HUSSAIN	12.06.2018	853,405
				07.05.2018	342,564
316828 89	GV8997	DEO LITERACY (DEV) GUJRAT	MUMTAZ AHMED	05.06.2018	5,200
				15.05.2018	39,000
Total					3,979,506

Audit is of the view that due to non compliance of government instructions off cycle payment mechanism/ method was used instead of regular pay roll change.

It resulted into doubtful payments from public exchequer.

The matter was reported to PAO in November, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No. 05]

5.4.1.3 Unauthorized expenditure on purchase of Uniform Rs 2.971 million

As per para 3 (ii) of School Education Department's letter No. SO(Budget) 1-3/2-16 dated 07-03-2016, "Procurement of uniform, shoes, bags, stationery etc allowed to be done at the district level under PPRA rules and to be distributed through school councils".

During the audit of Chief Executive Officer DEA Gujrat for the financial year 2017-18, it was observed that funds of Rs 2.971 million were transferred to the school councils for purchase of uniform, shoes, bags and stationery in violation of rule *ibid*.

Doc No	Doc Date	G/L Descp	Vendor Name	Amount
1900009244	23.01.2018	To Others	CEO Edu Gujrat	2,583,000
1900082929	28.03.2018	To Others	CEO Edu Gujrat	388,500
				2,971,500

Audit is of the view that due to non compliance of government instructions, uniform was procured by the School Councils in violation of rules.

It resulted into unauthorized expenditure of Rs 2.971 million from public exchequer.

The matter was reported to PAO in November, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No. 07]

5.4.2 Internal Control Weaknesses

5.4.2.1 Overpayment of Conveyance Allowance - Rs. 1.482 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, as per Rule 2.32 (a) of PFR Vol-1, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During Desk Audit of SAP/HR/Off Cycle data in respect of District Education Authority Gujrat and its offices for the financial year 2017-18, it was observed that conveyance allowance was paid to teachers during summer vacations (July 2017, August 2017 & June 2018) as detailed below:

Months	No. of Employees	Overpayment of Conveyance Allowance
July 2017 & August 2017	120	1,027,744
June 2018	95	454,348
		1,482,092

Audit is of the view that due to weak internal controls and defective financial discipline, conveyance allowance was paid without entitlement.

It resulted into overpayments of Rs 1.482 million from public exchequer.

The matter was reported to PAO in November, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of the besides fixation of responsibility against the person (s) at fault under intimation to Audit.

[PDP No.08]

CHAPTER 6

DISTRICT EDUCATION AUTHORITY, HAFIZABAD

6.1 Introduction of Departments

District Education Authority, Hafizabad was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Hafizabad is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Hafizabad manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	2
Dy. DEO (WEE)	2

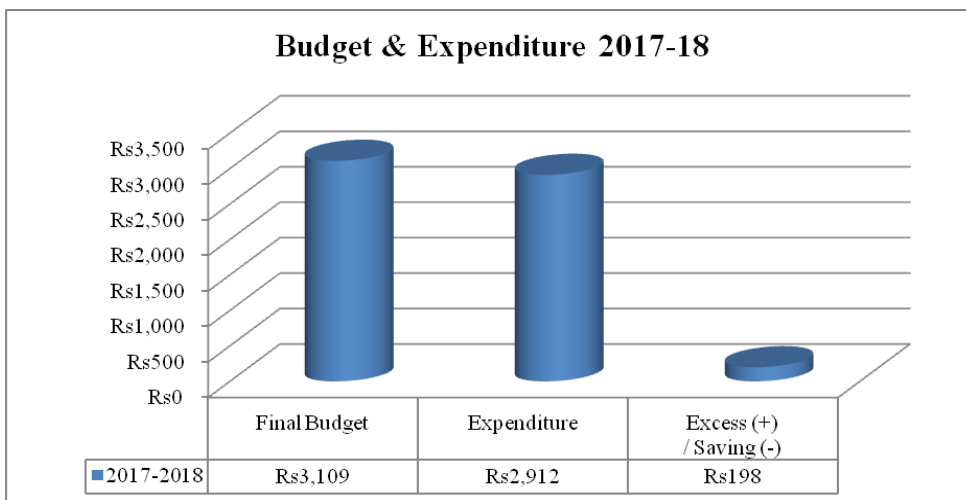
Description	No. of offices / schools
High and Higher Secondary Schools	81
Elementary & Primary Schools	652
Any other institute	3

6.2 Comments on Budget and Accounts

During FY 2017-18 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 3,109.414 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 2,911.674 million, showing saving of Rs 197.740 million for the period, which in terms of percentage was 6% of the final budget as detailed below:

(Rs in million)

Description	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving / (+) Excess (Rs in million)	%age of Savings
Salary	Rs2,816.431	Rs2,654.006	-Rs162.425	6%
Non-Salary	Rs219.41	Rs199.763	-Rs19.647	9%
Development	Rs73.573	Rs57.905	-Rs15.668	21%
Total	Rs3,109.414	Rs2,911.674	-Rs197.740	6%



6.3 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:

Sr. #	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	06	Not convened

6.4 AUDIT PARAS

6.4.1 Non-production of Record

6.4.1.1 Non-production of Record – Rs 167.395 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

The following formations of District Hafizabad incurred an expenditure of Rs 167.395 million during Financial Year 2017-18 but vouched accounts of the expenditure were not produced for audit scrutiny. In absence of such record the actual expenditure could not be verified.

Audit is of the opinion that due to defective financial discipline, relevant record was not produced to Audit in clear violation of the constitutional provisions.

No reply was submitted by the Management.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.01,02,04,18,19,29,30,39,46,47,57& 58]

6.4.2 Irregularities & Non-compliance

6.4.2.1 Lapse of government funds amounting to Rs.91.814 million

According to Rule 42 (1) & 4 (3) (v) of PDG & TMA (Budget) Rules 2003, the head of offices is responsible for ensuring that the funds allotted are spent on the activities for which the money was provided and as far as possible development projects shall be completed within the financial year.

CEO District Education Authority Hafizabad received an amount of Rs.184.094 million from Government of the Punjab in Special Drawing Account (NSB) HF 4340 during the Financial Year 2017-18 along with list of schools to whom these funds were required to be transferred. But due to mismanagement and carelessness of management, funds amounting to Rs 91.814 million could not be transferred to specific schools resultingly the balance amount i.e. Rs.91.814 million was lapsed as detail below:-

HF 4340 NSB		
Receipt	Payment	Balance
Rs 184.094 million	Rs 92.280 million	Rs 91.814 million

Audit holds that due to weak financial controls of management huge funds were lapsed.

No reply was submitted by the Management.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility for non-utilization of funds under intimation to Audit.

[PDP No.08]

6.4.2.2 Irregular expenditure in development head- Rs. 35.376 million

According to rule 2.14 (a) (ii) of Departmental Financial Rules, to assist the Divisional Officer in the discharge of his responsibilities referred to above, the Director, Audit & Accounts (Works) will post a Divisional Accountant to his office as primary auditor, i.e., as the representative of the Director, Audit & Account (Works) entrusted with the responsibility

of applying certain preliminary checks to the initial accounts, vouchers, etc. (Chapter 6 in section IV of Audit Code-First Edition).

CEO District Education Authority Hafizabad paid an amount of Rs.35.376 million to XEN Buildings Hafizabad and Team Consultants Lahore during financial year 2017-18 for execution of various development schemes on Deposit Work basis. Further scrutiny noticed that these funds were paid to said vendors out of regular cost center of development i.e. HY 8996 by submitting these bills / payment advices to District Accounts Officer Hafizabad for pre-audit and payment. Whereas these payments were required to be transferred directly in Public Works Deposits Head or after pre-audit by Divisional Account / Technical Staff. It was observed with great concern that DAO Hafizabad and his staff was non-technical and did not qualified the technical exams. In this situation these payments were made without pre-audit by the Divisional Accountant/Technical Staff.

Audit holds that due to weak internal and financial controls irregular expenditure was incurred out of development head. It resulted into irregular expenditure out of development head.

No reply was submitted by the Management.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends regularization besides fixing responsibility on the persons at fault under intimation to Audit.

[PDP No.15]

6.4.2.3 Non-recovery of un-spent balance amounting to Rs.8.497 million

According to Finance Department letter No. IT (FD)3-7/2000 dated 01.01.2001, M&R of buildings the funds would not constitute a deposit work and the funds were to be utilized upto 30th June and the unspent balance would be refunded to the concerned DDO.

CEO Education Hafizabad did not recover the un-spent balance out of funds released to XEN Buildings Hafizabad i.e. Rs.155.77 million, during financial year 2017-18, for execution of various schemes. As per progress report these schemes were completed by incurring Rs.147.273

million but the unspent balance i.e. Rs.8.497 million was not recovered as per detail below: -

Sr. No.	Description	Approved Cost (Rs in million)	Actual Exp. (Rs in million)	Balance (Rs in million)	Remarks
1	ADP No.389 - Provision of missing facilities in Schools in district Hafizabad - Construction of boundary walls (41 Schemes)	39.334	36.206	3.128	Completed
2	ADP No.414 - Reconstruction of Dilapidated schools buildings in Punjab Hafizabad (39 Schemes)	102.181	97.674	4.507	Completed
3	ADP No.574 - Provision of missing facilities including security cover in schools in Punjab district Hafizabad (14 Schemes)	14.255	13.393	0.862	Completed
Total		155.77	147.273	8.497	-

Audit holds that due to weak internal and financial controls of management the un-spent balance was not recovered. It resulted into non-recovery of un-spent balance of Rs.8.497 million.

No reply was submitted by the Management.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery from the concerned quarters under intimation to Audit.

[PDP No.03]

6.4.3 Internal Control Weaknesses

6.4.3.1 Doubtful provision of consultancy services of Rs. 1.975 million

As per clause 3.8 of consultancy agreement executed between Sampak and CEO Education Sialkot, “Documents prepared by the consultants to be the property of the client”. Further as per clause 11 of appendix A of aforementioned agreement: -

- c) The consultant will maintain daily record of check requests / tests performed & approval correspondence and site diaries supported with digital photographs. Submit the record of daily inspection reports, all the tests made, to the client on monthly basis.
- d) Prepare monthly progress reports, maintain estimate and comparative statement of projects and submit reports to the client.

CEO District Education Authority Hafizabad awarded the consultancy contract to Team Consultants for Rs.1.975 million during Financial Year 2017-18, for resident supervision for construction of dilapidated school buildings and missing facilities in school. But the Consultant did not perform work as per agreement except certification of contractor bills. Management failed to provide record of consultant work as required by above clause of agreement.

Audit held that payments to consultant were made without receiving reports/consultancy services as per agreement due to non-existence of internal controls. This resulted into doubtful provision of consultancy services.

No reply was submitted by the Management.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends inquiry of the matter under intimation to Audit.

[PDP No. 07]

6.4.3.2 Non deduction of Income Tax & GST – Rs 1.774 million

According to Section 153 of Income Tax Ordinance, 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment,

deduct tax from the gross amount as prescribed rates from companies & individuals on supplies.

Management of various formations of District Hafizabad incurred expenditure and made payment to the various suppliers but income tax/GST was not deducted as specified rates. This resulted in loss of revenue of Rs 1.774 million.

Audit is of the view that due to non-compliance of rules and dereliction on the part of the financial management, income tax was not / less deducted from the suppliers.

No reply was submitted by the Management.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of income tax of Rs 1.774 million from concerned.

[PDP No.22,23,24,32,33,34,42,43,44,49,50 & 51]

6.4.3.3 Un-authorized payment of Inspection Allowance amounting to Rs.1.415

According to rule 2.31 of the PFR Vol-I, drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation. Further as per clause 11 of terms and conditions of letter of agreement issued to AEOs, out of 27 performance evaluation indicators 25 are directly linked with inspection of schools.

DDEOs (W-EE) Hafizabad & Pindi Bhattian paid Rs 982,254 and Rs.433,067 respectively as Inspection Allowance to Assistant Education Officers during summer vacations as well as in winter vacations without any lawful justification for the period 07/2016 to 06/2018. Because during vacations school remained closed and the duty of inspection by AEOs can only be performed when the schools are opened and functioning as per detail below:-

Name of Formation	Description	Amount (Rs)
Dy. DEO (W-EE) Hafizabad	Inspection Allowance	982,254
Dy. DEO (W-EE) Pindi Bhattian	Inspection Allowance	433,067
	Total	1,415,321

Audit holds that due to weak internal and financial controls of management unauthorized payment of Inspection Allowance was made

during summer and winter vacations. It resulted into un-authorized payment of Inspection Allowance.

No reply was submitted by the Management.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery from the concerned quarters under intimation to Audit.

[PDP No.40 &48]

CHAPTER 7

DISTRICT EDUCATION AUTHORITY, JHELUM

7.1 Introduction of the Authority

District Education Authority, Jhelum was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Jhelum is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Jhelum manages following schools / education offices:

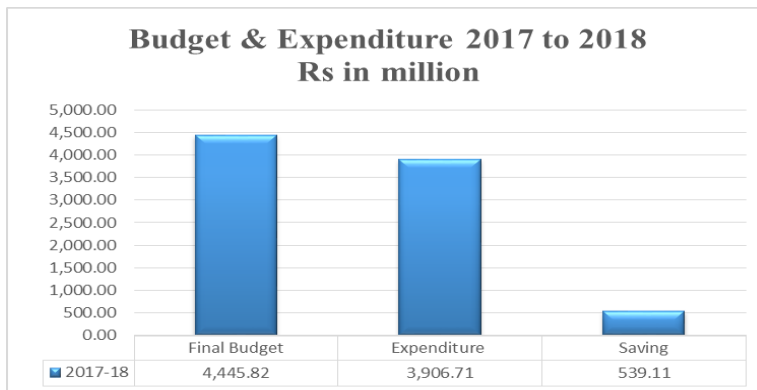
Description	No. of offices / schools
CEO (District Education Authority)	1
DEO (Secondary Education)	1
DEO (Elementary Education)	2
Deputy DEO (M-EE)	4
Deputy DEO (W-EE)	4
Higher Secondary School	11
High School	147
Middle Schools	138

7.2 Comments on Budget and Accounts

Total budget of District Education Authority Jhelum was Rs 4,445.818 million including salary component of Rs 4,001.23 million, non-salary component of Rs 144.458 million and development component of Rs 300.13 million. Expenditure against salary component was Rs 3,727.71 million, Non salary component was Rs 40.288 million and development component was Rs138.71 million. Overall savings were Rs 539.11 million which was 12.13 % of total budget.

Financial year 2017-18	Budget	Expenditure	Excess (+)	% of Excess / Saving
			/ Saving (-)	
Salary	4,001.23	3,727.71	273.52	6.84
Non Salary	144.458	40.285	104.17	72.11
Development	300.13	138.71	161.42	53.78
Total	4,445.818	3,906.705	539.11	12.13

The Salary, Non Salary and Development expenditure comprised 95 % and 1.03 % and 3.55% of the total expenditure respectively.



The overall saving of Rs 539.11 million was 12.13% of the final budget.

7.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

S. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	22	Not Convened

7.4 AUDIT PARAS

7.4.1 Irregularities & Non-compliance

7.4.1.1 Difference in closing balance of District Education Authority – Rs 296.446 million

According to Rule 16 (e) of Punjab District Authorities (Accounts) Rules, 2017, the accounts officer shall reconcile the monthly and annual appropriation accounts of a District Authority with the bank, budget & accounts officer, collecting officer and the drawing and disbursing officer.

Scrutiny of record of CEO (DEA), Jhelum revealed that there was a difference between SBP and NBP of Rs 296.446 million in closing balance of Account-V of District Education Authority, Jhelum as detailed below:

(Amount in Rs)

Balance on 30th June 2018		
Balance as per State bank Karachi	Balance as per NBP main branch Jhelum	Difference
333,517,281	37,071,626	296,445,655

Audit holds that due to weak financial management, the closing balance was not reconciled.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that there is no difference of closing balance between department and NBP. But there is difference in closing balance as per SBP Karachi and NBP Jhelum. DAC referred the para to DAO Jhelum and kept the para pending till reconciliation.

Audit recommends reconciliation of balance besides fixing responsibility against the person (s) at fault.

[AIR Para No.18]

7.4.1.2 Un-justified distribution of NSB to schools without demand – Rs 157.183 million and non-utilization of NSB/FTF – Rs 13.018 million

According to para 2.1 & 2.2 of NSB Guideline issued by PMIU “NSB is being provided to cover the non-salary related recurrent costs of schools. It is to be used by schools to spend on day to day expenditure for the general upkeep and functioning of the school and support student learning e.g. office supplies, sports equipment, electricity, cleaning, teaching and learning materials, furniture and practical subjects”. This formula will allow the government to directly address the chronic underfunding of the non-salary expenditure needs of schools. In addition the NSB formula includes a financial incentive to encourage schools to reduce student dropout and increase student retention.

Scrutiny of record of CEO (DEA) Jhelum revealed that NSB amounting to Rs 157.183 million had been transferred to Primary, Elementary, Secondary and Higher Secondary schools of District Jhelum in four quarterly installments as detailed below:

Sr. No	Description	Amount (Rs)
1	NSB First Quarter	48,823,485
2	NSB Second Quarter	48,731,806
3	NSB 3th Quarter	46,879,058
4	NSB 4th Quarter	12,749,177
	Total	157,183,526

It was noticed that funds were transferred to schools without obtaining actual demand of the schools. The amount was transferred to bank accounts without issuing any directions to school councils regarding fulfillment of financial and codal formalities. Further, revealed that schools were provided extra funds in NSB accounts beyond their needs according to the number of students enrolled. The heads of the schools were also strictly directed to utilize all these funds in any case. Provision of extra fund with directions to utilize all funds may cause misappropriation of funds or unnecessary expenditure by the schools and wastage of Govt. money.

Moreover, during audit of Dy. DEOs of District Education Authority, Jhelum it was observed that NSB & FTF amounting to Rs 13.018 million remained un-utilized at the end of financial year. Detail of un-utilized funds is as below:

(Amount in Rs)

Sr. No	Name of Formation	Balance NSB & FTF (Rs.)	AIR Para No.
01	Dy. DEO (M-EE) P. D Khan	2,571,802	06
02	Dy. DEO (W-EE) P.D. Khan	3,232,002	11
03	Dy. DEO (W-EE) Sohawa	4,985,080	16
04	Dy. DEO (W-EE) Dina	2,228,712	01
Total		13,017,596	

This resulted in un-necessary release of funds to school councils.

Audit holds that due to weak internal controls, funds were not utilized for betterment of school and welfare of students.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that PMIU sent a list duly mentioning name of schools and their share. The same funds were transferred to the schools as per list, schools were directed to utilize the funds and funds were utilized by the schools. But some schools did not utilize the NSB till now. DAC decided to keep the para pending with the

directions to refer the para to PMIU for rationalization of amounts transferred to schools.

Audit recommends rationalization of amount transfer to school besides fixing responsibility against the person (s) at fault.

[AIR Para No.04, 06, 11, 16, 01]

7.4.1.3 Doubtful completion of development schemes – Rs 59.078 million

Rule 2.115 (1) of B&R Codes states that “a detailed completion report or a completion statement must be prepared on the completion of works”. Further, Rule 2.115 (2) (a) of B&R Codes states that “Detailed completion report in Building and Roads Account from 44, 47 is to be submitted on completion of works, on which the outlay has been recorded by the Sub-heads. It should give a comparison and explanation of differences between quantities rates, and cost of various items of work executed and those in the estimate, and should also mention the names of the Engineers and Overseers, who supervised the work from time to time during the periods of its execution”.

Scrutiny of record of CEO (DEA) Jhelum revealed that different development schemes of missing facilities in schools had been executed by XEN (Buildings) Jhelum against deposit work, declared completed and handed over till June 2018 but the following observations were noticed:

- i. A detailed completion report of the work had not been prepared.
- ii. Vouched account including detailed estimate, bills and detailed of payment made was not obtained from the Buildings Department to verify the detailed estimate and actual work done.

This resulted in doubtful completion of development schemes.

Audit holds that due to non-compliance of rules, the completion reports and vouched accounts were not obtained.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the building department has been requested to provide completion report and vouched accounts. But the completion report and vouched accounts were not provided. DAC decided to keep the para pending till compliance.

Audit recommends provision of completion report and vouched accounts besides fixing of responsibility against the person (s) at fault.

[AIR Para No. 09]

7.4.1.4 Misclassified expenditure on pay and allowances incurred under A01270 - other – Rs 18.235 million

According to Rule 7 of Punjab District Authorities (Accounts) Rules 2017, subject to provisions of the Act, the accounts of receipts and expenditures of a District Authority shall be maintained in such form and in accordance with such principles and methods as given in the new accounting model (NAM) duly prescribed by the Auditor-General of Pakistan, from time to time.

Scrutiny of payroll of Dy. DEOs working under District Education Authority, Jhelum revealed that an amount of Rs 18.235 million was paid to employees under head A01270-others without mentioning actual nomenclature of the allowance. No such allowance named “others” allowed by the FD. This reflected that post audit of the pay roll was not carried out in the concerned office. This resulted in misclassified expenditure as detailed below:

Name of Formation	AIR Para No.	Cost Centre	Object Code	Amount (Rs)
Dy DEO (M-EE) P.D. Khan	02	Jv-6015	A01270	1,494,109
		Jv-6016	A01270	2,963,860
		Jv-6030	A01270	227,642
Dy DEO (W-EE) P.D.Khan	02	Jv-6022	A01270	5,530,295
		Jv-6023	A01270	7,598,031
		Jv-6348	A01270	420,924
Total				18,234,861

Audit holds that due to non-compliance of rules and defective financial discipline, payment was made from irrelevant head.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the matter has been taken up with the DAO Jhelum, as there is no other head for payment of 30% SSB to contract employees. But the payment was not regularized. DAC decided to keep the para pending till regularization.

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

[AIR Para No.02, 02]

7.4.1.5 Irregular expenditure in violation of Punjab Procurement Rules 2014 – Rs 17.138 million

According to Rule 42(b) (1) of PPRA, 2014 a procuring agency shall engage in this method of procurement (quotations) only if the cost of object of procurement is below the prescribed limit of one hundred thousand rupees. As per F.D letter No.SO (Tax) 1-19/97 dated 19.9.1998, purchases be made from sales tax registered firms and against prescribed

sales tax invoices showing STR No. & the amount of sales tax. Further, purchases should be made by the Government Departments from the suppliers registered with Sales Tax Department and payment shall be made to the suppliers / contractors only on the bills supported with sales tax invoices.

Scrutiny of record of Dy. DEO (W-EE), Sohawa revealed that different Elementary and Primary Schools incurred expenditure of Rs 17.138 million from NSB during 2017-18. The expenditure was incurred from the firms not registered with sales tax department and in violation of PPRA, 2014. This resulted in irregular expenditure.

Audit holds that due to non-compliance of rules, irregular expenditure was incurred.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that registered firms were not available in our tehsil and surroundings, so our schools purchased goods from un-registered firms. All the expenditure was made in parts and on need basis. But expenditure was not regularized from competent authority. DAC decided to keep the para pending till probe into matter by CEO (DEA) Jhelum.

Audit recommends regularization besides fixing of responsibility against the person (s) at fault in the light of findings of inquiry.

[AIR Para No.15]

7.4.1.6 Irregular drawl of pay & allowances – Rs 15.540 million

According to Rule 9(b) of Punjab District Authorities (Accounts) Rules, 2017, the DDO or payee of pay & allowances, contingent or any of the other expense signing and authorizing the payments shall be personally responsible for any erroneous payment and shall liable to make good the loss.

Scrutiny of record of Dy. DEO (W-EE), Sohawa revealed that following Elementary Schools were upgraded from Elementary to High School w.e.f 01.04.2018 but staff of said schools had drawn pay & allowance from the cost center (JV6034) of Dy. DEO (W-EE), Sohawa. This resulted in irregular expenditure amounting to Rs 15.540 million (approximated) as detailed below:

S. No	School Name	Upgraded on	Staff members
1	GGES Jhangi Misri	01.04.2018	13
2	GGES Nathgot	01.04.2018	8
3	GGES karounta	01.04.2018	16

Audit holds that due to weak financial controls, the payment was made irregularly.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that all the three schools were upgraded to high level, however, worthy CEO (DEA) Jhelum had directed to continue their pay and allowances till the issuance of their DDO codes. But no DDO codes are allocated for the upgraded schools. DAC decided to keep the para pending till approval of SNE by Finance Department.

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

[AIR Para No.05]

7.4.1.7 Un-authorized execution of development scheme- Rs 6.20 million

According to SO (B&D) 3-34/2017-18 (Gen) dated 24.07.2017 release under scheme “Establishment of Government Special Education Center, Jhelum” was made with the instructions that the District Education Authority, Jhelum will be its executing agency.

Scrutiny of record of Government Special Education Center, Jhelum revealed that the purchase of bus with the allotted grant of Rs 6.200 million was executed by District Education Officer (Special Education) Rawalpindi instead of CEO (DEA) Jhelum in violation of the instructions above. This resulted in un-authorized execution of development scheme.

Audit holds that due to weak internal controls and poor financial management, procurement was not carried out by the CEO (DEA) Jhelum.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that CEO (DEA), Jhelum released budget of the said scheme in the DDO code of DEO (Special Education Centre) Rawalpindi, therefore, the payment was made through the DEO (Special Education Centre) Rawalpindi. DAC decided to keep the para pending till probe into the matter by CEO (DEA) Jhelum.

Audit recommends regularization besides fixing responsibility against the person (s) at fault in the light of findings of inquiry.

[AIR Para No.04]

7.4.1.8 Expenditure in excess of allocated budget – Rs 3.314 million

According to rule 17.15 of PFR volume-I, no Government servant may incur expenditure in excess of the amount provided for expenditure under the heads concerned, and when a Government servant exceeds the annual appropriation he may be held responsible for the excess

During certification audit of District Education Authority, Jhelum it was observed that expenditure amounting to Rs 53.835 million was incurred against allocated budget of Rs 50.521 million. This resulted in excess expenditure of Rs 3.314 million as detailed below:

(Amount in Rs)

	Name of Office	Head	Budget	Expenditure	Saving
JM 6010- 6023	Primary Schools & MC Schools	Other Allowances	1,796,645	2,074,290	277,645
	DEO Elementary Education	Pay of Officers	20,448,260	20,599,185	150,925
	DEO Elementary Education	Other Allowances	4,415,806	5,810,303	1,394,497
JV6001- 6006	Special Schools	Pay of Officers	19,388,657	19,513,232	124,575
JV6007	CEO District Education Authority JM	Regular Allowances	5,201,864	5,243,021	41,157
JV6007	CEO District Education Authority JM	Other Allowances	1,066,785	1,399,800	333,015
JV8997	DEO Literacy (Development) Jhelum	Other Allowances	-	1,270,000	1,270,000
		Total	50,521,372	53,835,541	3,314,169

Audit holds that due to non-compliance of rules, the expenditure was incurred beyond allocation.

The matter was reported to DAO in October, 2018 and DAC was convened on 22.10.2018. The department replied that matter was referred to CEO (DEA) Jhelum for reply and regularization. But the expenditure was not regularized. DAC decide to keep the para pending till compliance.

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

[AIR Para No. 19]

7.4.1.9 Irregular transfer of funds in school council account - Rs 2.80 million

Functionaries of Education Department are responsible for verification of vouched accounts of School Council Funds according to Para No. 6 of Annexure-A attached with Government of the Punjab, Finance Department, letter No. IT(FD)/3-13/2002 dated 29th December 2005.

Scrutiny of record of CEO (DEA) Jhelum for the Financial Year 2017-18 revealed that a sum of Rs 2.800 million was transferred against Miscellaneous Grants on account of “Provision of Missing Facilities” to different School Councils after getting Approval from DDC. The amounts were transferred to bank accounts of School Councils

It was also noticed that bank accounts statement of concerned school councils were not available to confirm/ensure that the amount had been credited to concerned school, which resulted in chances of misappropriation of funds. Further, the schools were directed to incur the expenditure after fulfilling/observing the all codal and procedural formalities but the vouched accounts after incurring expenditure had not been submitted to CEO (DEA) Jhelum by the schools. This resulted in non-provision of vouched accounts.

Audit holds that due to weak managerial controls, the vouched accounts were not obtained from schools.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the bank statements and vouched account is available. But only bank statements were provided. DAC decided to keep the para pending till provision of vouched accounts.

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

[AIR Para No. 05]

7.4.1.10 Non-allocation of funds for internal merit scholar ship – Rs 2.342 million

Government of the Punjab launched a scheme titled as “Internal Merit Scholarship” for the top student of Class Five examination @ Rs800/per month for three years and for top student for class Eight Examination @ Rs 1000 per month for two years.

Scrutiny of record of CEO (DEA) Jhelum revealed that CEO (DEA) Jhelum did not allocate the budget for “Internal Merit Scholarship” for the year 2017-18 in violation of Government scheme regarding internal merit scholar ship. This resulted in non-allocation of Rs 2,342,400 under internal merit scheme as detailed below:-

(Amount in Rs)

Name of office	Period	Number of Scholarships	Monthly Rate	Amount (Rs)
DEO (EE-M) Jhelum for 5 th class	01.03.17 to 31.03.18 (12 months)	154	800	1,478,400
DEO(SE) Jhelum for 8 th	01.03.17 to 31.03.18 (12 months)	72	1000	864,000
Total				2,342,400

Audit holds that due to poor financial controls, no funds were allocated for merit scholarship resulted in students deprived from the financial benefit.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that amount was not allocated and released by the Finance Department and internal merit scholarship was not paid. DAC decided to keep the para pending till compliance.

Audit stresses for payment of scholarship to students besides fixing responsibility against the person (s) at fault.

[AIR Para No. 16]

7.4.1.11 Misclassification of expenditure – Rs 1.979 million

According to NAM, the budgetary allocation be made according to the chart of accounts/classification approved by the Auditor General of Pakistan. As per Article 30 of Audit Code, all financial transactions are required to be properly recorded and allocated to proper heads of account.

During certification audit of District Education Authority, Jhelum it was observed that an amount Rs 354,400 was paid on account of scholarship of students of Govt. Special Education center, P.D Khan. The amount was paid out of head A06101-Merit Scholar Ship instead of actual head of account of A06102- other Scholar ships as the payment did not related to Merit Scholar ship. Similarly, an amount of Rs 1,625,000 was paid under head A03970-other on account of monthly remuneration of NFBE Teacher @ Rs 5,000 each for the month of September, 2017. The payment was being made as remuneration kind of salary but paid under non-salary head of account. Furthermore, the amount was split up in 18 bills of small amounts to book under non-salary head. This resulted in misclassified expenditure.

The matter was reported to DAO in October, 2018 and DAC was convened on 22.10.2018. The department replied that budget issuing authority allocated and released the budget in these heads and claim submitted in same head of account. The CEO (DEA) Jhelum has been

requested vide this office NO.DAO/JM/PR-II/HM/2860 Dated 17.10.2018 to rectify the errors of budget and compliance strictly in future as instructed by the audit. But the expenditure was not regularized. DAC decide to keep the para pending till clarification of matter from AG Punjab.

Audit recommends regularization besides fixing responsibility against the person (s) at fault. [AIR Para No. 15 & 16]

7.4.1.12 Sub-standard purchases – Rs 1.965 million

According to Special Instructions of the bidding documents, it will be examined in detail whether the goods offered by the bidder comply with the specifications of the bidding documents to facilitate this the data comparison will be made between the bidding documents and suppliers offer.

Principal, Government Special Education Center, Jhelum procured machinery and furniture items for the Government Special Education Center Jhelum but neither the delivery challans were provided with the delivered items by the contractor showing the specifications of the items delivered nor inspection committee notified by the District Education Authority, Jhelum submitted the inspection report comparing the items after delivery. Moreover, it was noticed that according to bidding documents, the suppliers were required to supply 5.5KVA Generator but the capacity of generator supplied was 4.8 KVA. This resulted in sub-standard purchase of Rs 1,965,670.

Audit holds that due to weak managerial controls, the items of desired quality were not supplied.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the purchase was made by District Purchase Committee at lowest rates following PPR rules, technical committee checked the quantity and quality of the items purchased and delivery challans are available for verification. But there were flaws in the technical committee report i.e. non signature on all pages, no page marking, no capacity of generator mentioned. DAC decided to keep the para pending till probe into matter by CEO (DEA), Jhelum.

Audit recommends inquiry besides fixing responsibility against persons at fault in the light of findings of inquiry.

[AIR Para No.02]

7.4.2 Performance

7.4.2.1 Lapse of SDA funds due to non-transfer of funds to requisitioned office-Rs 70.503 million

According to Government of the Punjab Finance Department letter No.SO(TT)6-1/2007 dated 26th October, 2007 revised procedure operation of SDAs, para 3 (ii) “The unspent balances in a Special Drawing Account shall invariably lapse to government at the close of a Financial Year”. Further, according to para 2.1 & 2.2 of NSB Guideline issued by PMIU “NSB is being provided to cover the non-salary related recurrent costs of schools. It is to be used by schools to spend on day to day expenditure for the general upkeep and functioning of the school and support student learning e.g. office supplies, sports equipment, electricity, cleaning, teaching and learning materials, furniture and practical subjects. This formula will allow the government to directly address the chronic underfunding of the non-salary expenditure needs of schools. In addition the NSB formula includes a financial incentive to encourage schools to reduce student dropout and increase student retention.

Scrutiny of record of CEO (DEA), Jhelum revealed that funds were received in SDA for NSB & various development schemes but the funds amounting to Rs 70,503,035 were not transferred to concerned department. This resulted in lapse of funds on 30th June 2018 as detailed below:

(Amount in Rs)

Sr. No	Description	Amount (Rs.)	AIR Para No.
01	Non transfer of NSB to Elementary & Primary School	33,868,445	03
02	Non release of funds to Building Department	36,634,590	06
Total		70,503,035	

Audit holds that due weak financial control, development funds were lapsed.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the cheques of NSB were returned by DAO with the remarks that FD imposed ban on release of funds. In second case, scheme is dropped and supplies were not made by contractor. But no evidence regarding ban imposed by FD was shown. DAC decided to keep the para pending till probe into matter by CEO (DEA) Jhelum.

Audit recommends regularization besides fixing of responsibility against the person (s) at fault in the light of findings of inquiry.

[AIR Para No.03, 06]

7.4.2.2 Less-utilization of development funds— Rs 50.525 million

According to Rule 4 (l) of Punjab District Authorities (Budget) Rules 2017, the chief executive officer shall act as a Principal Accounting Officer of the authority and shall ensure the utilization of funds in the public interest and on specified objects.

Scrutiny of record of CEO (DEA), Jhelum revealed that development funds of Rs 342.610 million were allocated against approved cost of Rs 565.389 for Development works of education department. Out of this an amount of Rs 292.085 million had been utilized and funds amounting to Rs 50.525 million were remained un-utilized during the year 2017-18. This resulted in less utilization of development funds

Audit holds that due to weak financial management, funds were not utilized properly.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the amounts pertaining to running schemes and as soon as work is completed during 2018-19 the payment will be made. The reply of the department was not tenable. DAC decided to keep the para pending till regularization.

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

[AIR Para No.13]

7.4.2.3 Non-completion of development schemes of education department dangerous buildings – Rs 14.139 million

According to clause 2 of the Agreement compensation equal to 1% of the estimated cost per day up to maximum of 10% in recoverable from the contractor for delay in completion of work.

Scrutiny of record of CEO(DEA), Jhelum revealed that different development schemes regarding missing facilities in school had been executed by XEN (Buildings), Jhelum under ADP 2016-17 & ADP 2017-18 during financial year 2017-18 against deposit work but various schemes could not be completed within stipulated time period while incurrance of amount of Rs 14.139 million till June 2018. This resulted in non-completion of development schemes.

Audit holds that due to poor managerial controls, development works could not be completed with stipulated time despite availability of huge funds.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the concerned department has been directed to deposit the compensation amount. But no compensation amount for delay in completion was deposited. DAC decided to keep the para pending till compliance.

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

[AIR Para No.10]

7.4.3 Internal Control Weaknesses

7.4.3.1 Un-authorized payment of conveyance allowance during vacations – Rs 5.777 million

According to Rule 1.15 of Punjab Travelling Allowance Rules, conveyance allowance is not allowed during leave. Further according to Rule 9(b) of Punjab District Authorities (Accounts) Rules, 2017, the DDO or payee of pay & allowances, contingent or any of the other expense signing and authorizing the payments shall be personally responsible for any erroneous payment and shall liable to make good the loss.

Certification audit of District Education Authority, Jhelum revealed that conveyance allowance amounting to Rs 5,777,472 was paid to school teaching staff of DEA, Jhelum during summer & winter vacations in violation of above rules. This resulted in un-authorized payment on account of conveyance allowance during vacations.

Audit holds that due to weak internal controls, payment of conveyance allowance was made during vacations irregularly.

The matter was reported to DAO in October, 2018 and DAC was convened on 22.10.2018. The department replied that a certificate has been provided by the District Education Officer (SE), Jhelum regarding the Lab attendant (non-vocational staff) is entitled to draw the conveyance allowance during the vacations and all SSTs are working on the post of Headmaster/Headmistress vide order NO.2065/Admn(M/F) Dated 28.02.2018. They are entitled to draw the CA during vacations as working on the post of Headmaster/Headmistress. The reply of the department was not tenable. DAC decide to keep the para pending with the directions to obtain clarification regarding Lab attendant either vocational or non-vocational post or heads are bound to attend the schools or not in vacations. Moreover, ESE working as Head may also be checked.

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

[AIR Para No. 09 & 13]

7.4.3.2 Loss to Government due non-registration of private schools – Rs 4.718 million

According to Punjab Private Education Institutes (Promotion and Regulation) ordinance 1984 amended in 2017, section 3 for subsection 2 describes that “the Registering Authority shall within sixty days from the date of filling an application for registration, decide the application

Scrutiny of record of CEO (DEA), Jhelum revealed that according to survey conducted by PMIU in 2016, 629 private schools were established / working in District Jhelum. More than 200 schools had been registered by the CEO (DEA), Jhelum and ninety-three of cases of registration of private schools were pending with sub-committees for verification. But all private schools working in District Jhelum could not be registered by the CEO (DEA), Jhelum. If the private schools working in District Jhelum were registered, the Government could earn income amounting to Rs 4,717,500 on account of registration and verification fee. This resulted in loss to Government due to non-registration of private schools as detailed below:

(Amount in Rs)

Tehsil	Number of Schools according to level					Expected Income from Schools			
	Higher Sec	High	Middle	Prim	Total Schools	Registration Fee	Verification Fee (five years)	Total Fee	Total Income
Jhelum	7	62	86	68	223	2,500	5,000	7,500	1,672,500
Dina	1	44	49	47	141	2,500	5,000	7,500	1,057,500
Sohawa	6	32	48	26	112	2,500	5,000	7,500	840,000
PD Khan	4	19	74	56	153	2,500	5,000	7,500	1,147,500
Total	18	157	257	197	629	Total Income		4,717,500	

Audit holds that through non decision on pending applications of schools, the sub-committees are providing a chance to work without registration and Government suffering loss on account of registration and renewal fee.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the registration of private schools is in progress and dues if any will be recovered. But no compliance was shown. DAC decided to keep the para pending till compliance.

Audit recommends registration of schools and recovery of amount due besides fixing responsibility against the person (s) at fault.

[AIR Para No.11]

7.4.3.3 Overpayment on account of 30% SSB due to not fixation of pay after regularization – Rs 3.296 million

According to (XIII)(i)(b) Contract Appointment Policy in 2004 issued by Government of the Punjab S&GAD circular vide No.

DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004, “Social Security Benefit @ 30% of minimum of basic pay is admissible only for the persons working on contract in lieu of pension”. Government of the Punjab Finance Department has issued Notification No.SO (SE-III) 2-16/2007 (P-V) dated 10.08.2015 regarding regularization of contract teaching staff. According to this notification all educators (ESE, SESE and SSE all categories) recruited under Recruitment Policy 2011 (amended in 2012) will be regularize.

Certification audit of District Education Authority, Jhelum revealed that the officers/officials had drawn Rs 3,296,008 on account of SSB @ 30% during 2017-18, whereas their services were hired before 2011-12. This resulted in non-regularization of contract staff and non-recovery of overpaid SSB.

Audit holds that due to weak internal controls, the SSB was paid to the staff hired before 2011-12.

The matter was reported to DAO in October, 2018 and DAC was convened on 22.10.2018. The department replied that all the gazzeted officers record have been checked and in-admissible amount erroneously paid have been recovered. However in the case of non-gazzeted employees, concerned department has been asked vide this office NO.DAO/JM/PR-II/HM/2860 Dated 17.10.2018 to provide changes for ROPs as service books are with the concerned department. Mostly employees in the mentioned list attached, are reappointed on contract basis and they are entitled to draw SSB 30% allowance. But no compliance regarding non-gazzeted staff was shown. DAC decide to keep the para pending till compliance regarding non-gazzeted staff.

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

[AIR Para No. 11]

7.4.3.4 Overpayment on account of GST, recovery thereof Rs 1.823 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.

Scrutiny of record of various Dy. DEOs of District Jhelum revealed that various schools did not deduct GST from payments made to suppliers. The schools deposited an amount of Rs 1.823 million on account of GST during 2017-18 from NSB of school instead of

deduction from suppliers. This resulted in overpayment of Rs 1.823 million to suppliers as detailed below:

(Amount in Rs)				
Sr. No	Name of Formation	No. of Schools	GST (Rs.)	AIR Para No.
01	Dy. DEO (W-EE) Sohawa	44	524,884	18
02	Dy. DEO (W-EE) Dina	74	1,298,357	02
Total		118	1,823,241	

Audit holds that due to weak internal controls, the amount of GST was not deducted from payments made to suppliers.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that mostly schools are located in village area where no tax payer registered shops are available and even in city tax filers are not available. The rates are already cheap on these shops and the tax which is admissible on the purchasing has been deposited through FBR. Tax is not included in bills and is paid by schools separately. Reply of the department is not tenable as no deduction was made from suppliers. DAC decided to keep the para pending till recovery from suppliers.

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

[AIR Para No.18, 02]

7.4.3.5 Non-refund of residual balance / savings of schemes – Rs 1.165 million

According to Finance Department Letter No.IT(FD)3-7/2000 dated 01.01.2001, the funds would not constitute a deposit work and the funds were to be utilized up to 30th June and unspent balance would be refunded to the concerned DDO on completion XEN Buildings would render a completion certificate together with a statement of accounts and refund of the residual balance, if any.

Scrutiny of record of CEO(DEA), Jhelum revealed that for four development schemes of schools funds amounting to Rs 40.382 million had been released till 30.06.2018 to XEN(Buildings) Jhelum out of which amount of Rs 39.217 million had been utilized for 100% completion of works. But the remaining amount of Rs 1.165 million was saving/residual balance of these works which was not refunded back to CEO (DEA) Jhelum. This resulted in non-refund of residual balance as detailed below:

(Amount in million)

ADP No.	Name of Scheme	Funds Released 06/18	Funds Utilized 06/18	Savings	Physical Progress
577/3	Re-Construction of 08 Class Rooms in GBHS No.1 Pinanwal Tehsil P.D Khan	12.558	12.058	0.500	Completed
577/5	Re-Construction of 02 Class in GBES Bajwala Kalan Jhelum.	6.663	6.063	0.600	Completed & Handed Over
594	Govt Girls Elementary School Nathot Tehsil Sohawa to High Level.	13.063	13.000	0.063	Completed.
777	Govt. Girls Elementary School Karounta Tehsil Sohawa to High Level.	8.098	8.096	0.002	Completed
Total		40.382	39.217	1.165	

Audit holds that due to poor financial controls, residual balance of the works was not received from the XEN (Buildings) Jhelum.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that XEN (Building) Jhelum intimated on 13.10.2018 onus lie on Executive Engineer building division, Jhelum who has been asked vide letter No.10649/P&D/18 dated 16.11.2018 to keep the excess/surrender amounts therefore lapsed with Executive Engineer building division, Jhelum. But reply of the department is irrelevant. DAC decided to keep the para pending till compliance.

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

[AIR Para No. 08]

7.4.3.6 Overpayment to supplier due to non-deduction of income tax at source - Rs 1.116 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount on account of supplies and services rendered.

Scrutiny of record of Dy. DEOs of District Jhelum revealed that various schools did not deduct income tax at source from payments made to suppliers. The schools deposited amount of income tax amounting to Rs 403,200 from NSB. Moreover, expenditure of Rs 15,834,861 was made by Dy. DEO (W-EE) Sohawa out of NSB during 2017-18 but income tax of Rs 712,569 was not deducted from

payments made to suppliers which resulted in overpayment to suppliers. Detail is as below:

(Amount in Rs)

Sr. No	Name of Formation	Income Tax (Rs.)	AIR Para No.	Remarks
01	Dy. DEO (W-EE) Sohawa	712,569	14	Income tax not deducted
02	-do-	52,325	13	Income tax deposited out of NSB
03	Dy. DEO(W-EE) P.D. Khan	127,745	07	-do-
04	Dy. DEO (W-EE) Dina	223,130	03	-do-
Total		1,115,769		

Audit holds that due to weak internal controls, the amount of income tax was not deducted from payments made to suppliers.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that registered firms were not available in our tehsil and surroundings, so our schools purchased goods from un-registered firms and bills were taken excluding income tax. Reply of the department is not tenable as income tax was not deducted from suppliers. DAC decided to keep the para pending till recovery from supplier.

Audit recommends recovery of overpaid amount on account of income tax besides fixing responsibility against person(s) at fault.

[AIR Para No.14, 13, 07, 03]

7.4.3.7 Non-regularization of contract staff and over payment of 30% SSB – Rs 1.068 million

According to Lahore High Court Bahawalpur Bench decision date 04.05.2017, “all contract employees appointed under rule 17-A are given regular appointment from the date of appointment”. According to Punjab Regularization of Service Act 2018 dated April, 2018 the contract staff who has completed 4 years service till notification of this Act is to be regularized.

Scrutiny of record of CEO (DEA) Jhelum, revealed that various official were appointed under rule 17-A (death quota) and were still working on contract basis. They were not given the regular appointment from the date of appointment in pursuance of Lahore High Court decision. This resulted in non-regularization and non-recovery of 30% SSB amounting to Rs 579,129. Moreover, various officials of Dy. DEO(M-EE)

P.D Khan had completed 4 year service but they were not regularized and paid 30% SSB allowance amounting to Rs 411,582.

Furthermore, various staff of Dy. DEO (W-EE) P. D Khan was regularized but they had drawn 30% SSB allowance, resulted in overpayment of Rs 77,277. Detail is as below:

(Amount in Rs)

Sr. No	Name of Formation	30% SSB (Rs.)	AIR Para No.
01	CEO (DEA) Jhelum	579,129	17
02	Dy DEO (M-EE) PD Khan	411,582	04
03	Dy DEO (W-EE) PD Khan	77,277	
Total		1,067,988	

Audit holds that due to poor financial controls, contract staff was not given the regular appointment in violation of decision of Lahore High Court and Punjab Regularization of Services Act 2018.

The matter was reported to CEO/PAO in October, 2018 and DAC was convened on 26.11.2018. The department replied that the cases of employees whose cases have been demanded by the competent authority were sent to for regularization. But the employees were not regularized. DAC decided to keep the para pending till regularization of contract staff and recovery of overpaid SSB.

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

[AIR Para No.17, 04, 14]

CHAPTER 8

DISTRICT EDUCATION AUTHORITY, KASUR

8.1 Introduction of Authority

District Education Authority, Kasur was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Kasur is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

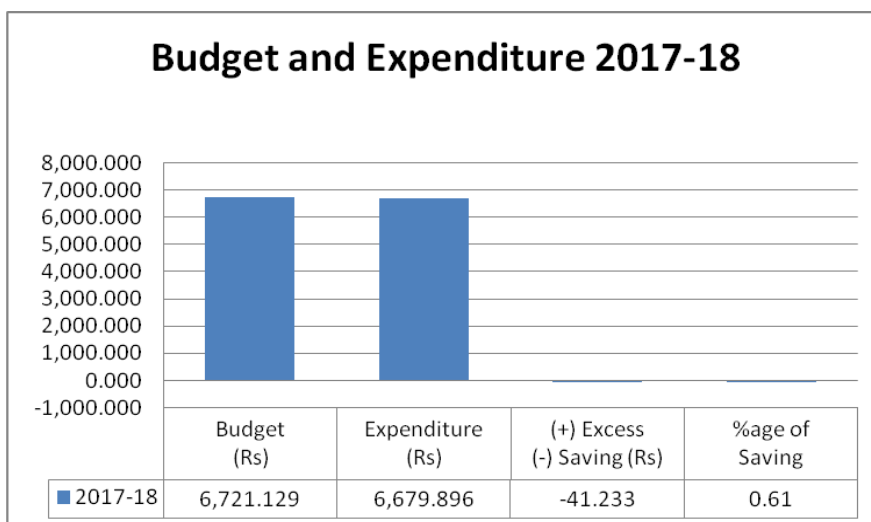
DEA Kasur manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3
High and Higher Secondary Schools	117

8.2 Comments on Budget & Accounts

Total budget of District Education Authority for the Financial Year 2017-18 was Rs 6721.130 million, against which Rs 6679.895 million was spent. Overall savings of Rs 41.235 million during the Financial Year 2017-18 which was 0.61% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

Financial Year 2017-18	Budget (Rs in million)	Expenditure (Rs in million)	Excess / Saving (Rs in million)	% Saving
Salary	6,320.050	6,199.800	120.250	1.90
Non-Salary	250.704	333.943	-83.239	-33.20
Development	150.371	146.153	4.218	2.81
Total	6,721.125	6,679.896	41.229	



8.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab:

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	12	Not convened

8.4 AUDIT PARAS

8.4.1 Non-production of record

8.4.1.1 Non-production of record – Rs 312.896 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Management of the following formations of District Education Authority Kasur did not provide the record for audit scrutiny for the Financial Year 2017-18. The detail of record is given below:

Name of formation	Nature of record	Para No	Amount (Rs in million)
Dy DEO (MEE) Pattuki	NSB expenditure record of schools	1	14.346
CEO DEA Kasur	Accounts, pension record, files etc	28	0.000
CEO DEA Kasur	Vouched account of deposit work	18	297.250
Dy DEO (MEE) Kasur	NSB expenditure record of schools	11	1.300
Total			312.896

Audit was of the view that non-production of record was due to financial indiscipline and weak internal controls.

This resulted in non-verification, authenticity, genuineness and adequate disclosure of the expenditure.

The matter was reported to the PAO in August, 2018. Neither reply was submitted by the department nor DAC meeting convened till the finalization of this report.

Audit recommends production of record for audit scrutiny besides fixing responsibility against the officers / officials at fault.

8.4.2 Irregularities & Non-compliance

8.4.2.1 Unauthorized award of budget through supplementary grant – Rs 735.11 million

According to Rule 70(1) (2) of Budget Rules 2017, “In case a Grant is likely to be exceeded, the Head of Offices shall take immediate steps to prevent the excess expenditure by ensuring strict control over the affected Grant and submitting as soon as the exigency arises, an application for Supplementary Grant shall be need to be prepared and got approved from the Council before the additional expenditure is incurred.

During scrutiny of record of CEO District Education Authority Kasur for the Financial Year 2017-18, it was observed that supplementary budget amounting Rs 735.11 million was allocated to various DDOs. The record revealed that the supplementary grants were not got approved from the CEO and Chairman of District Education Authority. Supplementary budget was uploaded by Finance Wing of the Authority on SAP/ R3.

Audit holds that award and utilization of supplementary grants without approval of Chairman and CEO was due to weak internal control and poor financial discipline.

This resulted in unauthorized award of budget as supplementary grant amounting Rs 735.11 million.

The matter was reported to the CEO in August, 2018. Neither reply was submitted by the department nor DAC meeting convened till the finalization of this report.

Audit recommends that responsibility for uploading of supplementary budget without approval of Chairman and CEO of Education Authority may be fixed through fact finding inquiry.

[PDP No. 01]

8.4.2.2 Unauthorized block allocation - Rs 169.00 million

According to Rules 13(2) of Punjab District Authorities, Rules of Business 2017, no proposal, which requires previous consultation with the finance and budget office, shall be preceded with a decision that effect has been taken by the Zila council.

During scrutiny of record of CEO District Education Authority Kasur for the financial year 2017-18, it was observed that a block allocation of Rs 169.00 million was made by CEO for his office without detail objects head. Subsequently, an umbrella approval was sought from

Chairman of the authority i.e Deputy Commissioner without mentioning detail of block allocation in budget book.

Audit holds that earmark of funds in shape of block was due to weak internal control and poor financial discipline.

This resulted in unauthorized block allocation amounting Rs 169.00 million.

The matter was reported to the CEO in August, 2018. Neither reply was submitted by the department nor DAC meeting convened till the finalization of this report.

Audit recommends that responsibility for unauthorized block allocation of funds may be fixed through fact finding inquiry.

[PDP No. 16]

8.4.2.3 Irregular expenditure without post audit - Rs 97.61 million

According to Rule 16 read with Rule 33 of Punjab District Authorities (Accounts) Rules 2017, the Accounts Officer shall perform pre-audit of all payments of local fund and public account before authorizing its disbursement.

During audit of following formations of District Education Authority Kasur, it was observed that Rs 97.61 million was transferred to Primary & Elementary Schools on account of NSB (Non-salary Budget) during 2017-18. The heads of the schools incurred expenditure out of these funds. The drawing authorities did not submit monthly account of expenditure with copies of paid vouchers to AG Punjab/Accounts offices for post audit purpose in violation of above directions.

Name of formation	Head of Expenditure	Para No.	Amount (Rs in million)
Dy DEO (WEE) Pattoki	NSB Funds issued to schools	2	32.761
Dy DEO M(MEE) Pattuki	--do--	9	12.624
Dy DEO (MEE) Kasur	--do--	10	52.225
	Total		97.610

Audit holds that due to weak internal and administrative control post audit was not carried out.

The matter was reported to the PAO / CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

8.4.2.4 Unauthorized payments out of pension fund - Rs 73.52 million

According to Finance Department, Government of the Punjab, letter No. FD(DG)1-Instructions-Act-13/2016 dated 31-10-2017, District Education Authority was required to contribute 40% of total funds to be paid to district council employees on account of pension fund.

During scrutiny of record of CEO District Education Authority Kasur, for the Financial Year 2017-18, it was observed that the authority contributed Rs 22.98 million towards pension fund of district council employees but made payment of Rs 73.52 million out of pension fund created from Account-V without receiving 60% share of pension from district councils. The authority was making payment to such employees without obtaining pension contribution from concerned offices.

Audit holds that payment of Rs 73.52 million without obtaining pension contribution from district councils was due to weak internal control and poor financial discipline.

This resulted in unauthorized payment of Rs 73.52 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends that regularization of the matter in a manner prescribed besides fixing responsibility against the officers at fault.

[PDP No. 12]

8.4.2.5 Absence of whereabouts of deposit work balance - Rs 40.35 million

As per Rules 2.33 of PFR Vol-I “every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part or to extend he contributed to the loss by his own action or negligence”.

During scrutiny of record of CEO District Education Authority Kasur for the Financial Year 2017-18, it was observed that the department transferred Rs 337.60 million to building department as deposit work. Out

of which an amount of Rs 297.254 million was expended by the concerned agency and there was a closing balance of Rs 40.352 million. The authority neither prepared pass book nor got it reconciled with the Building Department and DAO Kasur. The detail is as under:

Rs. in million

Name of development schemes out of Deposit Work	Amount Allocated	Expenditure	Balance
Individual Schemes / Up gradation of Schools	239.606	206.22	33.386
Provision of missing facilities	20	19.55	0.45
Dilapidated / Dangerous Building	78	71.484	6.516
Total	337.606	297.254	40.352

Audit holds that non-reconciliation of balanced amount was due to poor financial discipline and weak internal controls.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against officers at fault.

[PDP No. 17]

8.4.2.6 Non-transparent and un reconciled expenditure on stipends to students Rs- 38.057 million

According to the Rule 2.32 (a) of PFR Vol-I, it is essential that the records of payments and transactions in general must be clear, explicit and self contained.

During scrutiny of record of CEO District Education Authority Kasur for the Financial Year 2017-18, it was observed that Rs 38.05 million was received for payment of stipend to girl students from class VI to IX. Payment of Rs.31.982 million was made through postal money orders and remaining balance Rs.6.075 million was not available on record. The pass book of saving bank account number 20880 of GPO Kasur is showing a balance of Rs 105,758 on 27-2-2018. Neither cash book was maintained nor reconciled with General Post Office, Kasur.

Date of transaction in GPO Kasur	Deposited (Amount Rs)	Withdrawn (Amount Rs)
Opening balance	34,078	
05-05-2017	38,023,830	
10-07-2017	0	6,750,000
03-08-2017	0	6,750,000
11-08-2017	0	675,000
28-08-2017	0	6,750,000
22-09-2017	0	4,571,100
24-10-2017	0	6,486,750
Total	38,057,908	31,982,850

Audit holds that non-reconciliation of expenditure with GPO authorities was due to non-adherence of government rules.

This resulted in non-reconciliation of expenditure amounting to Rs 38.058 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends reconciliation of the total amount and regularization of matter from competent authority besides fixing responsibility against officers at fault.

[PDP No. 03]

8.4.2.7 Irregular expenditure on establishment of IT labs - Rs 35.50 million

According to Education Department (Planning Wing), Government of the Punjab letter No. SO(ADP-III) 9-3/2017 dated 15-01-2018 Chief Executive Officer, District Education Authority, Kasur was directed to follow specifications during establishment of IT labs.

During scrutiny of record for the financial year 2017-18, it was observed that CEO District Education Authority Kasur incurred expenditure of Rs 35.50 million on establishment of IT labs in different schools without adopting IT lab specifications mentioned in above referred letter.

Audit holds that establishment of IT labs without following government instructions was due to weak internal control and poor financial discipline.

This resulted in irregular incurrence of expenditure for Rs 35.50 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers at fault.

[PDP No. 14]

8.4.2.8 Creating a pending liability of Rs-26.134 million

According to Rule 17.18 of PFR Vol-I, under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year [vide Rule 2.10 (b)(3)]. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision and till the sanction of that budget has supplied means; but on no account may charges be actually incurred in one year and thrown on the grant of another year.

During audit of Deputy District Education Officer (M-EE) Pattoki, Kasur, it was observed that a pending liability of Rs 26.134 million was created against the honorarium of the teachers of second shift. Teachers were working but the salary/ honorarium was not paid during financial year.

Audit was of the view that due to weak internal and financial control said liability was created.

This created a pending liability of Rs 26.134 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP No. 2]

8.4.2.9 Non-reconciliation of expenditure Rs -22.988 million

The DDO shall reconcile the expenditure with Accounts Office by 10th of every following month for the previous month according to Rule 67(2) of the PDG (Budget) Rules 2003.

During scrutiny of record of CEO District Education Authority Kasur for the Financial Year 2017-18, it was observed that an amount of Rs 22.988 million was drawn but same amount was not shown in cash book and expenditure statement for the year 2017-18. Further this amount was not reconciled from District Accounts Office Kasur and Zila Council.

Sr. No.	Document No	Cheque No	Vendor Name	G/L	Payment Date	Amount Rs
1	1900007410	3183949	CEO(EDU)	A06470	02.01.18	13,100,000
2	1900102856	3285551	CEO(EDU)	A06470	16.05.18	8,240,000
3	1900105955	8046	CEO(EDU)	A06470	13.06.18	1,648,000
	Total					22,988,000

Audit holds that non-reconciliation of payments was due to poor financial discipline.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends reconciliation of expenditure incurred and regularization of matter in a manner prescribed besides fixing responsibility against the officers at fault.

[PDP No. 05]

8.4.2.10 Irregular transfer into pension funds - Rs 22.98 million

According to Finance Department, Government of the Punjab, letter No. FD(DG)1-Instructions-Act-13/2016 dated 31-10-2017, District Education Authority was required to contribute 40% of total funds to be paid to district council employee on account of pension funds.

During scrutiny of record of CEO District Education Authority Kasur for the Financial Year 2017-18, it was observed that the authority transferred Rs 22.98 million to pension fund without realizing share of pension contribution from defunct TMAs, District councils and making actual calculation of total requirement of funds for employees of such offices. The detail of such transfers is as under:

Cost Centre	Head of Account	Head of account Description	Amount (Rs)
KV6002	A06470	Others	13,100,000
KV6002	A06470	Others	8,240,000
KV6002	A06470	Others	1,648,000
Total			22,988,000

Audit holds that transfer of Rs 22.98 million to pension funds over and above the prescribed share was due to weak internal control and poor financial discipline.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends that pension contribution may be realized from the concerned authorities.

[PDP No.11]

8.4.2.11 Cash payment instead of cross cheque - Rs 10.865 million

According to Finance Department Letter No. FD (FR)V-6/75(P) dated 04.03.2010 “payment of Rs 100,000 & above shall not be made in cash by Drawing & Disbursing Officer (DDOs).

During audit of following formations of District Education Authority Kasur, it was noticed that an amount of Rs 10.865 million was drawn from government treasury through cheque in the name of DDO and payment was made in cash to different firms / suppliers.

Sr. No.	Name of Formation	PDP No.	Amount (Rs in million)
1	DDEO (WEE) Pattoki	7	8.017
2	CEO District Education Authority Kasur	8	1.180
3	Govt Secondary School for Hearing Impaired Children, Kasur	2	0.658
4	Dy DEO(MEE) Kasur	4	1.010
	Total		10.865

Audit was of the view that cash payment to suppliers was due to poor financial discipline.

The matter was reported to the PAO / CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

8.4.2.12 Payment of salary without performing duties -Rs 3.718 million

According to Rule 2.10(a)(1) of PFR Volume-I, in incurring and sanctioning expenditure from the revenues of government, same vigilance should be exercised in respect of the expenditure as from own money”.

During scrutiny of record of Government Secondary School for Hearing Impaired Children Kasur, for the Financial Year 2017-18, it was observed that school paid Rs 3.718 million as salary to cook and hostel superintendent despite the fact that hostel was not functional.

Sr. No.	Name of employee	Designation	Financial Year 2014-16	Financial Year 2016-17	Financial Year 2017-18	Grand Total
1	Hafiz Mohammad Abdullah	Hostel Superintendent	1,169,820	233,964	316,512	1,720,296

2	Altaf Ahmed	Cook	1,256,220	137,622	355,500	1,749,342
3	Muhammad Waseem	Hostel attendant	0	0	249,120	249,120
Total						3,718,758

Audit holds that payment of salaries without performing of duties was due to weak internal control and poor financial discipline.

This resulted in irregular payment of salaries amounting to Rs 3.718 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of matter in a manner prescribed besides fixing responsibility against officers at fault.

[PDP No. 03]

8.4.2.13 Irregular disbursement of scholarship -Rs 2.52 million

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

During scrutiny of record of Govt. Secondary School for hearing Impaired Children, Kasur and Special Education Center Pattoki of District Education Authority Kasur, for the Financial Year 2017-18, it was observed that payment of scholarship for 1.32 million and 1.20 million respectively was made through cash instead of giving cross cheques or transfer of amount into joint bank accounts of the students/ parents. It was further observed that contact numbers and copies of CNIC of the payees were not found on record to verify the signatures on the acquaintance roll.

Audit holds that incurrence of irregular disbursement of scholarship was due to weak internal control and poor financial discipline.

This resulted in irregular disbursement of scholarships for Rs 2.52 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends expenditure may be regularized from the competent authority besides fixing responsibility against person at fault.

[PDP No. 23]

8.4.2.14 Irregular award of uniform contract - Rs 1.81 million

According to rule 9 read with rule 12 (1) of Punjab Procurement Rules of PPRA 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation branch of the PPRA from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

During scrutiny of record of Government Secondary School for Hearing Impaired Children, Kasur for the Financial Year 2017-18, it was observed that the contract for purchase of uniform was unfairly awarded due to the following reasons:

- a) Technical, financial and overall evaluation was not uploaded on PPRA web site
- b) Technical evaluation was not transparent as undue score was awarded to the firms selected for financial bid opening.
- c) Earnest money @ 2% to the tune of Rs 0.0362 million and performance security @ 10% amounting to Rs 0.181 million was not obtained and hence not deposited into government account;
- d) The department did not have the record of firm whose technical bids were rejected and redemption of their earnest money deposited at the finalization of bidding process;
- e) The department did not bother to get verify the payment evidence of professional tax by the firms participated in open competition;
- f) The department did not obtain registered documents, audited accounts, bank statements and work experience of firms participated in provision of uniforms;
- g) Valid manufacturing license, letter of manufacturer's authorization, NTN certificate, GST certificate, letter of intention, affidavit, child labor free certificate etc were not on record of firms participated in the bidding process;
- h) The bid winning firm did not have past performance duly supported by name of the Purchaser / Institution, Purchase order number, Description of order, Value of order, date of completion, purchaser's satisfactory certificate etc.

- i) Contract winning firm did not submit its pre-qualification certificate issued by the Education Department or last registration certificate with Education Department.
- j) Purchase of uniform was not got vetted from technical committee in the light of Government of the Punjab Special Education Department Letter No SO (B&D) 6-71/2012 dated 07-11-2012

Head of A/C	Description	Bill No. & Date	Name of Supplier	Description	Amount Rs
A03906	Uniforms and protective clothing	06-12-017	SA International	Uniforms	835,326
A03906	Uniforms and protective clothing	403/23-04-018	AB Traders	Uniforms	976,276
Total					1,811,602

Audit holds that irregular award of contract was due to weak internal control and poor financial discipline.

This resulted in irregular payment of Rs 1.81 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends that expenditure may be got regularized from the competent authority besides fixing responsibility of person at fault.

[PDP No. 17]

8.4.2.15 Irregular drawl of POL - Rs 1.797 million

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

During audit of Government Special Education Centre Pattoki, Kasur, it was observed that an expenditure of Rs 1,796,772 was incurred on account of POL by maintaining incomplete and manipulated log books and without maintaining average consumption certificate. It was further observed that vehicle was covering more distance / day than prescribed limit of 100 Kms / day defined by Secretary Special Education.

Audit was of the view that irregular payments were made due to weak financial and managerial controls.

This resulted in misuse of government vehicle and unjustified consumption of POL for Rs 1.797 million.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends detailed inquiry besides regularization of the matter in a manner prescribed and fixing responsibility against officers at fault under intimation to Audit.

[PDP No. 13]

8.4.2.16 Irregular repair of transport - Rs 1.596 million

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

During audit of following formations of District Education Authority Kasur, it was observed that the concerned offices drew an amount of Rs 1.596 million on account of repair of official vehicles through irregular quotations.

- i. All the quotations were unsealed, self generated and not routed through registered post.
- ii. In all the quotations, planned / phony rates were quoted with planned ratios.
- iii. The repair work carried out without having requisitions from the concerned and technical report from the mechanic.
- iv. Rates executed were extremely higher side just to exhaust the budget.
- v. Copy of crossed cheque through DAO Kasur in the name of vender was not available.
- vi. Entries in the history register were not properly recorded and the details of previous repair cannot be ascertained.
- vii. Before and after repair, work certificate from the motor vehicle examiner was not obtained to prove genuine repair work.
- viii. Dead spare parts were not found physically and there was no dead stock register for the replaced items.

Name of formation	Amount Rs	Para No
Govt. Secondary School for hearing Impaired Children, Kasur	796,605	26
Special Education Center Pattoki	799,080	11
Total	1,595,685	

Audit holds that incurrence of irregular expenditure was due to weak internal and administrative control.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends that expenditure may be regularized from the competent authority besides fixing responsibility of person at fault.

8.4.2.17 Non-transparent purchase of uniform -Rs 1.333 million

According to Rule 12 of Punjab Procurement Rules 2014, the Procurement over Rs 100,000 and up to the limit of Rs 2-million shall be advertised on the PPRA's website as well as in one leading newspaper.

Scrutiny of record of Government Special Education Centre Pattoki, Kasur, for the period 2017-18, it was observed that an expenditure of Rs 1.333 million was incurred on account of purchase of uniform from M/S Sky Media on quotation basis instead of giving tenders on PPRA.

Bill No.	Dated	Amount (Rs)
152153	16.01.18	620,386
334335	15.05.18	712,645
Total		1,333,031

Audit was of the view that expending of public money cannot be ensured without observing the prescribed procedure.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against officers at fault.

[PDP No. 16]

8.4.3 Internal Control Weaknesses

8.4.3.1 Non-recovery of registration fee and annual inspection fee - Rs 6.703 million

According to the Punjab Private Education Institutions (Promotion & Regulation) Rules 1984, Inspection Fee of Rs. 1,000 and Rs. 500 per annum respectively shall be collected on account of High /Higher Secondary Schools and Elementary Schools in private Sector. Further an amount of Rs 5000 and Rs 7,000 required to be collected from the privately managed Institutions.

During scrutiny of record of CEO District Education Authority Kasur for the Financial Year 2017-18, it was observed that the authority did not collect registration and annual inspection fee amounting to Rs 6.703 million from 1,027 schools during the year 2017-18 resulting in loss to the government.

Sr. No.	Status of Schools	No of Schools	Registration +Annual Inspection Fee	Amount (Rs)
1	Higher Secondary Schools	34	10000+1000*1 year	374,000
2	Secondary School	347	7000+1000*1	2,776,000
2	Elementary Schools	571	5000+500*1	31,40,500
3	Primary school	75	5000+500*1	412,500
Total				67,03,000

Audit holds that non-collection of registration and renewal fee of private schools was due to weak internal control and poor financial discipline.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP No. 06]

8.4.3.2 Recovery of Pay and Allowances - Rs5.892 million

According to rule 1.15 of the Punjab Travelling allowance, conveyance allowance was not admissible during leaves.

Following formations of District Education authority Kasur did not deduct overpayment of pay and allowances from the salaries of their employees. This resulted in non-recovery of Rs 5.892 million as detail below;

Name of formation	Nature of Recovery	Amount Rs in million)	Para No
Deputy District Education Officer (M-EE) Pattoki	Conveyance Allowance winter vacation	0.676	10
Govt Secondary School for hearing impaired children, Kasur	Conveyance Allowance Winter and summer vacation	0.296	7
-do-	HRA and CA of residences	0.677	4
-do-	CA and special allowance	0.151	5
-do--	Recovery of Pay for absent period	0.604	6
Dy DEO (MEE) Kasur	CA for LFP leaves	0.129	12
Dy DEO (WEE) Kasur	Charge allowance of AEO's	0.400	01
---do---	CA for LFP leaves	0.062	2
---do---	CA for winter vacation	2.875	8
Special Education Center Pattoki	CA for winter vacation	0.022	8
Total		5.892	

Audit was of the view that due to weak internal and financial control recovery was not made.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

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

8.4.3.3 Non-deduction of general sales tax & income tax - Rs 3.968 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person: (a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer. (b) For rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer. The Government of Pakistan (Revenue Division) Notification dated 30.06.2007 read with letter No. 103-D (Vi) PD/2005/51 dated 17.10.2006 provides that sales tax at the prescribed rates need to be deducted at source from those who do not submit the sales tax invoice with their bills.

During audit of following formations of District Education Authority Kasur, for the period 2017-18, it was observed that GST and Income Tax was not deducted from the bills of the suppliers.

(Rs in million)

Name of formation	GST	Income Tax	Total	Para No
DDEO (MEE) Pattoki	2.292	0.792	3.784	6
Dy DEO W Kasur	0.184	0	0.184	7
Total	2.476	0.792	3.968	

Audit holds that non-deduction of income tax and general sales tax was due to weak internal controls and defective financial management.

The matter was reported to the CEO in August, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery of income and general sales tax from the concerned suppliers besides fixing responsibility against the officers at fault.

CHAPTER 9

DISTRICT EDUCATION AUTHORITY, KHUSHAB

9.1 Introduction of the Authority

District Education Authority, Khushab was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Khushab is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Khushab manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	4
Dy. DEO (W-EE)	4
High and Higher Secondary Schools	129
Elementary & Primary Schools	813

9.2 Comments on Budget and Accounts

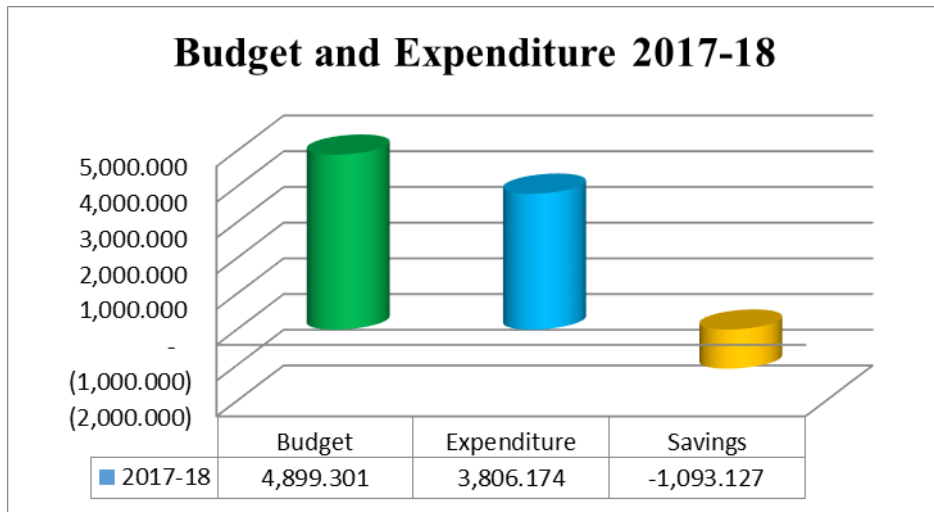
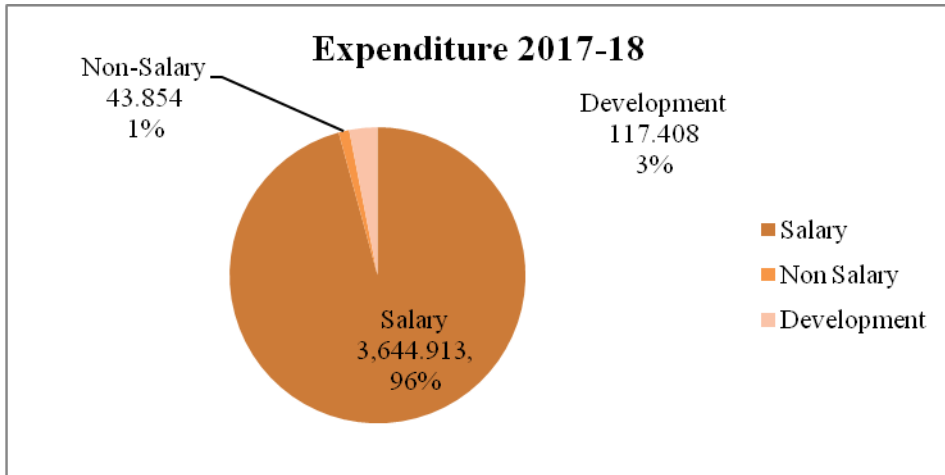
Total budget of District Education Authority, Khushab was Rs 4,899.302 million including Salary component of Rs 3,728.587 million, Non Salary component of Rs 564.897 million and Development component of Rs 605.818 million. Expenditure against Salary component was Rs 3,644.913 million, Non Salary component was Rs 43.854 million and Development component was Rs 117.408 million. Overall savings were Rs 1,093.127 million which was 22% of total budget.

Rs in million

Financial Year 2017-18	Budget	Expenditure	Excess (+)	% of Excess / Saving
			/ Saving (-)	
Salary	3,728.587	3,644.913	83.674	02
Non Salary	564.897	43.854	521.043	92
Development	605.818	117.408	488.410	81
Total	4,899.302	3,806.175	1,093.127	22

As per the Appropriation Account 2017-18 of District Education Authority Khushab, the original budget was Rs 4,759.258 million, supplementary grant was Rs 140.044 million and the final budget was Rs 4,899.302 million. Against the final budget, total expenditure incurred by District Education Authority during 2017-18 was Rs 3,806.175 million, as detailed at Annexure-B

The Salary, Non Salary and Development Expenditure comprised 96%, 1% and 3% respectively of the total Expenditure.



The overall saving of Rs 1,093.127 million was 22% of the final budget.

9.3 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:

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	06	Not convened

9.4 AUDIT PARAS

9.4.1 Irregularities & Non-Compliance

9.4.1.1 Non utilization of NSB funds – Rs 7.479 million

According to Rule 4(3)(v) of PDG and TMA Budget Rules, 2003, the head of offices is responsible for ensuring that the funds allotted are spent on the activities for which the money was provided

Scrutiny of record Dy. DEO M-EE, Noor Pur Thal for the Financial Year 2017-18 it was observed that some schools under the control of Dy. DEO M-EE, did not utilize NSB budget for Rs 7.479 million upto 30-06-18. Audit noticed that due to poor financial management and lack of planning the education formations could not utilize the funds and hence deprived the community for getting better education facilities.

Audit held that due to weak financial controls NSB funds were not utilized.

This resulted in non utilization of NSB funds Rs 7.479 million

Audit pointed out lapse in September, 2018. The department did not reply.

The matter was also reported to PAO in September 2018, department stated that the school council is authorized to utilize according to their need. The 4th installment of NSB funds received in June 2018 which could not be utilized. DAC directed the department to utilize the funds for the welfare of the students and compliance may be shown to audit.

Audit recommends probe into the matter besides fixing of responsibility.

[PDP No.84]

9.4.1.2 Un-authorized creation of liabilities on account of purchase of I.T lab equipment - Rs 7.763 million

According to Rule 4 (l & M) of District Authorities Budget Rules, 2017, the Chief Executive Officer of health authority as a PAO shall ensure the utilization of funds in the public interest and on specified objects and take complete responsibility for departmental expenditure

before special district accounts committee and Public Accounts Committee and to explain or justify an instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise;

Scrutiny of record of CEO (DEA), Khushab for the Financial Year 2017-18 revealed that purchase of Rs 7.763 million was made on account I.T equipments for establishment of I.T lab in schools. But funds were lapsed due to negligence of department even after the receiving of I.T material from the firm. In this way liabilities created without any justification.

Audit held that due to weak internal and financial controls liabilities were created.

This resulted in un-authorized creation of liabilities of Rs 7.763 million.

Audit pointed out lapse in September, 2018. The management replied that bills were submitted timely, it was the mistake of treasury.

The matter was also reported to PAO in September 2018, department stated that due to the transfer of DC Khushab payment could not be made to the firms. Further, Government of the Punjab had imposed ban in May 2018 on utilization of development funds. No solid evidence was produced during verification of record DAC kept the para pending and directed the department for clearance of outstanding liability.

Audit recommends that expenditure may be regularized from the competent forum besides obtaining of funds & fixing of responsibility against the person at fault.

[PDP No.24]

9.4.1.3 Irregular expenditures by school without approval of annual action plan – Rs 6.430 million

According to para 3.4 of procurement and financial guidelines for school councils issued by School Education Department Government of the Punjab, it was the responsibility of head teacher to prepare annual school development and purchase plan and get it approved from school council.

Scrutiny of record of Deputy DEO (M-EE), Khushab for the Financial Year 2017-18, revealed that school councils incurred Rs 6.430 million on purchases and repair without preparation of annual plan and its approval from the school councils.

Audit held that due to weak management and financial controls expenditure was incurred without approval of annual action plan.

This resulted in irregular expenditure by school councils Rs 6.430 million.

Audit pointed out lapse in September 2018. The department did not reply.

The matter was also reported to PAO in September 2018, department stated that annual action plan for expenditure of NSB funds have already been prepared. Department produced the copies of annual action plan. DAC directed the department for preparation of annual action plan duly approved by the members of the SMC members, attestation of AEO and countersignature by Dy. DEO before utilization of NSB funds.

Audit recommends regularization of expenditure from the competent forum.

[PDP No.68]

9.4.2 Internal Control Weaknesses

9.4.2.1 Non surrender of savings - Rs 10.0 million

Anticipated savings in the budget should be surrendered in the 2nd excess and surrendered statements as required under Rule 17.20 of P.F.R Vol-1 and Para 14 of Punjab Budget Manual. Furthermore Rule 20(iii) of PDG and TMA (Budget) Rules, 2003 also requires that each Drawing and Disbursing officer shall develop the most realistic and sound budget estimates.

Scrutiny of budget book and expenditure statement of CEO (DEA) Khushab for the Financial Year 2017-2018, revealed that a sum of rupees Rs 10.0 million were neither utilized for the purpose nor surrendered and re-appropriated before the closing of fiscal year.

Audit held that due to weak internal and financial control funds were not surrendered in time.

This resulted in blockage of public money Rs 10.0 million.

Lapse was pointed out in September, 2018. The management did not furnish any comment.

The matter was also reported to PAO in September 2018, department stated that Rs 10.0 million was allocated for the construction of rooms under objection head M&R whereas DC/Administrator has not approved the said proposal and the allocated funds were not utilized. The said saving was adjusted in revised budget. No record was produced to audit DAC kept the para pending for regularization.

Audit recommends fixing of responsibility against the person at fault.

[PDP No.25]

9.4.2.2 Overpayment of social security benefits and pay after regular period - Rs 48.809 million

According to (XIII)(i)(b) Contract Appointment Policy 2004 issued by Government of the Punjab S&GAD circular vide No. DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004, "Social Security Benefit @ 30% of minimum of basic pay, in lieu of pension, was

admissible only for the persons working on contract basis”. As per condition 05 of terms & conditions of office order No.4636/Admin, District Education Officer (W-EE) dated 15-04-2016, “the contract employees on their regularization shall not be entitled to the payment of 30% social security benefit or any other pay package, being drawn by them during the contract period”

DDOs of the following formations of the education department of District Khushab for the period 2017-18 made unauthorized payment of Rs 48.809 million 30% social security benefit allowance to their employees with the pay after the regularization of the /service/job and expiry of the contract period. The management took no cogent steps to stop this overpayment.

(Rs. in million)

Sr. No.	Name of formation	PDP No.	Amount
1	Dy. DEO (M-EE), Noor Pur Thal	80	2.240
2	Dy. DEO (W-EE), Noor Pur thal	69	3.352
3	CEO (DEA), Khushab	01	24.459
4	CEO (DEA), Khushab	02	15.408
5	DEO (W-EE), Khushab	49	0.023
6	Dy. DEO (W-EE), Khushab	59	3.327
Total			48.809

Audit held that overpayment was made due to weak supervisory and financial controls.

This resulted in overpayment of SSB amounting to Rs 48.809 million.

Audit pointed out lapse in September, 2018. The management replied that over payment would be recovered.

The matter was also reported to PAO in September 2018, department stated that the case of verification of employees is under process as and when scrutiny of doubtful payment of SSB is completed audit will be informed accordingly. DAC directed the department to complete the scrutiny process within 30 days. Para was kept pending.

Audit recommends recovery of overpayment along with markup at bank rates besides fixing of responsibility on the drawer of the SSB allowance and on the management on the ground of gross negligence.

9.4.2.3 Overpayment due to non deduction of conveyance allowance during Leave period - Rs 15.362 million

According to sub-section of 8.18 of Section SR 7-A, Conveyance Allowance was not admissible during leave.

DDOs of the formations of District Education Authority Khushab for the financial year 2017-18, paid an amount of Rs 15.362 million on account of conveyance allowance. It was observed that various teachers and officials availed regular leave but deduction of conveyance allowance was not made from their salaries. Audit noticed that the management made payment of Rs 15.362 million to employees due to negligence.

Audit held that weak supervisory and financial control resulted in overpayment of Rs 15.362 million

This resulted in overpayment of Rs 15.362 million

Audit pointed out lapse in September, 2018. The department replied that the overpayment would be recovered.

The matter was also reported to PAO in September 2018, during re-verification of record department apprised that total employees were 5114, out of which DAO made recovery of Rs 6.452 million from 4514 employees through pay slips, irrelevant cases are 85 and 515 cases are in process. Department further stated that out of total recovery of Rs 15.361 million as pointed out by audit, Rs 6.452 million had already been recovered through pay slips for the month of 8/2017 and remaining amount of Rs 7.835 million was admissible to the said employees being the conveyance allowance of remaining working days for the month of August 2017. The remaining amount of Rs 1.074 million (Rs 15.361 million - Rs 14.287 million) pertains to 515 employees which are in progress. DAC directed the department to complete the process within 30 days. Para was kept pending till final completion of the process.

Audit recommends recovery of overpayment along with markup at bank rates besides fixing of responsibility on the drawer of the inadmissible allowance and on the management on the ground of gross negligence.

[PDP No.10]

9.4.2.4 Un-authorized purchase of furniture through non-active tax payer - Rs 15.242 million

According to the Federal Board of Revenue (FBR) only registered suppliers, who are active taxpayers in FBR database and their names are in the Active Taxpayer List (ATL), would be eligible to supply goods/services to the government departments. Further, the supplier registered with the sales tax department having Sales Tax Registration Numbers (STRNs) and but not appearing in the ATL, would not be allowed to make supplies to government departments.

During scrutiny the accounts record of CEO (DEA), Khushab for the Financial Year 2017-18, it was revealed that purchase of Rs 15.242 million was made through a firm which was non-active as per online information of FBR. Management deliberately qualified a non capable firm in the purchase process by ignoring the tender document condition # 6 (iv) to favour firm. Hence the purchase of furniture held unauthorized Rs 15.242 million.

Name of Firm	Total # of 3 Seater Benches	Per unit cost (Rs)	Total Cost (Rs)	Remarks
M/S Khan Traders	2674	5,700	15,241,800	Firm status was non active during online verification.

Audit held that due to weak administrative and internal controls rate was awarded to non-active tax payer firm.

This resulted in un-authorized payment of Rs 15.242 million.

Audit pointed out lapse was pointed out in September, 2018. Department stated that the firm in question is active register taxpayer as per database record of FBR. Department provided the online data of active tax payer of the vender duly verified by CEO DEA for the month of 09/2018. DAC directed the department to provide the copies of return dully attested by DDO pertaining to previous years in proof of regular active tax payer. Department provided copies of previous years returns expect 2017-18. DAC directed in department to deduct income tax @ 6.5% instead of 4.5% on the amount paid during 2017-18.

Audit pointed out lapse in September 2018. No reply was submitted.

Audit recommends that matter may be probed into at competent forum.

[PDP No. 16]

9.4.2.5 Loss due to non-deduction of PST from contractors and charging to works - Rs 14.188 million

As per Sr. N.14 of Second Schedule of Punjab Revenue Authority, 5% Provincial Sales Tax without input tax credit/adjustment was required to be deducted at source on construction services provided by contractors of buildings. Moreover as per Finance Department Government of the Punjab, the input rates/MRS are market based rates inclusive of all taxes and royalties.

Scrutiny of development schemes of District Education Authority Khushab got executed schemes of schools through XEN Buildings, Khushab during 2017-18, it was revealed that payment of Rs 297.950 million was made to contractors for fresh works of financial year 2017-18. It was observed that PST @ 5% was paid by the Government rather deducting from the contractors as required in Finance Act Punjab, 2017. The 5% PST was added in the estimates and the same was deducted from the bill at the time of payment. Audit is of the view that resultantly contractors were rewarded with undue financial benefits of Rs 14.188 million and loss to Government of receipt.

Audit held that due to poor financial discipline PST was charged to works instead of deducting from contractors payment.

This resulted in loss to the Govt. on account of Provincial Sales Tax Rs 14.188 and misuse of educational development funds for the benefit of contractors.

Audit pointed out lapse in September, 2018. The management did not furnish any comment.

The matter was also reported to PAO in September 2018, department stated that during 2017-18 PST was increased from 1% to 5% by the Punjab Revenue Authority and it was instructed that 5% PST may be added in all the schemes started after 30.06.2018. So 5% PST was

added in the estimates and resultantly the same was deducted as per PRA instructions. During verification of record department provided the copy of Finance Department regarding deduction of PST which was not legible. DAC directed the department to provide the legible copy or made good by recovery of PST under report to audit.

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

[PDP No. 24]

9.4.2.6 Non realization of prescribed vouchers for disadvantage children - Rs 11.020 million

According to chapter iv(13)(k), the private school shall admit 10% of strength of the class children, including disadvantage children of neighborhood or other children as may be determined by the Govt. in 1st class and then each class or in alternative provide prescribed voucher for education of disadvantaged children in any other school as determined by the Govt.

Scrutiny of the record of CEO (DEA), Khushab for the Financial Year 2017-18, revealed that the four hundred and ten private educational institutions were operational in the administrative jurisdiction of CEO (DEA), Khushab. The private institutions neither admitted 10% free students in each class nor released prescribed vouchers for disadvantage children to acquire education from any other school. Audit noticed that the management failed to implement Govt. Education Policy. Audit further observed that in monetary terms it was approximate loss of Rs 11.020 million and immeasurable and irreparable loss of education of the inhabitants of area. Detail is as under:

Nature of Schools	# of Schools	Per school avg. children	Total Children (Approximately)	10% quota	Avg. fee per student	Amount (Rs)
High School (private)	94	500	47000	4700	1000	4,700,000
Elementary Schools	316	250	79000	7900	800	6,320,000
Total						11,020,000

Audit held that due to weak administrative controls disadvantage children could not get education in private schools.

This resulted in non realization of prescribed vouchers Rs 11.020 million.

Audit pointed out lapse in September, 2018. The management did not furnish any reply.

The matter was also reported to PAO in September 2018, department stated that management of the private school have been requested to justify as to why the condition of disadvantage children admission per class has not been applied. During DAC meeting department provided copies of fee concession granted by some school. DAC directed the department to follow up the case with all the private schools.

Audit recommends to probe into the matter, besides fixing responsibility recovery from private schools.

[PDP No. 15]

9.4.2.7 Loss due to non deduction of income tax / sale tax - Rs 2.335 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 6.50% respectively on account of supplies and services rendered read with Central Board of Revenue Standing Instructions read with notification SRO 660 (1)/2007 dated 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly register under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill may be deducted at source and deposited into Government Treasury. In case of non-availability of a registered firm, the purchases may be made from unregistered firm. The GST @19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

DDOs of the following formations of District Education Authority Khushab for the Financial Year 2017-18 did not deduct sales tax and income tax at the prescribed rates and put the government into loss. The management purchased different items from various unregistered suppliers

out of NSB funds and made payment to the contractor without deduction of taxes of Rs 2.335 million.

(Rs in million)

Sr. No.	Name of formation	PDP No.	Amount
2	Dy. DEO (M-EE) Noorpur Thal	87	0.122
4	Dy. DEO (W-EE) Noorpur Thal	76	0.894
5	Dy. DEO (W-EE) Khushab	53	1.319
TOTAL			2.335

Audit held that due to weak supervisory and financial controls income tax was not deducted

This resulted in loss to the government due to non deduction of GST and income tax Rs 2.335 million.

Audit pointed out lapse in September, 2018.

The matter was also reported to PAO in September 2018, the department stated that Sales Tax and Income Tax have been deducted under rules and deposited into government treasury / FBR. After verification of record an amount of Rs 2.335 million was still outstanding. DAC kept the para pending for recovery.

Audit recommends recovery of pointed out amount from the vendors / officers at fault besides inquiry of the matter.

9.4.2.8 Payment of estimated quantity rather actual – Rs 9.145 million

As per rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of record of development schemes of Education Authority Khushab executed by XEN Buildings Khushab revealed that in some works payment of Rs 9.145 million of mild steel was made on the basis of estimated quantities given in the technically sanctioned estimates rather measuring actual quantity of mild steel consumed. Neither any bar binding schedule was prepared nor measurement of actual quantities of steel consumed was measured. Moreover in sanctioned estimates even for toilet

blocks and septic tanks maximum quantity of steel @6.75 pound per cft was estimated.

Audit held that due to weak financial and internal control payment of mild steel estimated quantities were paid rather than actual quantity executed.

This resulted in irregular payment of Rs 9.145 million.

Audit pointed out lapse in September, 2018. The management did not furnish any comment.

The matter was also reported to PAO in September 2018, department stated that payments made to the contracts are based on actual work done at site. The pages of measurement book reflect detailed measurement. During verification of record department did not provide the bar binding schedule and use of mild steel in the toilet block and septic tanks @ 4.5 pound per cft against the estimated quantity of 6.75 per cft. DAC kept the para pending for recovery.

Audit recommends fixing of responsibility besides recovery against the person at fault.

[PDP No. 30]

9.4.2.9 Payments of steel without mandatory quality test report - Rs 9.145 million

According to Finance Department's Notification No.RO (Tech) FD.2-3/2004 dated 02nd August, 2004, the quality tests of M.S steel bars as per specification are mandatory.

Scrutiny of development schemes of education authority Khushab got executed through XEN (Buildings) Khushab, it was observed that Rs 9.145 million was paid for execution of fabrication of mild steel bars without mandatory quality tests in violation of above notification. Moreover maximum quantities of steel was provided in estimates and paid accordingly rather than the actual quantities executed on spot.

Audit held that due to weak internal and financial controls payment for sub-standard mild steel was made.

This resulted in execution of sub-standard work of Rs 9.145 million.

Audit pointed out lapse in September, 2018. The management did not furnish any comment.

The matter was also reported to PAO in September 2018, department stated that quality test report of M.S reinforcement used for the schemes pointed out by audit are available. No documents were produced to audit at the time of verification of record DAC kept the para pending

Audit recommends regularization of expenditure from competent forum.

[PDP No. 27]

9.4.2.10 Unlawful drawl of salary due to erratic posting – Rs 8.974

According to SO (Trg) 2-19/2011 (P-II) dated 28.10.2011, no Erratic posting in School Education Department throughout the province would be made. Management was further directed to rectify the erratic posting already made under their jurisdiction.

Scrutiny of HR data of the office of the CEO (DEA), Khushab for the Financial Year 2017-18, revealed that Mr. Sher Ahmad SST (Subject Specialist of Physics) GHSS Adhi Kot was transferred to CEO (DEA) Khushab as Assistant Director Technical in 2008. Audit noticed that the management did not transfer back the incumbent despite clear instruction of the Govt. of the Punjab with duly endorsement of the judgment of the honorable Supreme Court of Pakistan. Hence the management continued unlawful erratic posting and drew salary Rs 8.974 million unlawfully.

Audit held that due to weak administrative controls erratic posting was made.

This resulted in unlawful drawl of salary of Rs 8.974 million.

Audit pointed out lapse in September, 2018. The management did not furnish the reply.

The matter was also reported to PAO in September 2018, DAC directed the department that the matter may be probed within 30 days and report may be submitted to this office.

Audit recommends that matter may be regularized from competent forum besides fixing of responsibility.

[PDP No. 13]

9.4.2.11 Loss to the government due to less deduction of income tax – Rs 8.163 million

According to Section 153 (1)(c) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person on the execution of a contract shall deduct tax @ 7.5% of the gross amount payable, if the person is a filer and 12.5% if the person is a non-filer.

Scrutiny of record of CEO DEA Khushab revealed that XEN Buildings Khushab executed development schemes and made payments of Rs163.266 million to sixty five (65) contractors for execution of civil works and deducted income tax from contractors at source @7.5% despite the fact that most of contractors were non-filers. Hence deduction of income tax was required @ Rs 12.50%. Income tax filers/registration record of contractors for verification was not provided.

Audit held that due to weak financial controls the income tax was not deducted at prescribed rates.

This resulted in loss to the Govt. on account of income tax Rs 8.163 million.

Audit pointed out lapse in September, 2018. The management did not furnish any comment.

The matter was also reported to PAO in September 2018, department stated that the contractors are filer and Income Tax was deducted @ 7.5%. The record of the contractors i.e CNIC numbers were provided to audit for verification from the website of FBR. During verification of the status of the contractors about filer and non-filer, it was noticed that 14 contractors out of 30 were non filer. DAC directed the

department for recovery of outstanding amount of Income Tax from non-filer contractors. No progress was reported till finalization of this Report.

Audit recommends recovery of income tax at the earliest.

[PDP No. 38]

9.4.2.12 Wasteful expenditure on establishment of I.T lab without appointing I.T teachers – Rs 7.763 million

As per Rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of the account record of CEO (DEA), Khushab for the Financial Year 2017-18 revealed that 17 Labs were established under scheme construction of I.T labs but in several schools sanctioned post of I.T teacher were not available. Without availability of qualified staff proper utilization of these I.T lab was not possible.

Audit held that due to weak internal and administrative controls labs were established prior to recruitment of lab teachers.

This resulted in wasteful expenditure Rs 7.763 million.

Audit pointed out lapse in September, 2018. The management replied that they are partial agreed but it was a policy matter.

The matter was also reported to PAO in September 2018, department stated that seventeen IT labs were established without creation of the posts of IT teachers, as and when government will sanctioned the posts of IT teachers, recruitment will be made. DAC directed the department to apprise the government about establishment of IT labs and recruitment of IT teachers.

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

[PDP No.22]

9.4.2.13 Doubtful expenditure on civil works – Rs 5.771 million

According to Para 2.4 & 4.5 of B&R Code, no development work shall be executed without TS Estimate and administrative approval and all civil works needs to be recorded in Measurement Book.

Dy. District Education Officer (W-EE) Khushab, for the Financial Year 2017-18, Head Teachers drew amount of Rs 5.771 million for the purpose of execution of different Civil Works. The estimate was neither prepared nor got approved from the competent authority. The annual plan was also neither prepared nor got approved from competent authority. The material of civil work not entered in the measurement book.

Audit held that due to weak internal financial controls, civil works were executed without having technical sanction and entry in measurement book.

This resulted in irregular expenditure on civil works of Rs 5.771 million.

Audit pointed out lapse in September, 2018, the department replied that minor repair of building and white wash work was executed by the school in accordance with the permission/approval of school management committee.

The matter was also reported to PAO in September 2018, department stated that expenditure on civil works were expended after the approval of School Council and observing codal formalities. DAC pended the para as the civil work was executed by violating the procedure.

Audit recommends fixing of responsibility besides regularization of expenditure from competent authority.

[PDP No.53]

9.4.2.14 Loss to government due to overestimation of brick quantities –Rs 5.273 million

As per rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of record of development schemes of Education Authority Khushab got executed by XEN Buildings Khushab revealed that for construction of boundary walls a standard estimates (analysis) was prepared and applied to the all works of boundary walls of schools rather preparing estimates as per site requirement. Moreover neither abstract of

quantities was given in estimates nor BOQs/DNITs were prepared. Agreements were awarded without mentioning quantities. Audit concluded that preplanned cushions of Rs 150,000 (average for 500 Rft) was managed to which resulted in overestimation and overpayments thereof. Audit considered it overestimation due to following reasons.

- i. Foundation of 6-1/2' high boundary wall was taken 4' deep despite the fact that 2' excavation made.
- ii. Deduction of gate and gate pillars was not made.
- iii. For analysis of 100Rft boundary wall quantity calculated of 16 pillars instead 10 pillars.
- iv. Quantities paid in bills were more than sanctioned estimates at many instances.

Audit held that due to weak financial and internal control overestimation and overpayments were made.

This resulted in overestimation of Rs 5.273 million and suspected overpayment.

Lapse was pointed out in September, 2018. The matter was discussed in DAC meeting held on 14.12.2018, the department stated that work has been made actually in accordance with TS Estimates, extra provision of foundation was made due to excessive height of boundary wall due to security reasons as per direction of Home Department. Deduction of gate and gate pillars has already been made. To strengthening the overall structure of boundary wall, centre to centre distance between pillars has been reduced. The quantity paid is in accordance with TS estimate. DAC directed the department to probe the matter through a joint committee of C&W and Education Authority to physically check the depth of foundation, calculation of 16 pillars instead of 10 pillars for every 100 Rft boundary wall, quantities paid in bills were more than sanctioned estimates and submit report within 30 days.

Audit recommends recovery of loss from the responsible.

[PDP No.32]

9.4.2.15 Unauthorized holding of funds in DDO account – Rs 4.892 million

According to rule 31 (2) PLG (Accounts) Rules 2008 read with rule 2.10 (b) (5) of PFR Vol-I, no money shall be withdrawn from treasury unless required for immediate disbursement. According to Rule 7 (h) of Punjab District Authorities Accounts Rules, 2017, all cash transactions shall be entered in Receipts Register and Cash book as soon as they occur and attest in token check. Accounts of receipts and expenditure of District Authority shall be maintained in such form and in accordance with such principles and methods as given in new accounting model (NAM) duly prescribed by the Auditor General of Pakistan, from time to time.

Scrutiny of Cash Book of Deputy DEO (M-EE), Khushab for the Financial Year 2017-18, revealed that balance as per cash book was shown nil. Whereas bank statement of DDO account maintained in the NBP and Punjab Bank depicted the balance of Rs 4.892 million. Audit noticed that the management drew the amount from treasury from different head of account and parked in DDO account un-authorizedly Rs 4,891,700. Detail is as under:

Sr. No.	Bank Account No.	Name of Bank	Detail of amount parked in DDO account	Available Balance on 05.09.2018
1	4039623708	NBP	Not known	1,032,034
2	005919000807	Punjab Bank	Student merit scholarship amounts	3,859,666
Total				4,891,700

Audit held that due to weak financial controls amount drawn from treasury was un-authorizedly parked in DDO account.

This resulted in un-authorized holding of public funds of Rs 4.892 million and difference in cash book and bank balance.

Audit pointed out the lapse in September, 2018. The management signed the observation without any reply.

The matter was also reported to PAO in September 2018, Department stated that the amount pertains to merit scholarship, prize of position holders of C.M Essay writing, arrear of salary etc and disbursement is under process. DAC directed the department to prepare

the money trail within 30 days and unknown amount may be credited into government treasury under report to audit.

Audit recommends fixing of responsibility of lapse against the person (s) at fault besides disbursement and credit to revenue of undisbursed amount.

[PDP No. 64]

9.4.2.16 Non-imposition of penalty due to non-completion of work – Rs 4.702 million

The clause 7 of Tender Document laid down that before entering into Tendering, the contractor will visit and examine the site and aware himself about the availability of labour, material, water, electric power, access of material as well as local scenario for his execution of work as department will not assume any responsibility subsequently. According to clause 39 of Contract, a penalty @ 1% to 10% is required to be imposed for delayed completion of work.

Scrutiny of development schemes of District Education Authority Khushab for the year 2017-18 got executed through XEN Buildings, Khushab for the year 2017-18 costing Rs 47.022 million to different contractors. But these schemes were not completed by the contractors within stipulated time as evident from the progress for the month of June, 2018. But no penalty for delay in completion of work was imposed on contractors as the delay was due to fault of contractor as these schemes were fully funded.

Audit held that due to weak internal and financial controls penalty was not imposed on contractors.

This resulted in non-imposition of penalty of Rs 4.702 million and deprivation to masses from the benefit of development.

Audit pointed out lapse in September, 2018. The management did not furnish any comment.

The matter was also reported to PAO in September 2018, department stated that due to late deposit of funds some schemes could not be completed during 2017-18. However, their cases of time extension are under process. Time extension will be granted according to rule and audit

will be informed accordingly. The committee directed to probe the matter through an inquiry committee for finding of factual position within 15 days and to impose penalty upon the contractors those could not complete works within stipulated time. The Buildings department will provide list of works containing completion date, last record entry date and MB No. DAC kept the para pending.

Audit recommends imposition of penalty and recovers of stated amount from the contractors.

[PDP No.39]

9.4.2.17 Non utilization of NSB funds - Rs 4.040 million

According to instructions contained in Government of the Punjab Finance Department letter No.1/944-Agri.1 (FD) 05-06 dated 07-04-2006, unspent balances against the funds released to the accounts, are required to be taken back and credited to account-IV of the District government under relevant head of account.

During the audit of Dy. DEO W-EE, Noor Pur Thal for the FY 2017-18 it was observed that some Schools under the control of Dy. DEO (M-EE), did not utilize NSB budget up to 30-06-18. Audit noticed that due to poor financial management and lack of planning the education formations could not utilized the funds and hence deprived the community for getting better education facility, Rs 4.040 million

Audit held that due to weak financial controls NSB funds were not utilized.

This resulted in non-utilization of NSB funds of Rs 4.040 million.

Audit pointed out overpayment in September, 2018. The department did not furnish reply.

Audit pointed out the lapse in September, 2018. The management signed the observation without any reply.

The matter was also reported to PAO in September 2018, department stated that the school council is authorized to utilize according to their need. The 4th installment of NSB funds received in June 2018 which could not be utilized. DAC directed the department to utilize the

funds for the welfare of the students and compliance may be shown to audit.

Audit recommends probe into the matter besides fixing of responsibility against the person at fault.

[PDP No.73]

9.4.2.18 Loss due to dual payment of taxes – Rs 2.312 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 6.50% respectively on account of supplies and services rendered.

According to Central Board of Revenue Standing Instructions read with notification SRO 660 (1)/2007 dated 30-06-2007 all withholding agents shall make purchases of taxable goods from a person duly registered under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill may be deducted at source and deposited it into Government Treasury. In case of non-availability of a registered firm, the purchases may be made from unregistered firm. The GST @ 19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

Dy. DEO W-EE, Khushab for the Financial Year 2017-18, allocated Non Salary Budget to school of Rs 2.312 million. The school management purchased items, of store, stock, stationery etc from different vendors and made payment without deduction of tax. Audit noticed that the management deposited taxes to treasury from the NSB funds as their own instead of deduction from the vendors.

Audit held that due to weak financial management and internal controls the management made payment of taxes from school funds instead of deduction from vendor.

This resulted in loss of Rs 2.312 million.

Audit pointed out lapse in September 2018, the department replied that purchases were made from local shopkeepers and deduction of GST

and income tax was not possible because purchases were made on retail price.

The matter was also reported to PAO in September 2018, department stated that purchases were made on market rate exclusive of GST. Tax was paid in accordance with law on all items and no duplicate payment was made out of NSB. DAC pended the para as the record produced did not justify the payment of government taxes by the firms.

Audit recommends recovery of amount involved besides fixing of responsibility against the person at fault.

[PDP No.55]

9.4.2.19 Overpayment of in-admissible allowances - Rs 1.531 million

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

Scrutiny of record of CEO (DEA), Khushab for the Financial Year 2017-18 revealed that the management paid different inadmissible allowances of Rs 1.531 million to teachers which were not admissible. Audit noticed that the in service employees of different government departments on recruitment as teachers continued drawing the allowances which were admissible to them in their previous department and was not admissible in education department.

Audit held that due to weak administrative and financial controls overpayment was made to employees.

This resulted in an overpayment of Rs 1.531 million.

Audit pointed out lapse in September, 2018. The management replied that DDOs would be advised to recover the overpayment of In-admissible allowances from concerned employees.

The matter was also reported to PAO in September 2018, during verification of record department stated that out of 85 cases pointed out of inadmissible allowances. 10 cases does not relates to Education Authority, Recovery of Rs 210,100 was made from 4 employees through Challan, 60 employees were transferred to other districts,9 employees were entitled

mobility allowance and the cases of remaining 2 employees are in process. DAC directed the department to peruse the case of recovery of inadmissible allowance from the employees transferred to other district and compete the in process cases.

Audit recommends that recovery of the stated amount at the earliest.

[PDP No.8]

9.4.2.20 Overpayment due to non deduction of GPF, BF and group insurance for regular period - Rs 1.342 million

According to Rule 2.31 of PFR Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and mis-appropriation. Further, as per prevailing rules the deductions of GPF, BF and Group insurance were to be started from the 1st pay of the employees.

During the scrutiny of the accounts record of the following formations of the district education authority Khushab for the Financial Year 2017-18, it was observed that the services of Junior Clerks and Class IV were regularized w.e.f 07-08-015 and 01-03-2013 respectively but Group Insurance and BF were not deducted from the pay of staff from date of their regularization till June 2018.

(Rs in million)

Sr. No.	Name of formation	PDP No.	Amount
1	Dy.DEO (W-EE) Noorpur Thal	89	0.543
2	Dy.DEO (M-EE) Noorpur Thal	79	0.799
Total			1.342

Audit held that due to weak supervisory and financial control resulted in non deduction of mandatory funds Rs 1.342 million

This resulted in non deduction of mandatory subscription amounting to Rs 1.342 million

Audit pointed out overpayment in September, 2018. The department did not submit reply.

The matter was also reported to PAO in September 2018, Department stated that recovery of Rs 13,668 has been made through pay

slips. Chang forms of remaining officials are submitted to DAO, for which no recovery effected till now. DAC reduced the para for Rs 799,804.

Audit recommends deduction of pointed out amount from the pay of the employees and fixing of responsibility to avoid future lapses.

9.4.2.21 Overpayment of charge allowance - Rs 1.167 million

According to clarification of Government of Punjab (FD), Lahore dated 5th April, 2018, AEO those were appointed by initial recruitment were not entitled to the grant of charge allowance, it is admissible to only those teachers who are working against administrative post.

DDOs of the following formations of District Education Authority Khushab for the Financial Year 2017-18 paid charge allowance of Rs 1.167 million to those employees who were directly recruited against the administrative posts in violation of rule ibid.

(Rs in million)

Sr. No.	Name of formation	PDP No.	Amount
1	CEO (DEA) Khushab	11	0.687
2	Dy. DEO (W-EE) Khushab	56	0.444
3	Dy. DEO (M-EE) Khushab	61	0.036
TOTAL			1.167

Audit held that due to weak administrative and financial controls overpayment was made to employees.

This resulted in overpayment of Rs 1.167 million

Audit pointed out lapse in September, 2018. The management replied that DDOs will be advised to recover the overpayment of charge allowance from concerned employees.

The matter was also reported to PAO in September 2018, during verification of record department stated that out of 64 cases change form of 21 cases were submitted to DAO, recovery of Rs 40,500 was made through challans, recovery of 27 cases amounting to Rs 185,768 were made through pay slips and 10 cases are in progress. DAC reduced the para for Rs 459,921 after verification of Challan from DAO and directed the department to complete the remaining recovery.

Audit recommends that recovery of the stated amount needs to be effected at the earliest.

9.4.2.22 Overpayment on account of brick work – Rs 1.109 million

According to the instruction issued by the Standing Rates Committee recorded in the remarks column of market rates notified by the Finance Department against item No. 7(1) chapter “brick work”, the composite rate shall be reduced by 7% & 14% if 2nd class or 3rd class bricks were used.

During audit of development schemes of Education Authority Khushab got executed through XEN (Buildings) Khushab, it was observed that Rs 15,848,365 were paid for execution brick work of detailed below schemes without mandatory quality tests in violation of above instruction. Neither use of 1st class brick was ensured nor rate was reduced @ 7%.

Audit held that due to weak internal and financial control payment for sub-standard mild steel was made.

This resulted in execution of sub-standard brick work and non-recovery of Rs 1.109 million.

Audit pointed out lapse in September, 2018. The management did not reply. DDOs will be advised to recover the overpayment of charge allowance from concerned employees.

The matter was also reported to PAO in September 2018. The department replied that quality test reports of bricks used for the schemes are available. The committee directed the department that test reports may be got attested from engineer incharge otherwise effect recovery.

Audit recommends recovery.

[PDP No. 28]

9.4.2.23 Irregular payment over and above the estimated quantity actual - Rs 1.083 million

As per rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of CEO District Education Authority Khushab for the Financial Year 2017-18 revealed that an amount of Rs 1.083 million was paid to different venders/contractors over and above the estimated quantity as per the quantity given in the estimate and the loss was given to the government exchequer. Detail is given below.

(Rs in million)

Sr. No.	Nature of work	PDP No.	Amount
1	Fabrication of Mild Steel	31	0.069
2	Brick work (F&P)	43	1.014
Total			1.083

Audit held that due to weak financial and internal control the expenditure was made over and above estimated quantities

This resulted in overpayment of Rs 1.083 million

Audit pointed out lapse in September, 2018. The management did not furnish any comment.

The matter was also reported to PAO in September 2018, department stated that provision of quantities in excess of TS has been made in the revised TS estimate dully approved by the competent authority. DAC did not agree with the view point of department as revised approval of the TS Estimate was obtained after work done.

Audit recommends recovery of the overpayment from contractors.

9.4.2.24 Non forfeiture of performance guarantee and CDR - Rs 1.067 million

According to agreement between CEO (DEA), Khushab and the contractor, in case of failure of supply within stipulated time period 5% security will be forfeited besides blacklist of firm.

Scrutiny the accounts record of CEO (DEA), Khushab for the Financial Year 2017-18, revealed that a work order for supply of 3 seater desk bench was awarded to M/S Khan traders for provision of 2674 benches up to 31-05-2018. But firm failed to supply the requisite consignment within time period. CEO (DEA), Khushab neither forfeited performance guarantee and CDR nor wrote a letter to PPRA authority to black list the firm. Detail is as under:

Name of Firm	Total # of 3 Seater Benches	Per unit cost	Total Cost	2% Bid Security	Performance Guarantee 5%	Amount (Rs)
M/S Khan Traders	2674	5700	15,241,800	304,836	762,090	1,066,926

Audit held that due to weak financial and internal controls, performance security was not forfeited.

This resulted in non-forfeiture of performance grantee amounting to Rs 1.06 million.

Audit pointed out lapse in September, 2018. The management replied that matter will be treated under rules.

The matter was also reported to PAO in September 2018, department stated that purchase of furniture is under process. In case of failure action will be taken against the firm. DAC directed the department to peruse the case with the firms for the supply of outstanding items of furniture at the earliest otherwise the action may be initiated for the forfeiture of performance guarantee and CDR.

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

[PDP No. 18]

9.4.2.25 Loss due to non auction/ non disposal of 5th & 8th class examination stationery/ raddi - Rs 1.0 million

According to rule 15.3 of PFR volume-I, a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable.

Scrutiny of the account record of CEO (DEA) Khushab for the Financial Year 2014-2018 revealed that old examination papers/answer sheets of Exams carried out year by year since 2001 to 2018 were available in the clusters center and control room in Govt. Technical Model High School Jauharabad. Management admitted the process of auction in a DAC meeting held in 2013-14 and thereafter, but did not show any compliance. Old answer sheets were losing their value by wear and tear of the weather day by day. Non auctioning caused a loss of Rs 1.0 million approximately. Details of student Grade VIII for the year 2013-14 to 2017-18 is as under:

Sr. No	Year	Total Student	PEC Lahore Received Paper	Available Paper at cluster center/ marking Center
1	2013-14	15,108	498	14,610
2	2014-15	13,731	498	13,233
3	2015-16	15,228	528	14,700
4	2016-17	15,716	808	14,908
5	2017-18	15,837	808	15,029
Total		75,620	3,140	72,480

Details of student Grade V for the year 2013-14 to 2017-18 is as under:

Sr. No	Year	Total Student	PEC Lahore Received Paper	Available Paper at cluster center/ marking Center
1	2013-14	19,759	498	19,261
2	2014-15	18,295	498	17,797
3	2015-16	17,650	528	17,122
4	2016-17	19,339	808	18,531
5	2017-18	20,856	808	20,048
Total		95,899	3,140	92,759

Audit held that due to weak administrative and internal controls raddi was not auctioned.

This resulted in non-auctioning of raddi Rs 1.0 million

Audit pointed out lapse in September, 2018. The management admitted the view point and committed for compliance.

The matter was also reported to PAO in September 2018, department stated that the case is under process. DAC directed the department to complete the process within 30 days. Para was kept pending till compliance.

Audit recommends that raddi may be auctioned at an earliest besides recovery.

[PDP No.14]

CHAPTER 10

DISTRICT EDUCATION AUTHORITY, LAHORE

10.1 Introduction of Authority

District Education Authority, Lahore was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Lahore is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Lahore manages following schools / education offices:

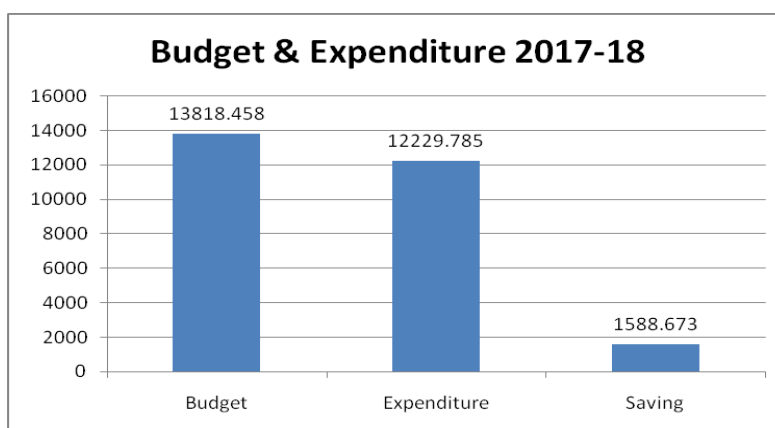
Description (higher office should come first)	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	5
Dy. DEO (WEE)	5
High and Higher Secondary Schools	384

10.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2017-18 was Rs 7,006.190 million, against which only Rs 3,840.633 million was spent. Overall savings of Rs 3,165.557 million during the Financial Year 2017-18 which was 31.91% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

Financial Year 2017-18	Budget (Rs in million)	Expenditure (Rs in million)	Excess / Saving (Rs in million)	% Saving
Salary	11,294.575	9,445.961	1,848.614	16.37
Non-Salary	1,040.320	2,352.194	- 1,311.874	- 126.10
Development	8,139.366	431.629	7,707.737	94.70
Total	20,474.261	12,229.784	8,244.477	

Rs in million



10.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab:

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	16	Not convened

10.4 AUDIT PARAS

10.4.1 Non production of record

10.4.1.1 Non production of record-Rs53.615 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, "The Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection."

Management of the following formations of Education Authority District Lahore did not produce auditable record of Rs 53.615 million for Financial Year 2017-18. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified as detailed below:

Sr. No.	Name of Formation	Description of Record	Amount (Rs in million)
1	Dy District Education Officer (M-EE) Model Town	Exp. Incurred on paintings of schools	3.608
2	Chief Executive Officer (Education) Lahore	Development exp.	47.740
3	Government Deaf & Defective Hearing Model High School	Expenditure record	-
3	Dy District Education Officer (M-EE) Model Town, Lahore		2.267
	Total		53.615

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

The matter was reported to CEO/PAO in November, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends production of the record for audit scrutiny besides fixing responsibility against the officers at fault.

10.4.2 Irregularities & Non-compliance

10.4.2.1 Irregular appointment of contingent paid staff - Rs 9.99 million

As per Finance Department's letter No. FD.SO(GOODS)44-4 dated 11.09.2014, no contingent paid staff shall be appointed without prior approval of Finance Department.

Management of the following formations of DEA Lahore as mentioned below for the year 2015-18, valuing Rs 9.99 million was paid against contingent paid staff without approval of FD and advertisement through press.

Sr. No.	Year	Name of formations	No. of contingent paid staff	Amount (Rs)
1	2015-18	Govt. Secondary Institute for Blind Sheranwala Gate,	20	8,841,726
2	2015-18	Government Degree College of Special Education, Lahore	11	1,158,000
		Total		9,999,726

Audit was of the view that irregular appointment was due to weak internal controls.

This resulted in irregular payment of Rs 9.999 million on account of salary.

The matter was reported to CEO/PAO in November, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility for against the person(s) at fault.

10.4.2.2 Irregular payment of non-admissible allowances -Rs10.668 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. According to revised pay scales notification, the Adhoc Allowance 2011 and Adhoc Relief Allowance 2012 were discontinued w.e.f. 01-07-2015.

It was noticed that non-admissible allowance such as Computer allowance, Nursing allowance, Mess Allowance, Overtime Allowance and Adhoc allowance 2011-12 valuing Rs 10.668 million was paid to the following staff from the budgetary grant of National Special Education Centre, Lahore.

Cost Center	Cost Center Description	Job Title	Wage type	Wage Type Description	Payment (Rs)
LV6416	NSEC	Junior Instructor	1500	Computer Allowance	750
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Nurse	1592	Mess Allowance	96,000
LV6416	NSEC	Nurse	1608	Nursing Allowance	62,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Nurse	1592	Mess Allowance	96,000
LV6416	NSEC	Nurse	1608	Nursing Allowance	62,000
LV6416	NSEC	Nurse	1592	Mess Allowance	96,000
LV6416	NSEC	Nurse	1608	Nursing Allowance	62,000
LV6416	NSEC	Instructor	1500	Computer Allowance	3,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Lecturer	1644	PhD / M.Phil Allowance	60,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Staff nurse	1592	Mess Allowance	96,000
LV6416	NSEC	Staff nurse	1608	Nursing Allowance	58,000
LV6416	NSEC	Deputy director	1553	NIPA Allowance	9,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Driver	1580	Overtime Allowance	30,000
LV6416	NSEC	Data entry operator	1500	Computer Allowance	9,000
		Total			979,750

Period	Description	Head of account	Cost center	Amount (Rs)
Dy District Education Officer (M-EE) Model Town, Lahore				
7/16 to 12/16	Ad - hoc Allowance – 2011	A0121A	LO-7584	4,140
7/16 to 12/16	Ad - hoc Allowance – 2012	A0121M	LO-7584	6,060,151
1/17 to 4/17	Ad - hoc Allowance – 2012	A0121M	LV-6012	1,066,726
1/17 to 4/17	Ad - hoc Allowance – 2011	A0121A	LV-6012	2,161,033
7/16 to 12/16	Ad - hoc Allowance – 2012	A0121M	LO-7599	98,339
1/17 to 6/17	Ad - hoc Allowance – 2012	A0121M	LV-6008	298,410
Total				9,688,799

Audit holds that payment of allowances without admissibility was due to poor financial discipline and weak internal controls.

This resulted in excess payment of Rs 10.668 million to the employees.

The matter was reported to CEO/PAO in November, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends recovery of the overpaid allowances besides regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

10.4.2.3 Irregular expenditure without post-audit system- Rs 6.262 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided that the provisions contained in chapter 10 and 17 of the APPM will be implemented.”

Scrutiny of record revealed that DDEO (M-EE) City Lahore received a sum of Rs 6.262 million and disbursed to the educational institutions under the control of district education authority. Payment was held irregular because vouched account had not been presented for post audit. Payment also included a sum of Rs 4.35 million spent on development works which was to be followed by an addition to the capital assets of the authority and in the absence of accounting treatment, the book value of these physical assets was not capitalized in following cases.

Sr. No.	EMIS Code	Name of School	Expenditure (Rs)
1	35220116	Govt Modern M/S TakiyaSadhvana, inside Akbari Gate, LHR	295,000
2	35220115	Govt Model M/S Shah Muhammad Ghous, LHR	238,000
3	35220121	Govt M/S, BhammaJhuggian, LHR	189,500
4	35220117	Govt M/S Mughlia Park, Shahdara, LHR	280,000
5	35220118	Govt. Munawar M/S Wasanpura	198,500
6	35220261	GMS GOWALMANDI LAHORE	139,540
7	35220113	GOVT. MODEL M/S PATHI GROUND LAHORE	150,000
8	35220213	GMS WARIS COLONY, LAHORE	190,500
9	35220603	CDGL B/M/S Badami Bagh No. 1 LHR	178,420
10	35220597	CDG Boys M/S Jaffria Colony Samanabad Town Lahore	240,650
11	35210877	CDG Boys M/S Pakki Thathi Samanabad Town Lahore	290,450
12	35220616	CDG Boys M/S Naulakha Park	240,650
13	35220387	CDG Boys M/S Muslim Colony Raj Garh, Lahore	295,450
14	35220600	CDG Boys M/S Sawami Nagar Lahore	284,060
15	35220276	Govt Faiz e Aam P/S Data Nagar, Badami Bagh, LHR	20,450
16	35220280	Govt P/S Abbas Nagar, Shahdara LR	335,450
17	35220272	Govt MadarisaKarimia P/S Bhatti Gate, LHR	245,980
18	35220275	Govt. P/S Misri Shah PunjPir Road, Lahore	185,450
19	35220251	Govt. Aftab P/S Shaheen Abad Samanabad Town Lahore	110,650
20	35220253	Govt.Firdous Co-operative P/S Gulshan-e-Ravi Lahore	194,550
21	35210323	Govt.Sulemania P/S Samanabad Lahore	145,045
22	35210320	Govt. Iqbal Model P/S, Samanabad, Lahore	170,454
23	35220285	Govt Farukh Model P/s Swami Nagar	125,450
24	35220257	GOVT. Awami Model P/S Sanat Nagar, Lahore.	140,650
25	35220259	GOVT. Community P/S Mozang Lahore	110,645
26	35220197	GPS Murid Wal, Lahore	154,804
27	35220215	GPS Dina Nath, Lahore	198,450
28	35220191	GPS Khan Pur, Lahore	197,540
29	35220217	GPS Sultan Pura, Lahore	178,450
30	35210289	GPS Karol War Band Road Daroghawala Lahore	198,750
31	35220198	GPS Nawalpind Johar Town Lahore	188,750
32	35220208	GPS Shadiwal Majha Lahore	149,800
Total			6,262,038

Audit was of the view that funds were transferred without subscribing to pre-audit or post audit checks and resulted in transfer of amount evading audit checks.

This resulted in Irregular expenditure of Rs 6.262 million.

The matter was reported to CEO/PAO in November, 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends holding of a detailed inquiry fixing responsibility against the officers / officials at fault.

10.4.2.4 Irregular payment of Pay due to Shifting Headquarter - Rs1.458 million

According to the standing instruction issued by the Chief Secretary govt of Punjab Lahore date 2007 official working other than the place of his / her actual posting station. He will be treated absent from his/her actual place of duty, for the period spends on general duty.

The following staff was posted in Govt. degree college of Special Education Center, Lahore but they were performing their duty places as mentioned in table below, which is the violation of the ibid letter.

Sr. No.	Name & Designation	Place of Posting	General Duty	Month	Pay / month (Rs)	Amount (Rs)
1.	Vikram Masih, Mali	Govt. Degree College of Special Education, Lahore	Minister Special Education	58	20,319	1,178,502
2.	Muhammad Mushtaq, Driver	Govt. Degree College of Special Education, Lahore	Minister Special Education	12	23,292	279,504
Total						1,458,006

Audit was of the view that payment of salaries without performing duties at place of posting was due to weak internal control.

This resulted in irregular drawl of pay Rs 1.458 million.

The matter was reported to CEO/PAO in November, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends regularization of the matter besides fixing responsibility against the officers / officials at fault.

10.4.2.5 Irregular expenditure without post-audit system- Rs 16.429 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 Dated September 24, 2008 applicable w.e.f.01-10-2008 “the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit”. Further, Finance Department, Government of the Punjab, vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 to overcome the existing accounting problems relating to SDAs the provisions contained in chapter 10 and 17 of the APPM will be implemented. According to Rule 16 read with Rule 33 of Punjab District Authorities (Accounts) Rules 2017, the Accounts Officer shall perform pre-audit of all payments of local fund and public account before authorizing its disbursement.

During audit of DDEO (EE-W) Shalimar Town Lahore, it was observed that Rs 209.236 million were transferred to the Primary & Elementary Schools on account of NSB in schools during 2017-18. Accordingly, the heads of the schools incurred expenditure out of the funds of NSB. The authorities did not submit monthly account of expenditure with copies of paid vouchers to the AG Punjab for post audit purpose in violation of above directions.

Sr. No.	Name of Formation	Amount (Rs in million)
1	DDEO (EE-W) Shalimar Town	14.786
2	Dy. DEO (MEE)Shalimar Town	0.193
3	National Special Education Center	1.450
	Total	16.429

Audit was of the view that non-submission of vouched account for post audit was due to poor financial discipline and weak internal control.

This resulted in Irregular expenditure Rs 209.236 million.

The matter was reported to CEO/PAO in November, 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends holding of a detailed inquiry fixing responsibility against the officers / officials at fault.

10.4.2.6 Irregular expenditure in violation of PPRA rules – Rs 1.612 million

According to PPRA Rule 2014 (59)(b) a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement;

Following formations of District Education Authority Lahore made payment of Rs 1.612 million to different schools on account of maintenance and repair, distemper and painting work out of NSB Fund but detail estimates of actual work including cost of work and labour charges was not prepared. Further, payment was made to suppliers / contractor without mentioning the cost of material and labor charges. No tender was called to achieve the economical rates which resulted in violation of PPRA Rules. In the absence of detailed estimates approved by building department the expenditure held irregular and cannot be verified. The detail is as under.

Sr. No.	Name of Formation	Amount (Rs in million)
1	CEO (DEA) Lahore	0.263
2	CEO (DEA)	0.179
3	Dy District Education Officer (M-EE) Model Town, Lahore	1.170
	Total	1.612

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred without proper tendering and estimates resulting in un authorized expenditure.

This resulted in Irregular expenditure of Rs 1.612 million.

The matter was reported to PAO in November, 2018 but neither reply was furnished by DDO nor DAC meeting held till finalization of this report.

Audit recommends regularization of the matter besides fixing responsibility against the persons at fault under intimation to Audit.

10.4.3 Internal Control Weaknesses

10.4.3.1 Transfer of development schemes from defunct District Government to C&W department - Rs. 916.357 million

Finance Department vide letter No. SO (Schools)4-40/2015-16 dated 23.02.2017 allowed DC / Administrator DEA and CEO DEA of Punjab to transfer the funds of development schemes from newly opened joint SDA to C&W Department to carry out the complete schemes on deposit work basis during the financial year 2017-18 subject to the conditions that adjustment account with supporting vouchers/ documents will be furnished.

The DC / Administrator DEA and CEO DEA Lahore released a sum of Rs. 916.357 million against 210 schemes to XEN 1st, 4th, 5th and 6th Provincial Building Division, Lahore without obtaining adjustment account with supporting vouchers / documents.

Audit holds that release of payments without obtaining adjustment account was due to weak internal controls.

This resulted in irregular payment of Rs 916.357 million.

The matter was reported to CEO/PAO in November, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends holding of a detailed inquiry fixing responsibility against the officers / officials at fault.

10.4.3.2 Non-deduction of conveyance allowance during leave period - Rs 12.271 million

According to Rule 1.15 of Punjab Travelling Allowance Rules, conveyance allowance is not allowed during leave.

Management of the following formations did not deduct conveyance allowance during leave period

Sr. No.	Name of Formation	Amount (Rs)
1	CEO (DEA)	203,210
2	Govt. Degree College Johar Town	324,000
3	Dy. DEO (MEE)	66,024
4	Dy. DEO (M-EE)	9,212,000
5	District Education Officer (SE) Lahore	58,151
6	Govt. Secondary Institute for Blind Sheranwala Gate Lahore	293,232
7	National Special Education Centre Lahore	2,114,000
	Total	12,270,617

Audit holds that overpayment of conveyance allowance was made due to weak internal control and defective financial discipline.

This resulted in overpayment of Rs 12.271 million on account of conveyance allowance.

The matter was reported to CEO/PAO in November, 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this Report.

Audit recommends recovery of amount overpaid besides fixing responsibility against officers at fault.

10.4.3.3 Non-deduction of income tax / GST - Rs - 2.250 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person:

(a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer.

(b) For the rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer;

Management of the following formations did not deduct Income Tax, General Sales Tax and Provincial Sales Tax from the claimant under various head of account.

Sr. No.	Name of Formation	Amount (Rs)
1	Government Deaf & Defective Hearing Model High School for Girls Rajgarh	106,791
2	DDEO (EEM) City Lahore	804,952
3	Dy District Education Officer (M-EE) Model Town	152,982
4	DDEO (EEW) Shalimar Town Lahore	248,279
5	DDEO (EEW) Shalimar Town Lahore (GST)	937,941
	Total	2,250,945

Audit holds that recovery of income tax and general sales tax etc was not made due to weak internal control and defective financial discipline.

This resulted in loss of Rs 2.250 million to the public exchequer.

The matter was reported to the CEO in December, 2018 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends recovery of the amount of Income Tax, GST and PST from the suppliers besides fixing responsibility against the officers at fault.

CHAPTER 11

DISTRICT EDUCATION AUTHORITY, M.B.DIN

11.1 Introduction of the Authority

District Education Authority, Mandi Baha-u-Din was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Mandi Baha-u-Din is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Mandi Baha-ud-Din manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3

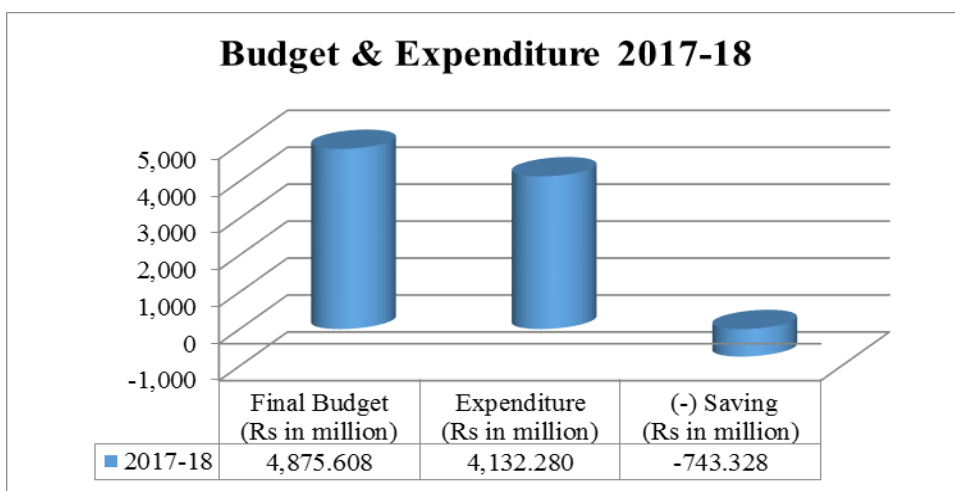
Description	No. of offices / schools
Dy. DEO (WEE)	3
High and Higher Secondary Schools	162
Elementary & Primary Schools	613
Any other institute	4

11.2 Comments on Budget and Accounts

During FY 2017-18 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 4,875.608 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 4,132.280 million, showing savings of Rs 743.328 million for the period, which in terms of percentage was 15% of the final budget as detailed below:

(Rs in million)

Financial Year 2017-18	Budget	Expenditure	(-) Savings	%age of Savings
Salary	3,526.365	3,394.590	-131.775	4%
Non Salary	1,175.455	599.045	-576.410	49%
Development	173.788	138.65	-35.143	20%
TOTAL	4,875.608	4,132.280	-743.328	15%



11.3 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:

Sr. #	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	14	Not Convened

*

11.4 AUDIT PARAS

11.4.1 Non-production of Record

11.4.1.1 Non-production of record on account of deposit work - Rs 252.036 million

According to Section 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor General shall have authority require that any accounts, books, papers and other documents which deal with, or from, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. According to Finance Department's letter No. IT(FD)3-7-2000 dated 01.01.2001, on completion of the project, the DO Buildings will render a completion certificate and statement of accounts (i.e. complete vouched account) together with refund of residual balance of the amounts placed at his disposal, to the concerned DDO for his record.

CEO District Education Authority MB Din transferred Rs 252.036 million to XEN Buildings MB Din as deposit work for construction and rehabilitation of various original as well as dilapidated schools buildings under the jurisdiction of education department. Record relating to tendering process, TS estimates, vouchers, acceptance letters, work orders, PC-I, measurement books, completion certification / PC-IV of works were produced for audit verification. Further, residual balance has not been refunded to the department as detailed below.

Cost Centre	Document No.	Dated	Ob. Code desc.	Object Code	Transferred To	Amount (Rs)	Joint SDA
MM54 14	1600983 202	26.01. 2018	To Others	A0527 0	XEN BUILDING	31,036,000	DC/Administrator & CEO DEA M. B.
MM54 14	1601002 956	25.11. 2017	To Others	A0527 0	XEN BUILDING	55,000,000	DC/Administrator & CEO DEA M. B.
MM54 14	1601032 758	13.02. 2018	To Others	A0527 0	XEN BUILDING	53,500,000	DC/Administrator & CEO DEA M. B.
MM54 14	1600953 145	07.12. 2017	To Others	A0527 0	XEN BUILDING DIV MBDIN	112,500,000	DC/Administrator & CEO DEA M. B.
					TOTAL	252,036,000	

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

No reply was submitted by the department.

The matter was reported to the CDEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends regularization of the matter besides fixing of responsibility against the person (s) at fault. [PDP No. 02]

11.4.2 Irregularities & Non-compliance
11.4.2.1 Irregular expenditure on development schemes -
Rs 395.636 million

According to Rule 2 (a) of Punjab District Authorities (Delegation of Financial Powers) Rules 2017, Administrative Department means the School Education Department of the Government in respect of District Education Authorities. According to Rule 4 of Punjab District Authorities (Delegation of Financial Powers) Rules 2017, District Development Committee is empowered to grant Administrative Approval up to Rs 200 million. According to Rule 4 of Note-III read with Note VI of Punjab District Authorities (Delegation of Financial Powers) Rules 2017, the scheme so sanctioned shall be sent to Planning and Development and Finance Department simultaneously for their record and Administrative Approval of the schemes of the District Authority approved by the DDSC and PDWP shall be issued by the concerned Administrative Department. According to Rule 4 of Note-1 of Punjab District Authorities (Delegation of Financial Powers) Rules 2017, for administrative approval of works / development schemes, the composition of District Development Committee shall be as under:-

Deputy Commissioner	Convener
Chief Executive Officer	Member
District officer Concerned (Education/ Health)	Member
Senior most Principal in case of DEA	Member
A representative of C&W not below the rank of BS-18	Member
Budget and Accounts officer of the authority	Member
Planning officer of the concerned district authority	Member

During scrutiny of record of CEO DEA Mandi Baha-ud-Din, it was observed that development expenditure Rs395.636 million was incurred during 2017-18. Following observations were raised:-

- i. Schemes were administratively approved without constituting of the above mentioned committee.
- ii. Schemes so approved were not simultaneously sent to P& DD and Finance department for their record.
- iii. Administrative Approval of the schemes so approved was not sent to Administrative Department for further issuance in violation of above instructions.

iv. DDC is empowered to grant Administrative approval Rs 200 million whereas administrative approvals granted beyond power Rs395.636 million during 2017-18 as detailed below:

Financial Year	Grant	Cost Centre	Description	Amount (Rs)
2017-18	36 -Development	MX-8996	Construction & Rehabilitation of school buildings	110,806,909
2017-18	36 -Development	MX-8996	Supervision charges paid to M/s Mascon	3,396,375
2017-18	36-Development SDA	MM 5414	Funds transferred to XEN Buildings as Deposit Work	252,036,000
2017-18	36-Development SDA	MM 5414	Provision of I.T. Labs in upgraded Elementary and High School	26,800,690
2017-18	36-Development SDA	MM 5414	Provision of Furniture in Primary and Elementary Schools	2,596,256
Total				395,636,230

Audit holds that due to defective financial management, irregular composition of DDC was made that resulted in irregular development expenditure of Rs 395.636 million.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to be regularized besides fixing of responsibility against the person(s) at fault under intimation to Audit.

[PDP No. 09]

11.4.2.2 Unauthorized process of issuance of bidding documents - Rs 160.028 million

According to Rule 25 (1) of PPRA Rules 2014, A procuring agency shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid. According to Rule 14 of PPRA rules Response time.– (1) The procuring agency may decide the response time for receipt of bids or proposals (including proposals for prequalification) from the date of publication of an advertisement or notice keeping in view the complexity of the procurement, availability and urgency but, in no circumstances, the response time shall be less than fifteen days for national competitive bidding.

Audit of CEO (DEA) Mandi Baha-ud-Din, revealed that for 126 development schemes amounting to Rs160.028 million (dilapidated buildings, boundary walls etc.) XEN Buildings invited tenders on PPRA as well as print media during 2016. Further probe revealed that only three

days were given for issuing and receiving the bidding documents from the bidders instead of minimum fifteen days response time. The main objective of this violated process was to bind the contractors for tender pooling. Further bidding documents, list of tender opening committee members, minutes of meetings, attendance sheet of participants was not available in record.

Audit is of the view that above tender process was irregular. This state of affair reflects poor financial discipline, such irregularities may result in loss to the public exchequer due to uneconomical rates.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to be regularized besides fixing of responsibility against the person(s) at fault under intimation to Audit.

[PDP No. 15]

11.4.2.3 Doubtful payment of civil works pre-audited by District Accounts officer instead of Divisional Accounts officer - Rs107.322 million

According to rule 2.14 (a) (ii) of Departmental Financial Rules, to assist the Divisional Officer in the discharge of his responsibilities referred to above, the Director, Audit & Accounts (Works) will post a Divisional Accountant to his office as primary auditor, i. e., as the representative of the Director, Audit & Account (Works) entrusted with the responsibility of applying certain preliminary checks to the initial accounts, vouchers, etc. (Chapter 6 in section IV of Audit Code-First Edition).

Audit of CEO (DEA) MB Din, revealed that civil works execution was made by the XEN Buildings and after execution, XEN Buildings with his sign and stamp sent the running bills / claims of civil works contractors amounting Rs107.322 million to the CEO (DEA) MB Din for payment without vetting/ pre-audited from Divisional Accountant. CEO forwarded the same bills to District Accounts officer for pre-audit and payment. It was observed with great concern that DAO MB Din and his staff was non-technical and did not pass the Divisional Accountant exams and how they conducted the pre-audited of the technical bills which were neither pre-audited by the Divisional Accountant of the Division. The chances of wrong billing and payment thereof could not be ignored.

Audit is of the view that payment was made through non-technical personnel by bypassing the rules and regulations, this resulted in doubtful payment of Rs107.332 million.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to be regularized besides fixing of responsibility against the person(s) at fault under intimation to Audit.

[PDP No. 16]

11.4.2.4 Purchase of IT equipment without fulfilling codal formalities - Rs 19.934 million

According to Rule 31 of PPRA 2014 “A procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents.” Further according to Rule 28(2) (h) of PPRA 2014 Procuring agency must prepare bidding document mentioning therein delivery time and complete schedule for supply of goods and list of items to be purchased. According to Govt. of the Punjab, School Education Department letter No. SO(ADP) Review - 418 /2017-18 dated 30.6.2017, P&D Department has directed to prepare feasibility /RCE/ PC-I of all schemes.

Audit of CEO (DEA), MB Din for the period 2017-18 revealed that the department made purchase of IT equipment for 19 schools without preparing feasibility /RCE/ PC-I of all schemes. No criteria for technical evaluation were circulated along with bid document. Inspection of the items received / IT equipment were not made by the independent technical committee. Further original book/ manual, original warranty card and original bill of entry were not found in record. EMI numbers of the equipment were not verified from the website of the manufacturer for verification of the status of supplied equipment as genuinely imported off the shelf products or second hand used products. Warranties of the manufacturers were not provided and reliance was only placed on irrelevant documents. Warranty for licensed software or its installation in the hardware equipment had not been corroborative contrary to bidding documents signed and furnished by the supplier as detailed below:

Invoice No.	Dated	Supplier	item	Unit rate	Qty	Amount (Rs)
1037	7.3.18	Rozi Enterprises	Interactive boards	148900	13	1935700
LIS-700008	24.5.2018	ORA-TECH Systems	Computer	67800	16	1084800
			Server	79722	1	79722

Invoice No.	Dated	Supplier	item	Unit rate	Qty	Amount (Rs)
LIS-700003	11.4.18	ORA-TECH Systems	Computer	67800	25	1695000
LIS-700004	11.4.18	ORA-TECH Systems	Computer	67800	112	7593600
			server	79722	7	558054
LIS-700004	11.4.18	ORA-TECH Systems	Computer	67800	96	6508800
			server	79722	6	478332
Total						19934008

Audit is of the view that the management has not adopted clear cut, specific, measurable and comprehensive work in execution of the project which resulted in irregular purchase.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to be regularized besides fixing of responsibility against the person(s) at fault under intimation to Audit. [PDP No. 02]

11.4.2.5 Irregular purchase of furniture without advertisement on PPRA website – Rs 15.754 million

According to Rule 12(1) Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time.

Audit of CEO DEA MB Din, revealed that funds amounting Rs 20.00 millions were transferred to the schools councils from CEO cost centre MX-6005 for purchase of furniture, out of which record of Rs 15.754 million was provided. Further probe revealed that schools councils purchased furniture from different suppliers without advertisement on PPRA website for calling / inviting tender resulted in mis-procurement. Further income tax challans Rs708963 paid by the suppliers were available but the same were not verified from the concerned RTO. Moreover GST amounting Rs2,289,150 was paid to the suppliers but the same was neither deposited in Govt. treasury nor verified by the concerned RTO.

Audit holds that purchase without advertisement on PPRA website was due to defective financial discipline and weak internal controls that resulted in non-transparent expenditure of Rs15.754 million out of Government exchequer.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularized besides fixing of responsibility against the person(s) at fault under intimation to Audit.

[PDP No.04]

11.4.2.6 Non imposition of penalty for delay - Rs11.927 million

According to Clause 39 read with Clause 37 of contract agreement, 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 construction of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

Audit of CEO DEA MB Din revealed that funds were transferred to XEN Building, and XEN Buildings MB Din awarded the following works to various contractors. The works could not be completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-charge. Neither any case for extension in time limit was processed nor penalty was imposed on the contractors on account of delay. This resulted in non-recovery 10% penalty amounting Rs11.927 million besides delaying the desired benefits to the general public due to non-completion of the schemes within the stipulated period as detailed at below:

No.of Schemes	No. of Contractors	Agreement Value Rs.	PDP No.	10% Penalty @10% Rs
23	16	119,274,155	28	11,927,414

Audit holds that due to non-compliance of rules and mismanagement, the penalty was not imposed on the defaulting contractors, which resulted in loss to Government amounting to Rs.11.927 million.

No reply was submitted by the department.

The matter was reported to the Deputy Commissioner in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends imposition of penalty besides fixing of responsibility against the person (s) at fault .

[PDP No. 28]

11.4.2.7 Doubtful payment on account of pay of Literacy teachers Rs 18.563 million

As per PC-I, the centers shall be set up in all the areas where there is no formal Government Primary School within 01 kilometer radius or a private primary education facility nearby. Further inspection reports and other record shall be maintained.

Audit of Literacy wing of CEO Education Mandi Bahauddin for the financial year 2017-18, revealed that payment was made as per bank advice through DDO's account Rs 18.563 million on account of salary of teachers of NFBE (Non Formal Basic Education) and ALC (Adult Learner Centre). No disbursement certificate from DDO / credit scroll from concerned bank was available in record. Further probe revealed that NOC from DEO (M/W-EE) regarding non-existence of primary school within 01 kilometer radius was also not available in record. Moreover, number of students centers wise and their attendance, exam record of the students, performance of teachers were not available in record to ascertain that either schools were existed or not. Inspection reports of Literacy Mobilizes were also not attached with the claim for verification in violation of PC-I.

Audit holds that due to non-compliance of rules and Weak Internal Controls, resulted in doubtful payment to literacy teachers Rs18.563 million.

No reply was submitted by the department.

The matter was reported to the Deputy Commissioner in August, 2018 but no DAC was convened till the finalization of this report.

Audit stresses for justification of the matter and fixing of responsibility under report to audit.

[PDP No.50]

11.4.2.8 Irregular expenditure on steel without steel test reports Rs 18.543 million and recovery of Rs778,077 due to use of below specification MS billets

The Engineer Incharge is responsible for use of specific billet and is only allowed to release the payment of M.S bars (manufactured from Pakistan Steel), if the contractor provides original invoice and certificate from manufacturers (M/S AFCO, M/S Prime and M/S Fazal Steel) that M.S. bars have been manufactured from Pak Steel billet. The invoice/certificate would be part of the vouchers. The quality test of M.S.

bars as per specification is however mandatory. If invoice and manufacturer certificate are not provided with paid vouchers, the rates of MS bars shall be reduced by Rs. 4,500 per M.Ton as per Finance Department's Notification No. RO (Tech) FD/2-3 dated 2nd August, 2004. According to the FD Letter No.RO (Tech) FD-2-3/2004 dated 2nd August 2004, the quality test of MS Steel Bars as per specifications is mandatory.

During audit of CEO DEA MB Din regarding funds transferred to XEN Building, it was observed that XEN Buildings MB Din neither obtained the invoices and certificates from the contractors nor made reduction in rates @ Rs. 4.5 per kg due to purchase of steel bars (60-grade) from the unauthorized manufacturers. Neither the invoices of the approved manufacturer non reduction in rates resulted in non-recovery of Rs 778077 (i.e.172906 kg x Rs 4.50 per kg). Further un-authorized payment Rs18.543 million of following works on the item "P/L MS Deformed Bars" during 2017-18 without obtaining steel test reports as detailed below:

Financial Year	Department	PDP No.	No. of Schemes	Total Expendiutre on Steel (Rs in million)
2017-18	CEO Education MB Din	52	36	18.543

Audit holds that due to non-compliance of rules and Weak Internal Controls, irregular expenditure without reduction of rates was made. This resulted in use of below specification material amounting Rs 18.543 million at MRS rates and non-recovery of Rs778,077.

No reply was submitted by the department.

The matter was reported to the CEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit stresses recovery of the amount involved and fixing of responsibility under report to audit.

[PDP No.52]

11.4.2.9 Less deduction of income tax - Rs 5.366 million

According to section 153 (1) (c) of income tax ordinance, payment on account of execution of contracts, income tax @ 7.5% to others (filers) and 12.5% to others (non-filers) shall be deducted at source.

Audit of CEO (DEA) M.B. Din, revealed that payment of Rs 107.322 million was made to the contractors for execution of contracts. Further probe revealed that proof of tax filers was not provided and

income tax was deducted @ 7.5% instead of 12.5% resulted in less deduction of income tax Rs5.366 million as detailed below.

Cost Center	GL Description	Amount Rs.	Total I.Tax deducted	Tax to be deducted Rs.	Less deducted Tax Rs
MX8996	Other Building	107,322,109	8,049,158	13,415,264	5,366,105

Audit is of the view that due to non compliance of rules and dereliction on the part of the financial management, Income Tax was not deducted.

No reply was submitted by the department.

The matter was reported to the CEO/ PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires either the matter may be justified or the same may be recovered from the non filers contractors under report to audit.

[PDP No.13]

11.4.2.10 Unauthorized and doubtful payment to Mascon Associates – Rs 3.396 million

According to Rule 16 sub clause (b) (d) of Punjab Procurement Rules 2014, Planning and Development Department of the Government shall: shortlist all such individual consultants, firms or companies only for one financial year through its notified committee strictly in accordance with the procedure provided under these rules and upload the list of such shortlisted individual consultants, firms or companies on the website of Punjab Procurement Regulatory Authority and Planning and Development Department of the Government for the consumption of public sector organizations. According to clause 3 of agreement between EDO Education MB Din and M/s Mascon Associates, the remuneration to the consultant during the extended period will be paid the basis of man-months and if the same is due to contractor's fault this extra expenditure will be recoverable from the contractor. According to clause 6 read with 5 of agreement, the consultant shall submit two copies of monthly progress by the 10th of each month and according to article 5 and 10% payment of the consultancy fee will be withheld as security and released within three months after the completion of project. According to clause 11 read with clause 12, the consultant shall be 100% responsible for accuracy of measurement made on the work quantities executed by the Co. and certified for payment and shall maintain permanent record of such measurements for the engineer in-charge and the consultants shall certify and recommended under his seal, the contractor's running payments and

final payment clearly indicating that the quantities of work executed are according to specifications, design, drawings, technically sanctioned estimates and contractor agreement.

Audit of CEO DEA MB Din, revealed that an amount of Rs 3.396 million was paid to M/s Mascon Associates consultants on account of "Resident Supervision for Reconstruction of Dangerous and Missing Facilities in School Buildings in District Mandi Baha-ud-Din. Following observations were raised.

- a) The agreement was established for the financial year 2015-16 but after expiry of the contract, it was further extended for two years i.e. 1.7.16 to 30-6-18 in violation of above PPRA rules.
- b) As per PPRA rule 16, prequalification period of consultant firms is one year and P&D Department will shortlist the candidates as per prequalification process and will upload the list of prequalified consultant firms on PPRA as well as P&D Department website. It was astonishing to note that the period of contract was extended in violation of PPRA rules. Moreover as per list of prequalified consultants uploaded on PPRA website, Mascon Associates was not included in the list of prequalified consultants during 2016-18.
- c) An amount of Rs110.807 million was paid by the CEO to the civil contractors during 2017-18 works for construction of school buildings and provision of missing facilities. As per agreement clause 11, M/s Mascon Associates was responsible for 100% check and accuracy of measurement, quality of material as per TS estimate and certification of payment but during audit of building construction record, it was noticed that heavy excess quantities and payments were made and no running bill was certified by the M/s Mascon Associates.
- d) As per approval of the extension period, consultancy cost for extension period should be recovered from the contractors who had delayed completion of work but it was noticed that consultancy cost for extension period was paid from public exchequer instead of from the pocket of contractors who did not complete the work within time limit. Moreover monthly progress reports, agreements and acceptance letters of Rs362.843 millions were not produced for audit verification.
- e) As per clause 12 of agreement, M/s Mascon Associates was responsible to certify and recommended under his seal, the contractor's running payments and final payment clearly indicating

that the quantities of work executed were according to specifications, design, drawings, technically sanctioned estimates and contractor agreement but in violation of agreement no running or final bill was signed/ stamped under his seal.

- f) As per agreement 10% security Rs 339,637 was not withheld from the consultancy fee which was to be released within three months after the completion of the project.
- g) Income tax was required to be deducted @ 10% instead of 4.5% due to non-company entities providing other services (filer) hence less deducted Rs 186800/- may be recovered.

Audit holds that due to defective financial management and negligence on the part of administration, doubtful and unauthorized payment was made to consultant that resulted in loss to Govt. of Rs3.396 million.

No reply was submitted by the department.

The matter was reported to the CEO /PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires that matter may be investigated and amount in question as well as in the previous year may be recovered from the person at fault under report to audit.

[PDP No.08]

11.4.2.11 Doubtful expenditure on development works from NSB- Rs1.234 million

According to NSB Guidelines, that construction should be as per Govt. design and specification, copy of information to AEO and completion certificate should be endorsed to the Dy. DEO. According to NSB guidelines, payment above Rs100,000 for a project should be advertised in local newspaper and three quotations, comparative statement and award of contract to the lowest bidder should be maintained.

During scrutiny of record of Dy. DEO (W-EE) MB Din, it was observed that elementary and primary school spent huge amounts on construction and M&R without design and specification of Government. Developments were neither advertised on local newspaper nor quotations and comparative statement were maintained. Further probe revealed that no approval of AEO and endorsement of completion certificate to Dy. DEO were found in record. Expenditure was incurred without estimate, NOC from building department and agreement with the contractor.

Payment was made in cash instead of through crossed cheque. No area of construction was defined in length, width and breadth. This resulted in doubtful expenditure on construction and M&R Rs1.234 million as detailed below:

Sr. No.	Dated	Name of School	Item description	Amount (Rs)
01	03,04/2018	GGPS Chak No.1	construction material purchased & labor	115,750
02	9-11-15 to 7-1-2016	GMES Dhok Jouri	Tuff tile, construction material, furniture, white wash & labor paid to contractor in cash	1,015,557
03	17 to 26.5.16	GGES Chak Sher Muhammad	Construction of material purchased + labour	103,200
			Total	1,234,507

Audit is of the view that due to irregularity, execution and purchase process was not properly adopted. This resulted in irregular expenditure of Rs1,234,507.

No reply was submitted by the department.

The matter was reported to the CEO /PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires investigation of the matter and fixing of responsibility against the person at fault besides regularization of expenditure under report to audit.

[PDP No.67]

11.4.2.12 Non deduction of harrow sand rate recovery thereof- Rs 1.118 million

As per Market Rate Schedule of the Govt. of the Punjab, Composite rate shall be reduced by Rs5.50/ cft and Rs12/ cft if Chenab sand and local sand respectively is used.

During audit of CEO DEA MB Din regarding funds transferred to XEN Building, it was observed that XEN Buildings MB Din did not reduce Rs 12 per Cft while paying for the item RCC (1:2:4) in different schemes as there was no indication in the record entry regarding use of coarse sand other than local sand / Chenab river sand. This resulted in overpayment of Rs1,118,184 as detailed at below:

Cost Center	No. of Schemes	GL Descripton	Total RCC(1:2:4) Qty	Recoveralbel @Rs 12/cft
MX8996	36	Other Building	93,182	1,118,184

Audit holds that due to non-compliance of rules and defective financial management, payment was made without recovery at the

prescribed rate. This resulted in use of below specification material at MRS rates and loss of Rs1.118 million sustained to public exchequer.

No reply was submitted by the department.

The matter was reported to the CEO/ PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit stresses recovery of the amount involved and fixing of responsibility under report to audit.

[PDP No.53]

11.4.3 Internal Control Weaknesses

11.4.3.1 Unjustified drawl of Pay and Allowances without performing duties Rs 9.547 million and payment of charge allowance of Rs 196,200

According to government notification the head teachers were directed to attend the schools during vacations.

During scrutiny of record of Middle and Primary schools under the jurisdiction of Deputy District Education Officer (M-EE) MB Din, it was observed that incharge of the Elementary and primary schools did not attend the school during summer and winter vacations. Payment of pay & allowances and charge allowance of Rs 9.547 million and Rs 196,200 respectively was unjustified.

Audit holds that due to weak internal control pay and allowances were drawn without performing duty which resulted in unjustified payment of Rs 9.547 million.

No reply was submitted by the department.

The matter was reported to the CEO/PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends fixing of responsibility and recovery of pay and allowances be effected of actual payment under intimation to audit.

[PDP No.63]

11.4.3.2 Doubtful purchase of ceiling fans - Rs 3.484 million

According to Rule 15-4(a) of PFR Vol-I requires that all material received should be examined counted, measured and weighed as the case may be, when delivery is taken and then entered in the appropriate stock register.

Audit of CEO (DEA) MB Din, revealed that XEN Buildings purchased 968 ceiling fans amounting to Rs 3,484,800 during financial year 2017-18 for the newly constructed school buildings. Further probe revealed that demand from schools, provision in the TS estimates and its proper disposal according to TS estimates was not shown to audit. Moreover technical, physical and quality inspection report, warranty certificate was not available. The purchased items were not accounted for in the relevant main stock register lying in division and subsequent entry in sub divisions as the same was not produced for audit verification. Non-accountal of the purchased material may lead to misappropriation of the

public assets. Indents issued from the sub divisions were not found in record.

Audit holds that doubtful purchase had taken place due to weak internal control which resulted in doubtful purchase of ceiling fans Rs3.484 million.

No reply was submitted by the department.

The matter was reported to the CEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit desires to look into the matter for fixing the responsibility upon the concerned besides necessary entry in the relevant fixed asset register under intimation to Audit.

[PDP No.14]

11.4.3.3 Irregular payment of pay and allowances Rs4.225 million (approx.) due to having dubious as well as CNICs No. other than Punjab province

As per Govt. instructions, the employee shall be hired on the SAP system having CNIC issued from NADRA.

During audit of Deputy DEO (W-EE) MB Din, it was revealed that following (06) six employees were being received their salaries with CNIC numbers other than Punjab province and one (01) employee having dubious/ fake CNIC in violation of Govt., instructions. The Standard CNIC digits are 13 whereas the concerned employee having 12 digits CNIC no. it was further observed that appointments had been made on purely District domiciled basis along with relevant Union council wise by the administration. This is due to weak internal control system and negligence on the part of the management.

SAP No.	Name of Employee	BPS	CNIC No.
31915963	FARZANA KUSAR	14	6110131355876
32068902	MARIA MARIA	14	4230101592146
30867274	MAZHAR IQBAL	2	9040120476457
32070187	MEHWISH KHALID	14	4220177871730
31838146	SADAF REHMAN	15	9040601179388
31543481	RUKHSANA	9	4250114548292
31721956	SIDRA JAVED	14	1730157307782

Audit holds that due to weak internal control pay and allowances were drawn by the employees hired on the system with dubious/ fake CNICs. This resulted in doubtful payment of pay and allowances Rs5.225 million (approx.)

No reply was submitted by the department.

The matter was reported to the CEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires investigation of the matter and fixing of responsibility besides regularization of expenditure under report to audit.

[PDP No.68]

11.4.3.4 Unauthorized Payment without Approval of the Rate from the Chief Engineer (Buildings) Rs3.775 million

According to Government of the Punjab, Finance Department Notification No.RO(TECH)FD 18-23/2004 dated 21-09-2004, the rate analysis for the item rates (non-standardized) shall be prepared by the Executive Engineer clearly giving the specifications of the material used and approved by the competent authority to accord Technical Sanction (not below the rank of S.E) before the work is undertaken.

During audit of CEO DEA MB Din regarding funds transferred to XEN Building, it was observed that in following schemes RCC without shuttering paid for laying plinth beam / strip foundation which was not allowed without approval of Chief Engineer (Buildings) or Building Research Station Lahore test report after site visit. Plinth beam / strip foundation laid contrary to above cited instructions. Hence, laying of plinth beam strip foundation Rs 3.775 million in routine was irregular.

Cost center	GL Description	No. of Schemes	Amount Rs.
MX 8996	Other Building	13	3,774,732

Audit is of the view that due to non-exercising of requisite checks expenditure was irregular, which caused violation of government rules and doubtful execution of work.

No reply was submitted by the department.

The matter was reported to the CEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit stresses either the matter may be justified or the same may be recovered from the person at fault under report to audit.

[PDP No.32]

11.4.3.5 Irregular payment on account of Charge Allowance - Rs 2.720 million

According to Government of Punjab, Finance Department Notification No.FD-PR-10-71/72 dated 18-06-1973, charge allowance to the Head Masters of Government Primary Schools is admissible only where five teachers are posted in the school and enrollment is upto 150 students.

During the course of audit of Deputy District Education Officer (W-EE) Tehsil and District MB Din, it was observed that charge allowance was paid during 1.7.2014 to 30.6.2018 @ Rs500 and 700 to each Head Teachers without orders, as In-charge of the School by the competent authority. Furthermore, the above said condition of students enrollment was also not observed while making payment of charge allowance. Moreover, the charge allowance is also not admissible during additional charge. This resulted in irregular payment of charge allowance of Rs 2.720 million as detailed below.

Finaicial Year	Head of Code	Cost Centre	Total Amount paid (Rs)
2014-15	A01238	MB-6192	735907
2015-16		MB-6192	676480
2016-17		MX-6019	621699
2017-18		MX-6019	686057
Total			2,720,143

Audit holds that due to weak internal controls, charge allowance was paid without orders of the competent authority and without fulfilling the above provisions also.

No reply was submitted by the department.

The matter was reported to the CEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit needs detailed report by preparing school wise sanction strength of students and regular charge orders as head teacher along with justification of the expenditure. Or the recovery be effected.

[PDP No.69]

11.4.3.6 Unauthorized acceptance of single tender work Rs 2.339 million without approval and overpayment on work executed over and above TS estimate

According to Para Nos. 1.59 & 2.89 of Buildings and Roads Code, during the execution of work, neither the specification nor the quantity of different items approved in the Technical Sanction may be changed and

executed without prior approval of such change / new addition by the authority who has issued Technical Sanction. Such authority will record reason if any. According to Para-127 (6) & 129(i) of PWD Code, payment on all work done should be made on the basis of measurement recorded in MB in accordance with the work actually done at site, measured in person by the SDO and he will be responsible for the general correctness of the bill as a whole.

During audit of CEO DEA MB Din regarding funds transferred to XEN Building, it was observed that the work "Reconstruction of dilapidated school building of GGPS Chak no.42 was awarded to M/s Miner Ahmad Contractor vide work order no. 1367/DO (Buildings) dated 26.10.2016 for Rs 2,339,115 @ 3.95% above market rate and non standardized items at par with TS estimate.

a) Mosaic flooring in primary schools had been disallowed by the Chief Engineer (Buildings) North in the past and stressed on laying conglomerate floors. Ignoring the instructions of CE (B) north, mosaic flooring was P/L and that too in excess of TS estimate (02 class rooms of 16 x 24 and verandah 48 x 7). During comparison of TS estimate and MB, over and above rate as well as over measured quantity was paid as detailed below:

i) 2" thick = $1182 \times 3708.50/100$ (Rs9771/95 - Rs6063/45)
= **Rs162560 + premium 3.95%**

ii) Over measured quantity item no. 17 of this bill
 $1689 - 1182 = 507 \times \text{Rs}9771/95 = \text{Rs}49544 + \text{premium } 3.95\%$

b) The scrutiny of record had further revealed that following items were not completed according to specification as evident from the nomenclature recorded on MB and deficiencies were pointed below:

i) Steel door page 59 MB No. 2197/1832 had been P/F and paid without holdfast, hinges, locking arrangement on both side, handles, painting and coats.

ii) Chowkat had been paid without grill, MS frame, painting

iii) steel window, shutter almirah, single layer of tiles without any nomenclature / specification. Payment of above items amounting to Rs258207 carried out without proper verification and paying full rate may be justified or recovered from contractor.

c) non schedule items were paid without approval of competent authority.

d) 251cft RCC without shuttering paid for laying plinth beam / strip foundation which was not allowed without approval of Chief Engineer (Buildings) or Building Research Station Lahore test report after site visit.

Plinth beam / strip foundation contrary to above cited instructions. Hence, laying of plinth beam strip foundation in routine was irregular which may be justified or recovered from person at fault.

Item no.5 of bill	251cft x Rs253	= Rs63503
Item no.4 page 6 of MB	759kg x Rs9856/20	= <u>Rs74808</u>
	Total	=Rs138311 + premium 3.95%

e) Single tender was received which was not approved / accepted by the SE / EDO as required under rules. It was irregular allotment of work with undue favor which may be justified.

Audit is of the view that due to weak internal controls of management and undue favour to contractor, the overpayment was made.

No reply was submitted by the department.

The matter was reported to the CEO /PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires either the matter may be justified or the same may be recovered from the person at fault under report to audit.

[PDP No.32]

11.4.3.7 Less adjustment of Punjab Sales Tax without provision of Registration Certificate of Rs 4.293 million

According to clarification issued by Punjab Revenue Authority, Finance Department, Government of the Punjab, Lahore vide Notification No.PRA/HQ.02/Misc-04/15/470 dated.04.11.2016, only person registered with PRA can add PST in the gross amount of bill. According to finance department notification No SO (Tax)5-24/2016 dated 5.10.16, on the option of service provider sales tax shall be charged @ 1% on the schemes tendered after 1.7.16 otherwise 5% PST shall be charged if not opted by the service provider.

During audit of CEO DEA MB Din regarding funds transferred to XEN Building, it was observed that XEN Building MB Din charged Punjab Sales tax @ 1% and added into the bill of the contractor without getting the registration certificate of the Contractor and without checking the status of the contractor either he if filer or non filer of the return (Quarterly, Semi annually or Annually) otherwise PST shall be charged @ 5% (non adjustable). This resulted in less deduction of Punjab Sales Tax of Rs4.293 million as detailed at :

Cost Center	G/L a/c	Amount Paid (Rs)	GST deducted @1% (Rs)	GST to be deducted @5% (Rs)	Less Deducted (Rs)
MX 8996	Other Building	107,322,109	1,073,221	5,366,105	4,292,884

Audit holds that due to non-compliance of rules, less adjustment/deducted PST. This resulted in loss to Govt. of Rs4.293 million

No reply was submitted by the department.

The matter was reported to the CEO/ PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires either the matter may be justified or the same may be recovered from the person(s) at fault under report to audit.

[PDP No. 51]

11.4.3.8 Non-recovery of conveyance allowance during summer and winter vacations - Rs 5.596 million

According to Rule 1.15 of Punjab Traveling Allowance Rules no conveyance allowance is admissible during leave, or joining time.

During audit of following formation of DEA MB Din, it was observed that summer vacations during 2017 were commenced from 25-5-2017 up till 14-08-2017 but the conveyance allowance for the period from 25.5.2017 to 31.5.2017 and also for winter vacations was not deducted from the teaching staff of primary and elementary schools under the jurisdiction of CEO DEA MB Din.

Audit is of the view that due to Weak Internal Controls, payment of conveyance and inspection allowance resulted in irregular drawl of Rs 5.596 million.

No reply was submitted by the department.

The matter was reported to the Deputy Commissioner in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends recovery of the amount under intimation to

11.4.3.9 Irregular expenditure without approval Rs 2.627 and excess execution of quantities beyond TS estimate Rs 1.032 million

According to Para Nos. 1.59 & 2.89 of Buildings and Roads Code, during the execution of work, neither the specification nor the quantity of different items approved in the Technical Sanction may be changed and

executed without prior approval of such change / new addition by the authority who has issued Technical Sanction. Such authority will record reason if any. According to PDP-127 (6) & 129(i) of PWD Code, payment on all work done should be made on the basis of measurement recorded in MB in accordance with the work actually done at site, measured in person by the SDO and he will be responsible for the general correctness of the bill as a whole.

During audit of CEO DEA MB Din regarding funds transferred to XEN Building, it was observed that the work re-construction of dilapidated school building of GHS Muslim Mandi Baha-ud-Din" was awarded to Munir Ahmad contractor vide work order no. 1407/ DO (B) dated 02.11.2016 for Rs11,137,981 at following tendered rates.

i)	Brick work	6.40% below MRS
ii)	RCC	4.99% below MRS
iii)	Mild Steel	2.60% below MRS
iv)	Electrical items	30% below MRS
v)	Non-schedule Electrical items	30% below MRS
vi)	Tuff Tile	Free

The contractor had been paid last bill CC 8th & running recorded on MB no. 2235/5135 page 117 to 133. This MB along with linked MB no. 3619 had not been produced to audit. As per tendered rates mentioned above, P/L tuff paver (item no.43 of bill) was to be done free by contractor therefore payment of Rs150,882 on account of tuff tile made to the contractor may be recovered from him.

b) Contractor had been paid price variation for Rs237,022 under clause no.55 of agreement. Price variation was payable either provision in TS estimate or against work contingency. Since there was no provision in TS estimate hence, work contingency position with expenditure thereon may be produced to audit to witness the payment as per rules and regulations.

c) Scrutiny of bill and TS estimate had revealed that following items were over measured / overpaid which may be recovered Rs643,984 from the person at fault.

Item	Qty. paid as per bill	Qty to be paid as per TS estimate	Excess paid Qty.	Rate (Rs)	Recoverable (Rs)
Brick work 1:6 in F/P item no.10 of bill	9752cft	7947cft	1805	176.673	318895
Brick work 1:6 in ground floor	7436	6954	482	187.545	90397
P/Filling lead earth	11341	0	11341	7.96275	90306
3/8" thick cement plaster under soffit	8155	7556	600	18.401	11041
P/L dry rammed brick mixed with 25% sand	2996	2292	704	37.787	26602

Item	Qty. paid as per bill	Qty to be paid as per TS estimate	Excess paid Qty.	Rate (Rs)	Recoverable (Rs)
Mosaic Dado Skirting	1590	868	722	85.744	61907
(item no.44,45 & 46) P/I damp proof course, Pacca brick work OTB, 12 " thick cement plaster	1178	0	1178		44836
Total					643984

d) Department dismantled 16 beam 12ft height. Mild steel was usually used @6.75lb per ft the quantity came out 6.75 x 12 x 16 x 0.453 = 587kg and its cost may be recovered from contractor as worked out below. 587kg x Rs30 = Rs17610

e) Non-scheduled items

- i) Steel door (item no.18 of bill) Rs117180
- ii) Almirah shutter (item no.28) Rs 64875
- iii) SMD Light 18watt (item no.39) Rs 62400
- iv) Panel board (item no.40) Rs 18200

Total Rs=262655

Further these were non scheduled items and its rates were not approved by the Superintending Engineer who was competent authority. Analysis of rates duly approved by competent authority may be produced to audit or recovered from the contractor.

Audit is of the view that this overpayment without revision of TS estimates by the competent authority, as irregular / unauthorized which reflects weak monitoring.

No reply was submitted by the department.

The matter was reported to the CEO /PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires either the matter may be justified or the same may be recovered from the person at fault under report to audit.

[PDP No.20]

11.4.3.10 Unjustified payment of – Rs 1.130 million

According to Govt. of the Punjab, School Education Department No. SO(SE-III) 5-99/2016 dated 12.08.2016 on subject Upgradation and Reduction Overcrowding through Double Shifting in Schools, clause 9 the committee comprises of the following members for the finalization of the names of the schools for double shifting.

- i. Programme Director, PMIU-PESRP, Punjab Lahore
- ii. DPI (SE), Punjab, Lahore

iii. Addl. DPI (EE) Punjab Lahore

The committee will examine feasibility of each school, finalize the names of the schools for double shifting and submit its report to the department by September 20, 2016. Further Addl. DPI (EE) Punjab Lahore will act as a Focal Person.

Scrutiny of accounts record of HM GGHS Malakwal District Mandi Bahauddin revealed that the services of 2 regular teachers were hired @ Rs20,000 and Rs18,000 per month. In addition to this 3 private teachers were employed for second shift. Also school officials sweeper and Chowkidar were engaged for the services in second shift @ Rs5600 each. The payment of monthly honoraria was disbursed in cash to the officers and officials from April 2017 to May 2018. However the above committee neither examine the feasibility nor approved the name of school as double shift. In the absence of approval as double shifting, the payment of monthly honoraria was unjustified.

Audit holds that due to weak internal controls, payment of honoraria was paid monthly without approval of competent authority.

No reply was submitted by the department.

The matter was reported to the CEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends for recovery of the amount.

[PDP No. 82]

11.4.3.11 Excess expenditure due to change in scope of work - Rs1.172 million

Para 2.7.2.12 and 2.86 of B & R code laid down that design, drawing, specifications and scope of work of a scheme once approved cannot be allowed to be changed without prior written approval by the competent Authority as well as saving from one head of Account cannot be utilized toward execution of additional work not contemplated in the original scheme.

During audit of CEO (DEA) MB Din, it was observed that XEN (Buildings) MB Din executed the work. According to original proposal, class rooms were to be built on first floor but the letter of headmaster changed the entire scenario and classrooms were built on ground floor. Building department did not produce revised / amended estimate to audit. According to TS estimate approved by DO (Buildings) for Rs8,635,000. As per agreement, the value of work to be done was Rs7,887,562 but

department made payment of Rs9,059,118. No more documents except agreement, tender and work order were produced in support of heavy excess payment amounting to Rs1,171,566 made. Over released funds may be explained. Administrative department is hereby suggested to take notice of this serious financial irregularity either to justify the expenditure on account of execution of work without approval of DDC as per condition no.3 of work order or recover from person at fault. The work was still incomplete and audit stresses to proceed against contractor under relevant clauses of agreement.

Condition no.1 of work order/ agreement lays down that all non-scheduled rates/ items will be paid after approval of analysis of rates by S.E. non-scheduled rates were being paid without his approval violating clauses of agreement.

Audit is of the view that due to weak internal controls of management and undue favour to contractor, the overpayment was made.

No reply was submitted by the department.

The matter was reported to the CEO/ PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires either the matter may be justified or the same may be recovered from the person at fault under report to audit.

[PDP No.29]

11.4.3.12 Purchases of furniture at exorbitant rates recovery thereof – Rs 1.367 million

According to Rule 4 of Punjab Procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

Audit of CEO DEA M.B. Din revealed that funds were transferred to the school councils from regular cost center MX-6005 for purchase of furniture. Further probe revealed that schools councils purchased furniture of same specification at different exorbitant rates from the same and different suppliers. Moreover, CEO DEA also purchased same furniture for some schools from M/s Zafar Furniture at lowest rates in comparison of rates paid by the school councils to the same supplier i.e. M/s Zafar furniture resulted in loss to the Govt. of Rs 1.367 million as detailed at below.

Cost center	Description	No. of Schools	Total Quantity	Excess Paid Rs.
MX 6005	Desk bench, chairs etc,	37	947	1,367,339

Audit is of the view that Weak Internal Controls, purchase of furniture was made at exorbitant rates, that resulted in loss to public exchequer due to purchase at exorbitant rates Rs1.367 million.

The matter was reported to the CEO Education / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends that excess paid amount be recovered besides fixing of responsibility against the person(s) at fault under intimation to Audit.

[PDP No.64]

11.4.3.13 Unauthorized payment of non-schedule items Rs 0.963 million

According to Government of the Punjab, Finance Department Notification No.RO(TECH)FD 18-23/2004 dated 21-09-2004, the rate analysis for the item rates (non-standardized) shall be prepared by the Executive Engineer clearly giving the specifications of the material used and approved by the competent authority to accord Technical Sanction (not below the rank of S.E) before the work is undertaken.

During audit of CEO DEA MB Din regarding funds transferred to XEN Building, it was observed that non-scheduled items cannot be paid to contractor without approval of rates by Superintending Engineer as per condition No.1 of work order. Non-schedule items as detailed below amounting to Rs 1367339 were paid to the contractor breaching the agreement which may be justified by producing analysis of rates duly approved by the SE or otherwise recovery may be effected from person at fault.

Audit is of the view that due to weak internal controls of management and undue favour to contractor, the overpayment was made.

No reply was submitted by the department.

The matter was reported to the CEO/ PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires either the matter may be justified or the same may be recovered from the person at fault under report to audit.

[PDP No.26]

11.4.3.14 Irregular drawl of pay and allowances without post and inadmissible allowance – Rs0. 662 million

According to Rules 4(3)(v) of PDG & TMA (Budget) Rules 2003, the head of office is responsible for ensuring that the funds allotted are spent on the activities for which the money was provided.

During audit of Dy. DEO (W-EE) MB Din, it was observed that Mst. Asia Naseem ESE received adjusted qualification allowance in February 2017 without receiving any monthly qualification allowance in her regular consecutive pay.

Pers.no.	Name of Employee	Job Title	National ID	Wage type	Wage Description	Type	Amount
319236 45	ASIA NASEEM	E.S.E	34402323043 78	5053	Adj Qualification Allowance		16,165

B) Further it was observed that M. Afzal Lab attendant was being drawn pay and allowances continuously from the cost centre of Dy. DEO (W-EE) MB Din Rs296,094 but the post of Lab Attendant was not existed in the sanctioned strength.

Pers.no.	Name of Employee	Job Title	Total
30757175	MUHAMMAD AFZAL	LAB ATTENDENT	296,094

C) It was further observed that Lab attendant was being drawn house subsidy allowance along with house rent allowance for the period 2014 to 2018.

Pers.No	Name of Employee	Job Title	Wage Description	Type	Rate	Months	Amount
30757175	Muhammad Afzal	Lab Attendant	House Allowance	Subsidy	404	49	19,796
Total							19,796

D) Further it was observed that M. Afzal Lab attendant was being drawn pay and allowances continuously from the cost centre of Dy. DEO (W-EE) MB Din Rs296,094 but the post of female Chowkidar was not existed in the sanctioned strength.

Personnel No.	Name	Designation	Cost centre	Amount (Rs)
30757873	FATIMA BIBI	CHOWKIDAR	MX6019	329,637

Audit holds that due to weak internal control pay and allowances were drawn beyond sanctioned strength.

No reply was submitted by the department.

The matter was reported to the CEO /PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit requires regularization of the matter besides recovery under report to audit.

[PDP No.70]

11.4.3.15 Doubtful drawl of pay and allowances - Rs 0.573 million due to wrong name hired on the SAP system

According to SAP system, correct name as per NADRA CNIC shall be entered/ hired in the basic data of SAP system.

During audit of Dy. DEO (W-EE) MB Din, it was observed that as per NADRA record actual name of the employee was Fareeha Sana Ullah but on the other hand the same employee with same CNIC hired on SAP system with name Fareeja Zafar and drew pay and allowances Rs573298 during 2016-18 through bank account no.27302-5. Further probe revealed that DAO MB Din credited pay and allowances through payroll every month to the concerned employee account with wrong name and the bank accepted the same as detailed below:

Personnel no.	Name	CNIC No.	Designation	Cost centre	Amount (Rs)
31550691	Fareeja Zafar	3510303971532	P.T.C.Teacher	MX-6019	573298

Audit holds due to weak internal control, wrong name was hired on the system and credited pay and allowances.

No reply was submitted by the department.

The matter was reported to the CEO / PAO in August, 2018 but no DAC was convened till the finalization of this report.

Audit recommends for recovery of the amount.

[PDP No. 75]

11.4.3.16 Doubtful payment of pay and allowances in the same bank account - Rs 0.504 million

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

During scrutiny of HR record it has been observed that Hajira Ghulam Abbas ESE bearing personal No 31924852 and Ghulam Abbas Hajira bearing personal No 31919250 have the same bank account No

109000240855695 United Bank Limited due to which the transfer of salary into same bank account is doubtful which is required to be justified with all relevant documents and record. This resulted in doubtful transfer of pay and allowances of Rs 504700 of both the employees.

Audit is of the view that due to weak internal control and hidden intentions the pay and allowances were transferred in the same bank account.

Audit suggests detailed inquiry to probe the actual situation

[PDP No.55]

CHAPTER 12

DISTRICT EDUCATION AUTHORITY, MIANWALI

12.1 Introduction of the Authority

District Education Authority, Mianwali was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Mianwali is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Mianwali manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1

DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	3
Dy. DEO (W-EE)	3
High and Higher Secondary Schools	141
Elementary & Primary Schools	1083

12.2 Comments on Budget and Accounts

Total budget of District Education Authority, Mianwali was Rs 5,996.603 million including Salary component of Rs 4,767.267 million, Non Salary component of Rs 934.844 million and Development component of Rs 294.492 million. Expenditure against Salary component was Rs 4,695.535 million, Non Salary component was Rs 37.712 million and Development component was Rs 200.819 million. Overall savings were Rs 1,062.37 million which was 18% of total budget.

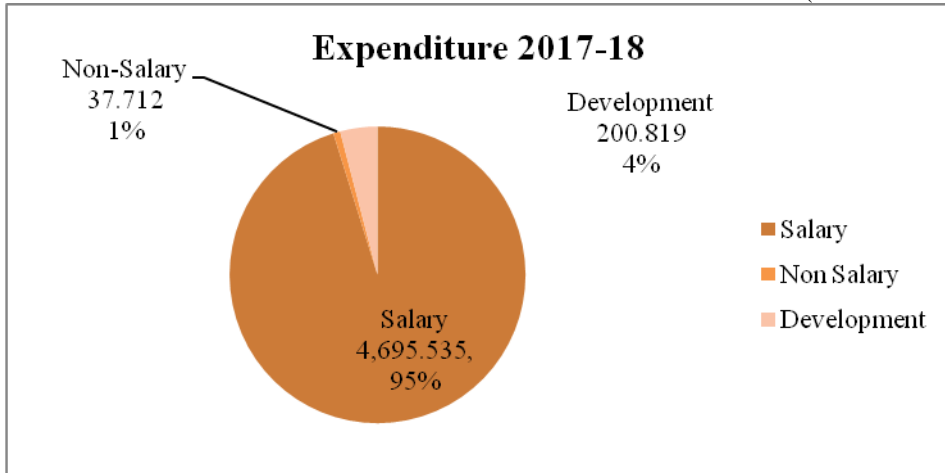
Rs in million

FY: 2017-18	Budget	Expenditure	(-) Saving	%age of Saving
Salary	4,767.267	4,695.535	(-) 71.732	02
Non Salary	934.844	37.712	(-) 897.132	96
Development	294.492	200.819	(-) 93.673	32
Total	5,996.603	4,934.066	(-) 1,062.537	18

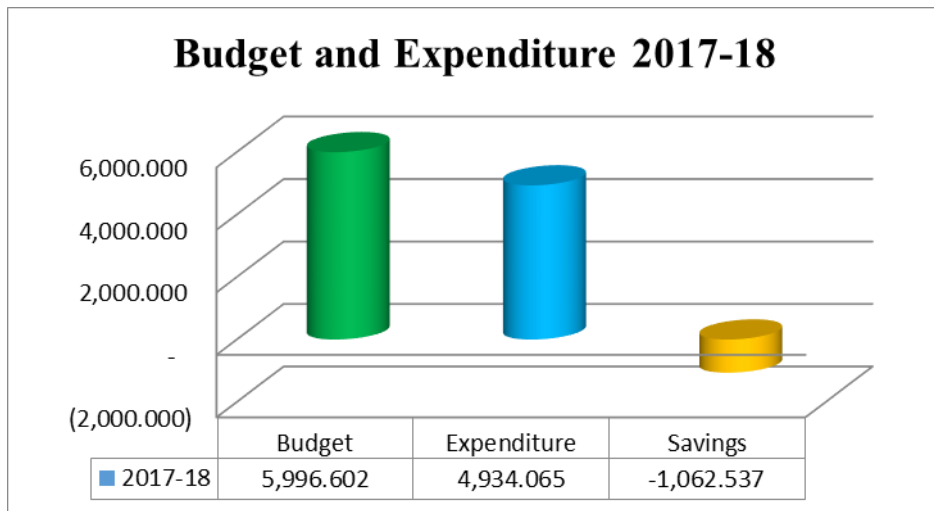
As per the Appropriation Account 2017-18 of District Education Authority Mianwali, the original and final budget was Rs 5,996.603 million, No supplementary grant was released. Against the final budget, total expenditure incurred by District Education Authority during 2017-18 was Rs 4,934.066 million, as detailed at Annexure-B

The Salary, Non Salary and Development Expenditure comprised 80%, 1% and 19% respectively of the total Expenditure.

(Rs in million)



(Rs in million)



The overall saving of Rs 1,062.537 million was 18% of the final budget.

12.3 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:

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	05	Not convened

12.4 AUDIT PARAS

12.4.1 Irregularities & Non-compliance

12.4.1.1 Irregular blockage of funds - Rs 43.011 million

According to Rule 64(1) (iv) of the PDG & TMA (Budget) Rules, 2003 “Each local government shall efficiently and effectively manage the resources made available to the local government”. Further, according to rule 17.16 and 17.20 of PFR Volume-I, the anticipated saving must be surrendered by 31st March of the financial year so that the amounts surrendered might be utilized for some other purpose.

Scrutiny of the accounts record of the following formations of DEA, Mianwali for the financial year 2017-18 revealed that management neither utilized the funds nor surrendered the saving under different head of accounts well in time Rs 43.04 million.

Cost Center	Total budget	Total Expenditure	Saving (Rs)
Dy. DEO M-EE Isa Khel	314,919,420	288,378,508	26,540,912
DO (SE), Mianwali	38,514,630	22,044,401	16,470,229
Total	353,434,050	310,422,909	43,011,141

Audit held that due to weak financial controls, funds in hand were neither utilized nor surrendered in time so that the amounts surrendered might be utilized for some other purpose.

This resulted in irregular blockage of funds Rs 43.011 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that saving budget for the year 2017-18 was properly surrendered. The DAC directed the department to get it regularized but no progress was reported till finalization of this Report.

Audit recommends that matter needs to be investigated at appropriate level for fixing the responsibility.

[PDP No.61 & 85]

12.4.1.2 Irregular expenditures by school without approval of annual action plan –Rs 36.481 million

According to para 3.4 of procurement and financial guidelines for school councils issued by School Education Department Government of the Punjab, (Annual Development and purchase plan of school), the heads

were required to prepare school annual development and purchase plan with consultation of school council, duly signed by all council members on Form-A and send to AEO. On completion of annual development plan a written report will be submitted to Deputy DEO. Moreover for development work, School councils will follow designs and specifications of the Government.

Scrutiny of record of following formations of DEA, Mianwali for the Financial Year 2017-18, revealed that school councils incurred Rs 36.481 million on purchases and repair maintenance (such as white wash, distemper and paint) of schools out of NSB funds. But neither annual action plans were prepared/approved from schools councils nor scrutinized by the AEOs. Completed reports as per annual action plans were also not available with AEOs and Deputy DEO for verification.

Name of Formation	PDP No.	Amount (Rs)
Dy. DEO (W-EE), Mianwali	51	20,258,012
Dy. DEO (M-EE), Piplan	78	16,223,088
Total		36,481,100

Audit held that due to weak internal controls non-transparent/irregular expenditure on white wash, distemper and paint was incurred.

This resulted in irregular expenditure of Rs 36.481 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that AEOs concerned were directed to check annual development and purchase plan proposed by school council regularly (NSB) and submit reports to respective Dy. District Education Offices. The committee directed the department to regularize the expenditure from competent forum. No progress was reported till finalization of this Report.

The Audit recommends that the matter may be regularized from the competent forum.

12.4.1.3 Irregular payment due to non-rationalization of the teachers- Rs 21.0 million

As per letter No.SO (SE-III) 2-13/2007 (P-IV), Government of the Punjab, School Education Department, Dated 14th July, 2010,

rationalization means allocation of staff on the basis of workload and student teacher ratio according to the actual needs of a school. It will be done on the basis of sanctioned teaching posts as a vacancy can be filled any moment through transfer or recruitment. Moreover elementary school up to enrollment of 135 for Class VI to VIII shall be considered single section school. A single section Elementary School cannot retain more than the following staff;

- SST/Head Teacher (only for file, School) 01
- EST (PET) 01
- ESTs (AT/OT) 01
- ESTs (Science/SV/Eng/General/Arts) 03

Scrutiny of record of Deputy DEO (MEE), Piplan for the financial year 2017-18 revealed that student teachers ratio was not maintained for primary and elementary schools under the administrative control of Deputy DEO (MEE), Piplan. It was noted that teachers were working in excess of student teacher ratio in some schools and at other places the schools were under-staffed as per same ratio. No case for rationalization of staff was initiated as required by above policy.

Audit held that due to weak and administrative and financial controls rationalization policy was not implemented.

This resulted in irregular/excess expenditure on pay and allowances Rs 21.0 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that according to rationalization policy “rationalization is to be implemented by govt. of the Punjab”. The committee upheld the viewpoint of the Audit and directed for regularization. No progress was reported till finalization of this Report.

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

[PDP No. 79, 80]

12.4.1.4 Irregular payment of mild steel estimated quantity instead of actual work done – Rs 7.913 million

As per rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for

any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of record of development schemes of District Education Authority Mianwali executed by XEN Buildings Mianwali revealed that payment of mild steel was made on the basis of estimated quantities given in the technically sanctioned estimates and did not measure actual quantity of mild steel consumed. Neither any bar binding schedule was prepared nor was the measurement of steel done against actual quantities made. Moreover in sanctioned estimates even for toilet blocks and septic tanks maximum quantity of steel @ 6.75 pound per Cft estimated.

Audit held that due to weak internal and financial control irregular payment of mild steel estimated quantity was made rather actual.

This resulted in irregular payment of mild steel estimated quantity rather actual Rs 7.913 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that measurements of steel were made in the MB at time of payment released to contractor, which was by no means the same as was provided in the detailed estimate for estimation purposes. The committee directed the department to produce proof of actual consumption otherwise recovery the stated amount. No progress was reported till finalization of this Report.

Audit recommends probe into matter and recovery of said amount.

[PDP No. 28]

12.4.1.5 Irregular expenditure on civil works – Rs 16.532 million

According to Para 2.4 & 4.5 of B&R Code, no development work shall be executed without TS Estimate and administrative approval and all civil works needs to be recorded in Measurement Book.

Scrutiny of record of following Drawing & Disbursing Officers for the Financial Year 2017-18 revealed that CEO education releases development grants for the purpose of construction of toilet block and upraising of boundary wall. Head Teachers drew amount of Rs 16.532 million for the purpose of execution of Civil Works. Execution of civil work was held irregular because of the following reasons:

1. The estimate was neither prepared nor got approved from the competent authority.
2. Material of civil work was not entered in the measurement book.
3. Works were executed without having advertisement on PPRA website.

(Rs in million)

Sr.No.	Name of formation	PDP No.	Amount
1	DEO (W-EE), Mianwali	44	4.130
2	Dy. DEO (MEE), Piplan	82	5.259
3	Dy. DEO (W-EE) Piplan	94	7.143
Total			16.532

Audit held that due to weak internal controls, development work was executed without fulfilling codal formalities.

This resulted in irregular expenditure on civil works for Rs 16.532 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that school council is the competent authority for utilization of these funds. All the concerned record has been maintained according to the rules and regulation. The fix amount was released by the CEO DEA for this purpose. The works were completed through local meson and laborers on daily wages. The committee upheld the viewpoint of the Audit and directed the department for regularization. No progress was reported till finalization of this Report.

Audit recommends regularization of expenditure from competent authority besides fixing of responsibility on officials at fault.

12.4.1.6 Irregular payment of inspection allowance during summer vacation - Rs 6.825 million

According to order No.S.O(Budget)1-15/2013 (Vol-II) dated 15-01-2018 School Education Department, Government of the Punjab, Assistant Education Officers (AEOs) are eligible of inspection allowance of Rs 25,000 only subject to verifiable key performance indicators developed by school education department in consultation with DIFD.

Drawing and Disbursing officers of following formations of DEA, Mianwali paid inspection allowance to the AEOs during summer

vacations for the financial year 2017-18 which was not admissible to them.

Sr.No.	Name of formation	PDP No.	Amount (Rs)
1	CEO Education Mianwali	18	4,950,000
2	Dy. DEO (W-EE), Minawali	55	1400,000
3	Dy. DEO (M-EE), Piplan	75	175,000
4	Dy. DEO (W-EE) Piplan	103	300,000
Total			6,825,000

Audit held that due to weak financial controls inspection allowance was paid to entitled persons.

This resulted in overpayment of inspection allowance of Rs 6.825 million.

The matter was discussed in DAC meeting held on 18.12.2018. The committee directed the departments for recovery of stated amount. No progress was reported till finalization of this Report.

Audit recommends recovery of overpayments under intimation to audit.

12.4.1.7 Irregular expenditure due to uneconomical purchase- Rs 1.374 million

According to Rule 2.10(a) (1) of PFR Vol-I, same vigilance shall be exercised in respect of expenditure incurred from government revenues as a person of ordinary prudence will exercise in respect of his own money.

Scrutiny of record of Deputy District Education Officer (W-EE), Mianwali for the financial year 2017-18, revealed that expenditure of Rs 1.374 million was incurred on purchase of “Tabs” by various schools at different rates under the administration control of Dy. DEO office. Audit observed that brand names or specifications of the tablets were not mentioned on the invoices. An average price of tablet of 8 inches was around Rs 9,000 in the market. While the schools purchased tablets at much higher rates than market rates.

Audit held that due to weak financial and internal controls, the management purchased tablets at exorbitant rates.

This resulted in uneconomical rate purchases of tablets for Rs 1.374 million.

The matter was discussed in DAC meeting held on 18.12.2018. The committee directed to probe the matter through inquiry and submit fact finding report within the 15 days. No progress was reported till finalization of this Report.

Audit recommends regularization of the expenditure from competent forum.

[PDP No. 49]

12.4.2 Internal Control Weaknesses

12.4.2.1 Non-maintenance of schedule of establishment- Rs 5,047.523 million

According to Rules 4 & 6 (K) of District Authorities Budget Rules, 2017, the Chief Executive Officer of district authority being PAO shall ensure monthly reconciliation of district offices and institutions expenditure with the Accountant General, Punjab or District Accounts Office and provide strategic guidance and oversight on generation and publication of monthly budget execution reports by the budget and accounts officer. The budget and accounts officer shall be responsible to maintain schedule of establishment of the District Authority, offices and its institutions.

Scrutiny of record of CEO (Education), Mianwali for the Financial Year 2017-18 revealed that schedule of establishment duly approved by the Finance Department was not maintained in the office of CEO (Education). Audit could not verify authenticity of expenditure incurred on account of pay & allowances without approved sanctioned strength/schedule of establishment Rs 5,047.523 million.

Audit held that due to weak financial control schedule of establishment was not maintained.

This resulted in irregular expenditure due to non-maintenance of schedule of establishment.

The matter was discussed in DAC meeting held on 18.12.2018. The department did not produce schedule of establishment. The committee directed the department to produce schedule of establishment along with supporting documents of sanctioned posts. No progress was reported till finalization of this Report.

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

[PDP No. 16]

12.4.2.2 Non-recovery of social security benefit from the regularized staff - Rs 11.324 million

According to (XIII)(i)(b) Contract Appointment Policy in 2004 issued by Government of the Punjab S&GAD circular vide No. DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004 read with Sr. No.06 of terms & conditions of office order No.7329/Admin, District Education Officer (W-EE) dated 26-03-2016, "Social Security Benefit @ 30% of minimum of basic pay is admissible only for the persons working on contract in lieu of pension" and on regularization they would not draw entitled for SSB.

Drawing & Disbursing Officers of following formations of DEA, Mianwali did not recover Rs 11.324 million on account of Social Security Benefit @30% of basic pay of the staff of different scales / categories after regularization of their services in violation of rule ibid.

(Rs in million)

Sr. No.	Name of formation	PDP No.	Amount
1	CEO Education, Mianwali	02	9.023
2	Dy. DEO (W-EE) Mianwali	36	1.060
3	Dy. DEO (M-EE) Isakhel	89	0.171
4	Dy. DEO (W-EE) Piplan	101	1.070
Total			11.324

Audit held that due to weak internal controls and weak financial discipline overpayment of SSB was not recovered.

This resulted in non-recovery of social security benefit Rs 11.324 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that all DDOs have been directed to recover the said amount from employees who are regularized and drawing SSB. The committee directed the department to recover the amount of SSB from the concerned. No progress was reported till finalization of this Report.

Audit recommends fixing responsibility of the person(s) at fault besides recovery of overpaid amount.

12.4.2.3 Loss to government due to charging PST to works instead of contractors – Rs 11.226 million

As per Sr. N.14 of Second Schedule of Punjab Revenue Authority, 5% Provincial Sales Tax without input tax credit/adjustment was required to be deducted at source on construction services provided by contractors of buildings. Moreover as per Finance Department Government of the Punjab, the input rates/MRS are market based rates inclusive of all taxes and royalties.

Scrutiny of record of development schemes of DEA, Mianwali executed by XEN Buildings, Mianwali during 2017-18 revealed that payment of Rs 224.531 million was made to contractors for fresh works of financial year 2017-18. But it was observed that PST @ 5% was paid by the Government rather deducting from the contractors as required in Finance Act Punjab, 2017. Audit noticed that 5% PST was added in the estimates and the same was deducted from the bill at the time of payment Rs 11.226 million.

(Rs in million)

Expenditure of Schemes	Total Expenditure	Amount of PST @ 5%
	224.531	11.226

Audit held that due to poor financial discipline PST was charged to works instead of deducting from contractors.

This resulted in loss to the Govt. Rs 11.226 and misuse of educational development funds to benefit the contractors.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that expenditure was booked according to notification of planning department and no irregular payment was involved in this case. The committee directed the department for clarification from F.D otherwise recover the amount of PST. No progress was reported till finalization of this Report.

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

[PDP No. 25]

12.4.2.4 Loss to the government due to less deduction of income tax –Rs 5.614 million

According to section 153 (1)(c) of income tax ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person on the execution of a contract shall deduct tax @ 7.5% of the gross amount payable, if the person is a filer and 12.5% if the person is a non-filer.

CEO (Education Authority) Mianwali got executed development schemes through XEN Building Mianwali who made payments of Rs 224.531 million to contractors for execution of civil works and deducted income tax from contractors at source @7.5% despite the fact that most of contractors were non-filers. Income tax filer status of such contractor was found inactive up to June, 2018 in the online record of FBR. Moreover no proof of filer of these contractors was available on record. But while making payment to these contractors deduction of income tax at source was made @7.5% instead of 12.5% in violation of instructions of FBR.

Audit held that due to weak financial controls the income tax was less deducted at prescribed rates.

This resulted in loss to the Govt. on account of less deduction of income tax Rs 5.614 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that works were allotted only to the filers and accordingly income tax @7.5% was correctly deducted from the filers / contractors. The committee upheld the viewpoint of the Audit and directed the department for proof of filer status of all the contractors otherwise recovery of income tax be made. No progress was reported till finalization of this Report.

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

[PDP No. 26]

12.4.2.5 Loss to government due to non-deduction of GST - Rs 3.243 million

According to Para 2 of S.R.O. No.660(1)/2007 dated 30th June, 2007, it is the responsibility of a withholding agent, intending to make purchases of taxable goods, shall indicate in an advisement or notice for this purpose that the sales tax to the extent as provided in these rules shall be deducted from the payment to the supplier. A withholding agent shall deduct an amount equal to one-fifth of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him.

Scrutiny of record of following drawing and disbursing officers of Education Authority, Mianwali for the financial year 2017-18 revealed that payment of purchases were made to different firms but GST was not deducted from the suppliers as per above rule.

Sr.No.	Name of Formation	PDP No.	Amount (Rs)
1	CEO DEA, Mianwali	08	300,993
2	Dy. DEO W-EE, Mianwali	46	1,188,976
3	Dy. DEO (M-EE), Piplan	83	681,564
4	Dy. DEO(W-EE), Isakhel	87	924,810
5	Dy. DEO (M-EE) Isakhel	88	146,464
Total			3,242,831

Audit held that due to weak financial controls GST was not less deducted at source.

This resulted in loss due to non-deduction of GST Rs 3.243 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that concerned AEOs are directed to recover the amount of sale tax from concerned schedule. The committee directed the departments to recover the stated amount. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the person (s) at fault besides recovery of GST amount from suppliers.

12.4.2.6 Loss to government due to payment of income tax from schools funds instead of deduction from vendors – Rs 2.949 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 6.50% on account of supplies and services rendered respectively.

According to Central Board of Revenue Standing Instructions read with notification SRO 660 (1)/2007 dated 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly register under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill may be deducted at source and deposited it into Government Treasury. In case of non-availability of a registered firm, the purchases may be made from unregistered firm. The GST @19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

During the audit of Dy. DEO WEE, Mianwali for the Financial Year 2017-18, it was observed that Non Salary Budget was allocated to the schools. The schools incurred expenditure on the purchases of various items and made payment to different vendors without deduction of taxes i.e income tax, sales tax at the proposed rates. Audit noted that the management, instead of deducting taxes from the payment of vendors, paid taxes of Rs 2.949 million for the same expenditures from the budget of schools.

Audit held that due to weak financial controls income tax was not deducted at source.

This resulted in loss due to duel payment of income tax of Rs 2.949 million.

The matter was discussed in DAC meeting held on 18.12.2018. The committee directed the department for recovery. No progress was reported till finalization of this Report.

Amount of income tax needs to be recovered from the contractors besides actions against the responsible.

[PDP No. 43]

12.4.2.7 Non-imposition of penalty due to non-completion of work – Rs 2.703 million

The clause 7 of Tender Document laid down that before entering into Tendering, the contractor will visit and examine the site and aware himself about the availability of labour, material, water, electric power, access of material as well as local scenario for his execution of work as department will not assume any responsibility subsequently. According to clause 39 of Contract, a penalty @ 1% to 10% is required to be imposed for delayed completion of work.

Scrutiny of development schemes of DEA, Mianwali executed by XEN Buildings, Mianwali, revealed that development schemes costing Rs 224.531 million awarded to different contractors during 2017-18. These schemes were not completed by the contractors within stipulated time as evident from the progress report for the month of June, 2018. The department neither imposed penalty for delay in completion of work nor recover the same.

Audit held that due to weak internal and financial controls penalty was not imposed on contractors.

This resulted in non-imposition of penalty of Rs 2.703 million

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that extension in time limit was granted by the competent authority after scrutinizing the facts and where needed. Audit contended that all the schemes were full funded hence no reason for extension in time limit. The committee directed the department to impose and recovery the amount of penalty. No progress was reported till finalization of this Report.

Audit recommends imposition of penalty and recovers the amount from the contractors.

[PDP No. 27]

12.4.2.8 Non-recovery of income tax – Rs 1.495 million

According to Section 153 of Income Tax Ordinance, 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 7.5% for filers and (for @ 6.5% and 10% for non-filer 15%) respectively on account of supplies and services rendered.

Scrutiny of record of following formations for the Financial Year 2017-18 revealed that school councils made purchases but the suppliers were paid gross amounts of bills without deduction of income tax.

Sr. No.	Name of formation	PDP No.	Amount (Rs)
1	Dy. DEO W-EE, Mianwali	47	420,370
2	Dy. DEO W-EE, Piplan	98	1074868
Total			1,495,238

Audit held that due to weak financial control income tax was not recovered from suppliers.

This resulted in loss to government on account of income tax of Rs 1.495 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that all purchases were made locally from different shops; the local shops are non registered and non filer The committee directed the department to recovery the amount of income tax. No progress was reported till finalization of this Report.

Audit recommends recovery of the income tax.

12.4.2.9 Non verification of GST – Rs 1.505 million

According to CBR letter No.4(47) STB/98 (Vol-I) dated 04-08-2001, all Government Departments and organizations were required to purchase taxable goods only from registered persons against prescribed sales tax invoices and forwarded an intimation to the concerned sales Tax collectorate for the purpose of Audit / verification of deposit of tax.

Scrutiny of accounts record of CEO DEA Mianwali for the financial year 2017-18 revealed that Rs 1.505 million were paid to

Ora-Tech Systems Pvt Ltd on account of GST on purchases but its intimation to Collectorate of Sales Tax was not made in violation of rule ibid. In the absence of intimation/verification, deposit of sales tax amount by supplier could not be authenticated.

Audit held that due to weak financial controls, instruction of FBR not followed.

This resulted in non-verification of deposit of GST proof of Rs 1.505 million.

The matter was discussed in DAC meeting held on 18.12.2018. The committee directed the department for verification of GST invoices within two days. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the person (s) besides producing record of deposit of GST deposited by supplier or recovery of GST otherwise.

[PDP No. 09]

12.4.2.10 Overpayment of conveyance allowance during summer vacation – Rs 1.351 million

According to rule 1.15 (2) of Punjab Traveling Allowance Rules, conveyance / mobility allowance is not admissible during leave,

During audit of CEO Education Mianwali for the Financial Year 2017-18, it was observed that the conveyance allowance was paid to teachers during summer for which they were not admissible.

Sr. No.	Name of formation	PDP No.	Amount (Rs)
1	CEO DEA, Mianwali	15	1,161,646
2	Dy. DEO (W-EE) Mianwali	40	189,212
3	Dy. DEO (W-EE) Piplan	102	105,984
Total			1,350,858

Audit held that due to weak financial controls conveyance allowance during summer vacation was paid.

This resulted in overpayment of conveyance allowance Rs 1.351 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that all concerned incumbents has been directed to

deposit the amount of conveyance allowance. The committee directed the department to recover the stated from the concerned. No progress was reported till finalization of this Report.

Audit recommends recovery of conveyance allowance under intimation to audit.

12.4.2.11 Overpayment on account of brick work – Rs 1.228 million

According to the instruction issued by the Standing Rates Committee recorded in the remarks column of market rates notified by the Finance Department against item No. 7(1) chapter “brick work”, the composite rate shall be reduced by 7% & 14% if 2nd class or 3rd class bricks were used.

During scrutiny of record of development schemes of DEA, Mianwali for the financial years 2017-18 executed by XEN (Buildings) Mianwali, it was observed that Rs 17,547,714 were paid for execution of brick work without mandatory quality tests in violation of above instruction. Neither use of 1st class brick was ensured nor rate reduced @ 7%.

Audit held that due to weak internal and financial control payment for sub-standard service was made.

This resulted in execution of sub-standard brick work and non-recovery of Rs 1.228 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied unit of measurement for items of work “Brick Work” is %-Cft as per MRS chapter 7 and 5% tolerance is allowed in specification. Tests reports have been obtained from the Highway Regional Lab Sargodha showing standard strength and size. Audit contended that no proper system of brick testing was established to ensure the first class brick. The committee directed the department to recover 7% amount. No progress was reported till finalization of this Report.

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

[PDP No. 22]

12.4.2.12 Non auction/ non disposal of class examination stationery/raddi – Rs 1.0 million

According to rule 15.3 of PFR volume-I, a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable.

Scrutiny of the account record of CEO (DEA) Mianwali for the Financial Year 2014-2018 revealed that old examination papers/answer sheets of exams carried out year by year since 2001 to 2018, were available in the cluster center and control room in Govt. Technical Model High School Mianwali. The management had admitted the process of auction in a DAC meeting held in 2013-14 and thereafter, did not show any compliance. Raddi is losing its value due to deterioration and environment impact.

Audit held that due to weak administrative and internal controls raddi was not auctioned.

This resulted in non-auctioning and deterioration of raddi worth Rs 1.0 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that auction procedure is under process and will be done within short time. The committee directed the department to auction the old raddi immediately. No progress was reported till finalization of this report.

Audit recommends auction of raddai and deposit the auction money in treasury under intimation to audit.

[PDP No. 07]

12.4.3 Performance

12.4.3.1 Undue financial benefit to private schools by depriving poor students of right of free education – Rs 3.207 million

According to chapter iv (13)(k) of Punjab free and compulsory education, Act 2014, the private school shall admit 10% ten percent of strength of the class children, including disadvantage children of neighborhood or other children as may be determined by the Govt. in 1st class and then each class or in alternative provide prescribed voucher for education of disadvantaged children in any other school as determined by the Govt.

Scrutiny of record of CEO (DEA), Mianwali for the financial year 2017-18 revealed that the management of district education authority did not make efforts to implement the free education act and ensuring free education to 10% children in each class in private schools of the districts. No such record or data was available with CEO Education in violation of instruction of School Education department. Detail is as under:

Nature of Schools	No. of Schools	Per school Avg. children	Total Children (Approximately)	10% quota	Avg. fee per student	Total Amount (Rs)
High School (Private)	25	500	12500	1250	1000	1,250,000
Elementary Schools (Private)	78	250	19500	1950	800	1,560,000
Primary Schools (Private)	53	150	7950	795	500	397,500
Amount						3,207,500

Audit held that due to weak administrative controls disadvantage children could not get education in private schools.

This resulted non-implementation of Punjab Free and compulsory education, Act 2014 and undue financial benefit to private schools Rs 3.207 million.

The matter was discussed in DAC meeting held on 18.12.2018. The department replied that focal person of private schools submitted a certificate that compliance has been made regarding disadvantage children in private schools. The committee directed the department to produce all

relevant details for audit verification. No progress was reported till finalization of this Report.

Audit recommends fixing of responsibility against the person(s) at fault besides probe in the matter and recovery thereafter.

(PDP No. 06)

CHAPTER 13

DISTRICT EDUCATION AUTHORITY, NANKANA

13.1 Introduction of the Authority

District Education Authority, Nankana was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Nankana is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Nankana manages following schools / education offices:

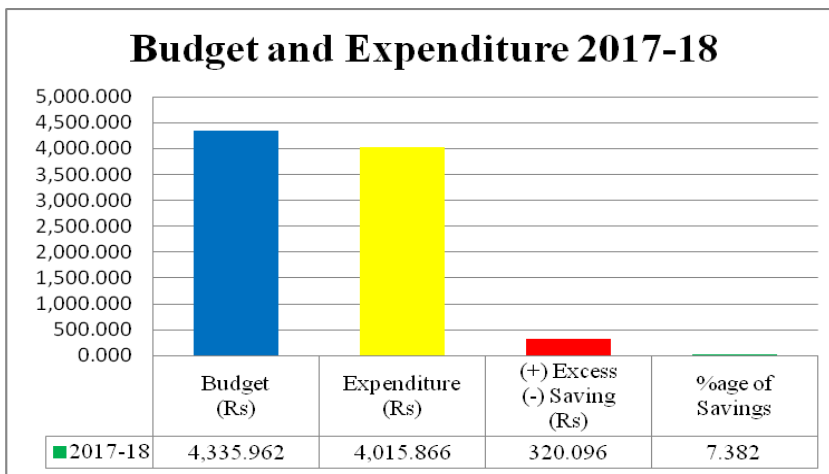
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1

Dy. DEO (MEE)	3
Dy. DEO (WEE)	3
High and Higher Secondary Schools	90
Elementary & Primary Schools	654

13.2 Comments on Budget and Accounts

Total budget of District Education Authority, Nankana was Rs 2,766.049 million including Salary component of Rs 2,329.433 million, Non Salary component of Rs 26.277 million and Development component of Rs 410.780 million. Expenditure against Salary component was Rs 1,532.307 million, Non Salary component was Rs 22.160 million and Development component was Rs 12.501 million. Overall savings were Rs 1,199.522 million which was 43.350% of total budget.

Financial Year 2017-18	Budget (Rs in million)	Expenditure (Rs in million)	Excess / Saving (Rs in million)	% Saving
Salary	3,668.789	3,660.614	8.175	0.22
Non-Salary	250.484	237.641	12.843	5.13
Development	41.660	117.610	- 75.950	- 182.31
Total	3,960.933	4,015.865	- 54.932	



13.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	19	Not Convened

13.4 AUDIT PARAS

13.4.1 Non-production of Record

13.4.1.1 Non-production of vouched accounts of NSB - Rs 273.16 million

According to Section 14 (2, 3) of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

CEO District Education Authority, Nankana transferred Rs 749.80 million to building department for development works of primary, elementary and high schools and non-salary budget during financial year 2016-17 and 2017-18 for the welfare and betterment of education facilities to the students but vouched accounts were not obtained and provided to Audit for verification. The detail is as under:

Financial Year	Description	PDP No.	Amount (Rs in million)
2016-17	Funds Transferred to Schools	2	140.83
2017-18			132.33
2016-17	Funds Transferred to building department	7	163.47
2017-18			313.170
	Total		749.8

Audit holds that non-production of vouched accounts was due to poor record management and weak internal controls.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends production of record to audit for verification besides fixing responsibility against the officers at fault.

13.4.2 Irregularities & Non-compliance

13.4.2.1 Irregular payment due to use of substandard bricks - Rs 38.78 million

According to the Executive Engineer, Provincial Buildings Division, Jhang / Toba Tek Singh, vide letter No.178-S/C, dated 16.02.2001 and No. 9371/St, dated 08.03.2001 respectively, use of best available bricks having crushing strength above 1700 PSI is allowed.

Scrutiny of record of CEO District Education Authority Nankana revealed that the department paid an amount of Rs 38.78 million for bricks used in development work. The bricks were not got tested from the concerned laboratory for the scheme.

Audit holds that payment of brick work without having quality test report of bricks was due to weak internal control and poor financial discipline.

This resulted in use of sub-standard bricks and unjustified payment of Rs 38.78 million.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be regularized from the concerned authority besides fixing the responsibility of person at fault.

[PDP No.23]

13.4.2.2 Irregular release of contractor securities-Rs 2.24 million

As per clause 50 of contract agreement the amount retained as security deposit shall not be refunded to the contractors before the expiry of six months in the case of original works valuing up to Rs. 5 million and twelve months or even more may be determined by the engineer in charge with the prior approval of the chief engineer in case of works valuing above Rs. 5 million, after the issue of the certificate of completion of the work under clause 40 hereof by the engineer in charge provided that in case the contractor is required by the engineer in charge to rectify any imperfection, damage, defects or other faults in work, etc, during the period of maintenance the security deposit shall not be refunded till the contractor has fulfilled his obligations under clauses 43 and 44 hereof to the satisfaction of the engineer in charge.

Scrutiny of record of CEO District Education Authority Nankana revealed that securities were released without observing completion certificate issued by the XEN concerned and before expiry of a stipulated period as mentioned in the above rule. Moreover, handing / taking over of building was not attached with the voucher of security release.

Audit holds that premature release of securities was due to weak internal control and poor financial discipline.

This resulted in premature release of securities amounting to Rs 2.24 million.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the concerned authority besides fixing the responsibility of person at fault.

[PDP No.25]

13.4.2.3 Overpayment of earthwork -Rs 1.475 million

According to Rule-2.33 of Punjab Financial Rules Volume-I, provided that every Government servant must realize that he will be held responsible for any loss caused to Government through negligence / fraud on his part.

Scrutiny of record of CEO District Education Authority Nankana revealed that excavated earth obtained from foundation shall be reused up to 2/3 of total but same was not reused causing overpayment.

Audit holds that overpayment on account of excavated earth was due to weak internal control and poor financial discipline.

This resulted in overpayment of Rs 1.475 million to the contractors and loss to government on account of earthwork.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

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

[PDP No.21]

13.4.2.4 Non approval of lead chart - Rs 1.11 million

The rates for various components of the Non-Scheduled items of work shall be based on Composite Schedule of Rates (CSR) 1998 Vol-III, Part-II, (now MRS) and where such components of item of work are not contained in the CSR 1998 Vol-III, Part-II (MRS) average prevailing market rates shall be made basis for arriving at the Non-Schedule Rate. Copies of the analysis and of composite rates sanctioned by the Superintending Engineer for non-Schedule items shall be sent to the Secretary, Standing Rates Committee, according to Para 4(iii & iv) of CSR. In no case, the procurement shall be made without getting the specification of stores vetted / approved by the competent authority as per para 5 of the Purchase Manual. Further in order to arrive at the rate analysis of non-schedule items the standard format on website has been prescribed which is to be filled from MRS and the market rates.

Scrutiny of record of CEO District Education Authority Nankana revealed that department made payment of Rs 1.11 million to the contractors for earthwork for various development schemes without approval of lead chart from the competent authority. Moreover, the record did not exhibit Kassra and Khatuni numbers of land from where the earth was carried to the site.

Audit holds that non-approval of lead chart was due to weak internal control and poor financial discipline.

This resulted in unjustified payment of Rs 1.11 million.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against officers at fault.

[PDP No.28]

13.4.2.5 Irregular purchase of assets due to violation of PPRA rules -Rs 12.465 million

According to Rule 12 (1)&(2) of PPRA Rules, 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. In case of procurements valuing above rupees 2.00 million, advertisement in two

national dailies, one English and other Urdu, will appear in addition to advertisement on PPRA website.

Dy DEO WEE Sangla Hill made payment of Rs 12.465 million for purchase of benches and other assets without calling tenders for bulk purchase at central office and without caring for economy efficiency and effectiveness. Purchase planning was not made for acquisition of furniture at appropriate level in violation of the provisions of PPRA.

Audit holds that payment for purchase of benches and other assets without advertisement on PPRA was due to weak internal control.

This resulted in incurrence of irregular expenditure for Rs 12.465 million.

The matter was reported to CEO/PAO in September 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the concerned authority besides fixing the responsibility of person at fault.

13.4.2.6 Irregular cash payments to suppliers instead of payment through crossed cheques- Rs 5.038 million

As per Rule 4.49(a) of Subsidiary Treasury Rules Punjab, all payments of Rs.100,000 and above shall not be paid in cash and according to Rule 4 (1) Accounts Rules of District Authorities, upto Rs 1000 cash payment may be made.

Scrutiny of record of Dy District Education Officer (W-EE) Shahkot revealed that instead of issuing cross cheques in the name of suppliers cash payments of Rs 100,000 or above were made to suppliers. This resulted in irregular payments for Rs 5.038 million.

The matter was reported to CEO/PAO in September 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the concerned authority besides fixing the responsibility of person at fault.

[PDP No.02]

13.4.2.7 Unauthorized operation of bank account - Rs 9.708 million

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

Scrutiny of record of Dy District Education Officer (W-EE) shahkot revealed that various schools were operating NSB and FTF accounts in commercials banks instead of Nationals Banks of Pakistan or Bank of Punjab.

Audit holds that bank accounts were not operated in NBP or BOP due to weak internal control and poor financial discipline.

This resulted in irregular payment NSB/FTF to Rs 9.708 million.

The matter was reported to CEO/PAO in September 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the concerned authority besides fixing the responsibility of person at fault.

[PDP No.01]

13.4.2.8 Irregular payment due to non-verification of employees educational qualifications- Rs 20.219 million

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

Scrutiny of record of Dy DEO (M-EE) Nankana Sahib revealed that a sum of Rs 20.219 million was paid to contract employees without verification of their degrees.

This resulted irregular payment of Rs. 20.219 million.

Audit holds that non verification of degrees was due to non-compliance of government rules and poor financial discipline.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends seeking regularization of expenditure besides fixing responsibility against the officers / officials at fault. [PDP No.04]

13.4.2.9 Unauthorized payment to DDOs -Rs 11.853 million

As per Rule 4.49(a) of Subsidiary Treasury Rules Punjab, all payments of Rs.100,000 and above shall not be paid in cash and according to Rule 4 (1) Accounts Rules of District Authorities, upto Rs 1,000 cash payment may be made.

Management of the following formations made payments of Rs 11.853 million were drawn in the name of DDOs instead of vendors concerned in violation of above quoted rule. Further, funds drawn from government exchequer in the name the DDO did not have payment trail.

Sr. No.	Name of Office	PDP No.	Amount (Rs in million)
1	DDEO(W-EE) Shahkot	15	5.253
2	District Education Officer (M-EE) Nankana	18	6.60
Total			11.853

Audit holds that payments made to DDOs were due to weak internal control and poor financial discipline.

This resulted in unauthorized payment to DDOs amounting Rs 11.853 million.

The matter was reported to CEO/PAO in September 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the concerned authority besides fixing the responsibility of person at fault.

13.4.2.10 Non-deduction of conveyance allowance - Rs 27.942 million.

According to clause SR 7-A of the Sub-treasury Rules, Conveyance Allowance is not admissible during leave.

Management of the following formations drew conveyance allowance during winter vacation and leave period. Further, District Education Officer (M-EE) Nankana & Dy DEO WEE Sangla Hill drew conveyance allowance despite availing facility of Government Vehicle.

Sr. No.	Name of Office	PDP No.	Amount (Rs in million)
1.	Dy District Education Officer (W-EE) Shahkot	03	0.996
2.	Dy. DEO (M) Nankana Sahib	01	1.547
3.	Deputy District Education Officer (M) Nankana Sahib	09	0.051

4.	Dy. DEO (M) Nankana Sahib	16	0.034
5.	DDEO (W-EE) NNS	11	24.243
6.	District Education Officer (M-EE) Nankana	21	0.31
7.	Dy DEO WEE Sangla Hill	11	0.596
8.	Dy DEO WEE Sangla Hill	17	0.165
Total			27.942

Audit holds that overpayment of conveyance allowance was due to weak internal control and poor financial Management.

This resulted in overpayment of Rs 27.942 million.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends recovery of overpayment besides fixing responsibility against person at fault.

13.4.2.11 Irregular expenditure due to non-submission of vouchers for post-audit -Rs 39.098 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 Dated September 24, 2008 applicable w.e.f.01-10-2008 “the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit”. Further, Finance Department, Government of the Punjab, vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 to overcome the existing accounting problems relating to SDAs the provisions contained in chapter 10 and 17 of the APPM will be implemented. According to Rule 16 read with Rule 33 of Punjab District Authorities (Accounts) Rules 2017, the Accounts Officer shall perform pre-audit of all payments of local fund and public account before authorizing its disbursement.

Management of the following formations transferred Rs 39.098 million to the Primary & Elementary Schools on account of NSB. The heads of schools incurred expenditure out of the NSB funds. The drawing authorities did not submit monthly account of expenditure with copies of paid vouchers to the AG Punjab for post audit purpose in violation of above directions as detailed below.

Sr. No.	Name of Office	PDP No.	Amount (Rs in million)
1.	DDEO (EE-W) NNS	04	16.025
2.	Dy DEO WEE Sangla Hill	01	23.073
Total			39.098

Audit holds that payments without audit were made due to weak internal and financial controls.

This resulted in irregular expenditure of Rs 39.098 million.

The matter was reported to CEO/PAO in September 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

13.4.2.12 Irregular drawl of qualification allowance - Rs 5.249 million

According to Finance Division O.M. No.F.1(12)Imp.II/91, dated 19-8-1991, qualification allowance is admissible subject to terms & conditions & According to Rule 2.31 (a) of PFR volume I, a drawer of bill for pay, allowances, contingent and other expensed will be held responsible for any over charges, frauds and misappropriations.

Management of the following formations paid Qualification Allowance without verification of their degrees from respective universities / institution. Further, it was not justified that the employees were awarded promotion and Qualification Allowance.

Sr. No.	Name of Office	PDP No.	Amount (Rs in million)
1	Dy DEO(W-EE) Shahkot	08	2.817
2	Dy. DEO (M) Nankana Sahib	03	2.192
3	Dy DEO WEE Sangla Hill	15	0.240
Total			5.249

Audit holds that payment of qualification allowance without verification of degrees was due to weak internal controls.

This resulted in irregular payment of qualification allowance for Rs 5.249 million.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against person at fault.

13.4.2.13 Irregular payment on account of charge allowance - Rs 3.34 million

According to Government of Punjab, Finance Department Notification No.FD-PR-10-71/72 dated 18-06-1973, charge allowance to the Head Masters of Government Primary Schools is admissible only where five teachers are posted in the school and enrolment is up to 150 students.

Management of the following formations paid charge allowance @ Rs 500 and Rs 700 per teacher without order as In-charge of the School by the competent authority and the said allowance was paid without monitoring the strength of minimum 150 students.

Sr. No.	Name of Office	PDP No.	Amount (Rs in million)
1	Dy DEO(W-EE) Shahkot	09	0.701
2	Dy.DEO (M-EE) Nankana Sahib	15	1.488
3	Dy.DEO (M-EE) Nankana Sahib	17	0.275
4	Deputy District Education Officer (W-EE) Nankana Sahib	10	0.312
5	Dy DEO WEE Sangla Hill	10	0.572
Total			3.348

Audit holds that unjustified payment of charge allowance was made due to weak internal controls and financial management.

This resulted in unjustified payment of charge allowance Rs 3.348 million.

The matter was reported to CEO/PAO in September 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that responsibility may be fixed against person at fault besides making recovery of government money.

13.4.2.14 Overpayment of inspection allowance-Rs 2.415 million

According to letter No SO (ADP) MISC-409/2012 dated 19.08.12, the Inspection Allowance was payable to the Assistant Education Officers (AEOs) of School Education Department, Punjab for inspection of schools.

Management of the following formations drew inspection Allowance @ Rs 25,000 per month by Assistant Education Officers during summer vacations in violations of above criteria ibid.

Sr. No.	Name of Office	PDP No.	Amount (Rs in million)
1.	Dy. DEO (M-EE), Nankana Sahib	10	1.875
2.	Dy DEO WEE Sangla Hill	12	0.540
Total			2.415

Audit holds that overpayment was made due to weak internal and financial management.

This resulted in overpayment of Rs 2.415 million.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

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

13.4.3 Performance

13.4.3.1 Non-utilization of funds - Rs 32.234 million

As per Rule 17.20 of P.F.R Vol-1 and Para 14 of Punjab Budget Manual, anticipated savings in the budget should be surrendered in the 2nd excess and surrendered statements.

Management of the following formations of DEA Nankana did not utilize government funds amounting to Rs 32.234 million. The saving of funds caused student deprived of better educational facilities planned by Punjab Government.

Sr. No.	Name of Office	Description of Fund	PDP No.	Amount (Rs in million)
1	Dy District Education Officer (W-EE) Shahkot	FTF	10	1.526
	Dy District Education Officer (W-EE) Shahkot	NSB	11	3.534
2	Dy District Education Officer (W-EE), Nankana Sahib	FTF	02	0.84
3	DDEO (M-EE) Nankana Sahib	NSB	20	3.924
4	CEO, District Education Authority	Tied Grant for brick kiln	05	3.410
		Establishment of IT labs	08	19.000
	Total			32.234

Audit holds that non utilization of FTF and NSB funds was due to weak internal control and poor financial discipline.

Non-utilization of funds of Rs 32.234 million resulted in depriving quality educational services to the students.

The matter was reported to CEO/PAO in September 2018. Neither any reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers at fault.

13.4.3.2 Non-disbursement of NSB funds - Rs 86.52 million

According to School Management Council Policy issued by Government of Punjab, NSB funds are to be utilized to meet day to day expenditure of schools.

CEO District Education Authority Nankana did not disburse NSB funds amounting to Rs 86.52 million to the concerned schools, which were

released for providing better educational facilities to students. The detail is given below:

Rs in million

Financial Year	Funds Received	Funds Allocated to Schools	Balance Amount
2016-17	141.77	140.83	0.94
2017-18	217.91	132.33	85.58
Total			86.52

Audit holds that non disbursement of NSB funds was due to weak internal control and poor financial discipline.

This resulted in non disbursement of NSB funds amounting to Rs 86.52 million.

The matter was reported to CEO/PAO in September 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against person at fault.

[PDP No.04]

CHAPTER 14

DISTRICT EDUCATION AUTHORITY, NAROWAL

14.1 Introduction of the Authority

District Education Authority, Narowal was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Narowal is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

The functions of District Education Authorities, Narowal as delineated in the Punjab Local Government Act, 2013 are as under:

- establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District;
- implement policies and directions of the Government including achievement of key performance indicators set by the Government for education;
- ensure free and compulsory education for children of the age from five to sixteen years as required under Article 25-A of the Constitution;
- ensure teaching standards, infrastructure standards, student safety and hygiene standards and minimum education standards for quality education as may be prescribed;
- undertake students' assessment and examinations, ranking of schools on terminal examination results and targets, promotion of co-curricular activities, sports, scouting, girl guide, red crescent, award of scholarships and conduct of science fairs in Government and private schools;
- approve the budget of the Authority and allocate funds to educational institutions;
- plan, execute and monitor all development schemes of educational institutions working under the Authority, provided that the Authority may outsource its development works to other agencies or school councils;
- constitute school management councils which may monitor academic activities;

- plan and finance maintenance of school, support enrolment and retention, arrange donation and finances, plan development and may perform any other role as may be prescribed; and
- perform any other function assigned by the Government, a Commission or a body established by law in the prescribed manner.

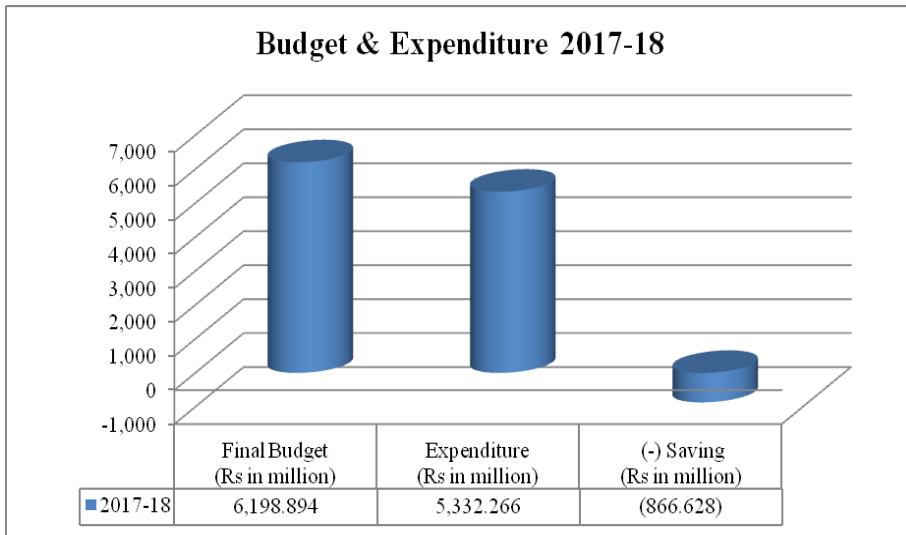
DEA Narowal manages following institutes:

Description	No. of entities
District Education officer (Secondary Education)	01
District Education Officer (EE-M)	01
District Education Officer (EE-W)	01
Deputy DEO (M-EE)	04
Deputy DEO (W-EE)	04
Secondary / Higher Secondary School	197

14.2 Comments on Budget and Accounts

During Financial Year 2017-18 budgetary allocation (inclusive of salary, non-salary and development) for District Education Authority was Rs 6198.894 million whereas the expenditure incurred (inclusive of salary, non-salary and development) was Rs 5332.266 million, showing saving of Rs 866.627 million for the period, which in terms of percentage was 14% of the final budget as detailed below:

Description	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving / (+) Excess (Rs in million)	%age of Savings
Salary	5620.729	5151.691	-469.038	8
Non-Salary	55.262	35.686	-19.576	35
Development	522.903	144.889	-378.014	72
TOTAL	6198.894	5332.266	-866.628	14



14.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab:

Sr. #	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	2	Not convened

14.4 AUDIT PARAS

14.4.1 Non-Production of Record

14.4.1.1 Non-production of Record – Rs 129.417 million

According to Section 14(1)(b) of Auditor General’s (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, “The Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection”.

CEO (Education) District Narowal did not produce auditable record of Rs 129.417 million under development cost centre NV 8996 for the Financial Year 2017-18. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified.

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

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility for non-production besides ensuring submission of record under intimation to audit.

[PDP No.04]

14.4.2 Irregularities & Non-compliance

14.4.2.1 Irregular expenditure / transfer of funds Rs 283.54 million

According to FD Govt. of the Punjab, the unspent balance M&R should not be a deposit work and balance may be refunded to the DDO concern.

CEO District Education Authority, Narowal transferred an amount of Rs 283.54 million to the Building Department as detailed below in the table;

S.No	Released to	Cheque No. & date	Amount (Rs.)
01.	Building Department	684256 , 684257 dt 20.11.2014	160,894,000
02.	Building Department	684264 dt 12.02.2018	72,067,500
03.	Building Department	684296, 684297, 684298, 684299, dt 05.05.2018	36,220,000
04.	Building Department	821001, 821002, 20.06.2018	14,367,000
Total			283,548,500

The above amount of Rs.283.54 was paid vide SDA Cheques issued in favour of Building Department and the Audit held the transfer / expenditure irregular on the following grounds;

1. The detail of executed scheme was not provided for verification.
2. The Admin Approval (scheme wise) was not acquired.
3. Completion certificate PC-IV has not been rendered by the Department.
4. Residual balance was also not recovered from the Building Department.

Audit is of the view that due to non compliance of rules and dereliction on the part of the financial management, irregular expenditure / transfer of funds Rs 283.54 million was made.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.09]

14.4.2.2 Non maintenance of Pass book / reconciliation of statement of SDA – Rs 736.00 million

According to Rule 2.10(a) (1) of PFR Vol-I, same vigilance shall be exercised in respect of expenditure incurred from government revenues

as a person of ordinary prudence will exercise in respect of his own money.

CEO District Education Authority Narowal did not maintain pass book of SDA NO5414 amounting to Rs 736 million for the financial year 2017-18. The same was also not got reconciled with the treasury in violation of the above rule.

Audit is of the view that due to non compliance of accounts rules lack of financial management, resulted in non maintenance of pass book / reconciliation statement of SDA.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends that pass book be maintained / reconciled besides fixing responsibility for non maintenance of pass book against the person at fault.

[PDP No.06]

14.4.2.3 Irregular expenditure on development schemes without pre-audit - Rs 129.417 million

According to rule 2.14 (a) (ii) of Departmental Financial Rules, to assist the Divisional Officer in the discharge of his responsibilities referred to above, the Director, Audit & Accounts (Works) will post a Divisional Accountant to his offices primary auditor, i. e., as the representative of the Director, Audit & Account (Works) entrusted with the responsibility of applying certain preliminary checks to the initial accounts, vouchers, etc. (Chapter 6 inspection IV of Audit Code-First Edition).

During of audit of accounts record of CEO (Education) Narowal for the financial year 2017-18 it was observed that an amount of Rs 129.417 million was paid in development head in DDO Cost Center NV 8996 to various Vendors/ Contractors. Further, it was noticed that civil works execution was made by the XEN Buildings and after execution, XEN Buildings with his sign and stamp sent the running bills / claims of civil works contractors amounting Rs 129.417 million to the CEO (DEA) Narowal for payment without vetting/ pre-audit from Divisional Accountant. CEO forwarded the same bills to District Accounts officer for pre-audit and payment. It is worth mentioning here that DAO Narowal and his staff was non-technical and did not pass the Divisional Accountant

exams. In this way, pre audit by Divisional Accountant and reflection of expenditure on Form-26 for onward submission to DG Works Accounts was avoided. Moreover, the expenditure was also rendered unaudited willfully by DG Works Audit Punjab as booking/processing of the expenditure was made through mode meant for regular Non-Salary expenditure in SAP/Fl.

The audit is of the view that the said expenditure was incurred due to non compliance of rules and thus is irregular as the pre requisites for incurrence of expenditure for development schemes were not full filled.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility besides regularization of the expenditure under report to audit. [PDP No. 03]

14.4.2.4 Irregular transfer of funds for establishment of I.T. labs and construction of boundary walls Rs - 65.66 million

Functionaries of Education department are responsible for verification of vouched accounts of School Council Funds according to Para-6 of Annexure -A attached with Government of the Punjab, Finance Department, letter No. IT) FD)/3-13/2002 dated 29th December 2005.

Scrutiny of accounts record of CEO (DEA) District Narowal revealed that funds amounting Rs 65.66 million were transferred on account of establishment of I.T. labs and construction of boundary walls to the primary/ /high schools during the financial year 2017-18. However neither vouched accounts regarding execution of work were submitted by the schools nor residual balance was intimated to the CEO (DEA) office. Further probed revealed that inspection reports regarding completion or work in progress were also missing in record.

Cost Center	Release to	Cheque No	Amount (Rs in million)
NO 5414	School Councils	684258,684259, 684260, 684261, 684262, dt 20.11.2014	8.700
NO 5414	School Councils	Establishment of I.T. Labs	56.96
Total			65.66

Audit is of the view that due to weak internal controls progress regarding establishment of I.T. labs and construction of boundary walls in schools were not monitored nor any position regarding residual balance was sought which resulted in irregular transfer of funds.

Matter was reported to management but no reply was received till finalization of report.

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

[PDP No. 14 & 1]

14.4.3 Internal Control Weaknesses

14.4.3.1 Non-recovery of un-spent balance amounting - Rs 14.51 million

According to Finance Department letter No.IT (FD)3-7/2000 dated 01.01.2001, M&R of buildings the funds would not constitute a deposit work and the funds were to be utilized upto 30th June and the unspent balance would be refunded to the concerned DDO.

CEO DEA Narowal did not recover the un-spent balance out of funds transferred to XEN Buildings Narowal i.e. Rs.14.51 million, during financial year 2015-16 and 2016-17, for execution of various schemes. As per progress report, schemes were shown as 100% completed but the unspent balance was not recovered.

Audit holds that due to weak internal and financial controls of management the un-spent balance was not recovered, which resulted into non-recovery of un-spent balance.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of unspent balance from the concerned quarters besides fixing of responsibility against the person(s) at fault under intimation to Audit.

[PDP No. 11]

14.4.3.2 Non deduction of conveyance allowance during leave period- Rs 2.326 million

According to Rule 1.15 of Punjab Travelling Allowance Rules, conveyance allowance is not allowed during leave. & According to the provisions of national pay scales conveyance allowance is admissible to meet the expenses of travelling from house to duty place, as conveyance allowance is not admissible during leave period,

The Drawing and Disbursing Officers of the various formations paid conveyance allowance to the officers/officials during winter vacation Rs 2.326 million which was not admissible.

Audit holds that overpayment of conveyance allowance was made due to weak internal control and defective financial discipline.

This resulted in overpayment due to non deduction of conveyance allowance of Rs 2.326 million.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends that overpayment be recovered under intimation to Audit.

[PDP No.21, 26, 35, 46 & 50]

14.4.3.3 Doubtful payment of arrears of pay & allowances - Rs 6.038 million

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

Deputy District Education Officer (EEM) Narowal paid an amount of Rs.6.038 million during financial year 2017-18 on account of adjustments / arrears of pay & allowances to various officials / officials but due drawn statements and other supporting documents relating to these claims were not found in record.

Audit is of the view that due to defective financial management payments were made to the employees without supporting documents which resulted in doubtful drawl of Rs 6,037,688.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit requires investigation of the matter and fixing of responsibility besides regularization of the expenditure under report to audit.

[PDP No.20]

14.4.3.4 Doubtful drawl of Off Cycle Payment of pay and allowances Rs 13.457 million

Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud according to Rule 2.33 of the PFR Vol-I.

The Drawing and Disbursing Officers of the various formations of District Education Authority Narowal drew Rs 13.457 million on account of arrears of allowances during 2017-18 through off cycle but the relevant

record i.e. vouchers, supporting documents, statement of due drawn difference, reasons of arrears drawn were not found on record nor entered amounts in cash book.

Audit is of the view that due to defective financial management payments were made to the employees without supporting documents which resulted in doubtful drawl of Rs 13.457 million.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends investigation of the matter and fixing of responsibility against the person(s) at fault besides regularization of the expenditure under report to audit.

[PDP No.19, 31 & 36]

14.4.3.5 Non-verification of General Sales Tax - Rs 2.493 million and non-deduction of GST at source from payment to unregistered supplier Rs 0.846 million

According to CBR letter No.4(47) STB/98 (Vol-I) dated 04-08-2001, all Government Departments and organizations are required to purchase taxable goods only from registered persons against prescribed sales tax invoices and forwarded an intimation to the concerned sales Tax collectorate for the purpose of Audit / verification of deposit of tax.

CEO DEA Narowal paid an amount of Rs 2.493 million to the supplier on account of Sales Tax but the deposit proof of such sales tax was not provided by the supplier. Furthermore, no sales tax return and sales invoices summary for the period concerned was provided by the supplier.

Similarly, Deputy DEO (W-EE) Narowal did not deduct General Sales tax from the payments made to the unregistered suppliers during financial year 2017-18 Rs 845,719.

Audit is of the view that due to weak administrative and financial controls GST of Rs 2.493 million was not verified and GST of Rs 845,719 was not deducted from the payment of un-registered suppliers at source.

This resulted in non-verification of GST worth Rs 2.493 million and non-deduction of GST at source from the payment to unregistered firm Rs 0.846 million.

The matter was reported to PAO concerned in November 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit Recommends recovery of amount involve besides fixing of responsibility against the person (s) at fault under intimation to Audit.

[PDP No.10]

CHAPTER 15

DISTRICT EDUCATION AUTHORITY, OKARA

15.1 Introduction of the Authority

District Education Authority, Okara was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Okara is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

- The functions of District Education Authority as set forth in the Punjab Local Government Act, 2013 are as under:
- To establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District;
- To ensure free and compulsory education for children of the age from five to sixteen years as required under Article 25-A of the Constitution;
- To undertake students' assessment and examinations, ranking of schools on terminal examination results and targets, promotion of co-curricular activities, sports, scouting, girl guide, red crescent, award of scholarships and conduct of science fairs in Government and private schools;
- To approve the budget of the Authority and allocate funds to educational institutions;
- To plan, execute and monitor all development schemes of educational institutions working under the Authority, provided that the Authority may outsource its development works to other agencies or school councils;
- To constitute school management councils which may monitor academic activities;

DEA Okara manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3

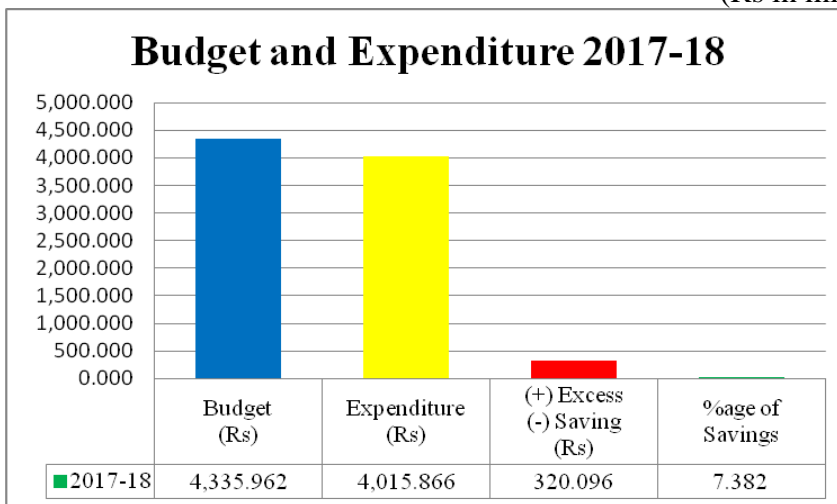
Dy. DEO (WEE)	3
High and Higher Secondary Schools	197
Elementary & Primary Schools	1209

15.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2017-18 was Rs 3,366.495 million, against which only Rs 2157.107 million was spent. Overall savings of Rs 1,209.388 million during the Financial Year 2017-18 which was 35.92% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

Financial Year 2017-18	Budget (Rs in million)	Expenditure (Rs in million)	Excess / Saving (Rs in million)	% Saving
Salary	6,520.942	6,628.099	- 107.157	- 1.64
Non-Salary	355.245	157.687	197.558	55.61
Development	148.268	71.523	76.745	51.76
Total	7,024.455	6,857.309	167.146	

(Rs in million)



15.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab:

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
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1	2017-18	21	Not convened
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15.4 AUDIT PARAS

15.4.1 Non-production of record

15.4.1.1 Non-Production of record -Rs 1,039.517 million

According to Section 14 (2, 3) of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

During audit of accounts record of CEO DEA Okara it was noticed that a sum of Rs 1,039.517 million was paid to Buildings Department during 2017-18. The progress report indicating funds utilized, funds remained unspent and adjustment account with supporting vouchers / documents were not provided to Audit.

Sr. No.	Funds Transferred to	Description of Record	Amount (Rs in million)
1	X-En Provincial Buildings	Progress report 10 ongoing schemes of Defunct Dist. Govt. Okara	295.361
2	Buildings Department	TS estimates, record of securities, unspent amount, etc	744.156
Total			1,039.517

Audit was of the view that due to weak internal and administrative control adjustment account was not produced.

This resulted in non-production of record Rs 1,039.517 million.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP No.2, 3]

15.4.2 Irregularities & Non-Compliance of Rules

15.4.2.1 Irregular payment from SDA due to non-submission of vouchers for post-audit – Rs 300.075 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008 applicable w.e.f.01-10-2008 “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 “to overcome the existing accounting problems relating to SDAs, the provisions contained in chapter 10 and 17 of the APPM will be implemented”.

During audit of CEO DEA Okara expenditure of Rs 300.075 million was incurred out of the funds of SDA but monthly account of expenditure with copies of paid vouchers were not submitted to the concerned DAO Okara for post audit purpose to carry out 100% post audit in violation of above letter.

Audit was of the view that due to weak internal and administrative control, post-audit of the account was not carried out and DDO turned out to be payee for these disbursements.

This resulted in irregular payment without post-audit for Rs 300.07 million.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP No. 5]

15.4.2.2 Transfer of NSB funds without pre-audit -Rs408.26 and Loss to the Govt. due to non-deduction of Income Tax and GST -Rs 88.00 million.

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-

39/08-Vol-V/632 dated September 24, 2008, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vides its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided that the provisions contained in chapter 10 and 17 of the APPM will be implemented". Further, according to rule 3.4 of Non Salary Budget Guide Lines, every school will prepare School Based Action Plan for the utilization of funds.

During audit of CEO (DEA) Okara, it was revealed that Rs 408.26 million were transferred to schools under NSB without pre-audit. Schools did not seek budget appropriation for the amount released. Cash books and vouched account in lieu of the payments were not available on record. CEO office did not ensure the collection of Income Tax amounting to Rs 18.00 million and GST amounting to Rs 69.00 million resulting in total loss of Rs 31.040 million to the public exchequer.

Audit was of the view that due to weak internal and administrative controls pre-audit system was not adopted while incurring expenditure.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP No. 6]

15.4.2.3 Less collection of Foregh-e-Taleem Fund money from student-Rs 5.632 million.

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

During audit of Dy. District Education Officer (MEE) Depalpur, it was revealed that Foregh-e-Taleem Fund (FTF) amounting to Rs 5.632 million was less collected from the students during 2017-18.

Year	Total enrolment of children	FTF Rate	Require to be collected	Deposited	Short deposit
2017-18	51,841	20*51841*12=	12,441,840	6,809,641	5,632,199

Audit holds that less collection of FTF was due to poor financial discipline and weak internal controls.

This resulted in less recovery of FTF funds for Rs 5.632 million.

The matter was reported to the PAO during November, 2018. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers at fault.

[PDP No.7]

15.4.2.4 Irregular payment due to appointment of over-aged employees - Rs 4.076 million

As per clause 3.7 of Civil Service Rules (Punjab), a person whose age exceeds 25 years may not ordinarily be admitted into pensionable service under Government.

During audit of Dy. District Education Officer (M-EE), Okara & Dy. District Education Officer (M-EE) Renala, it was observed that the department drew Rs 4.076 million on account of pay & allowances of the following mentioned employees who were over and above the age limit prescribed by the Government of the Punjab. The detail of such employees is as under:

Personal Number	Name of Employee	Designation	Date of Birth	Date of Appointment	Salary Paid
30271025	Muhammad Shahbaz	S.E.S.E	01.08.1963	01.09.2004	430,779
30380607	Rajab Ali	E.S.E	15.04.1968	13.11.2004	329,261
30382587	Kunwar Liaqat Ali	E.S.E	07.10.1963	22.11.2003	330,821
30391266	Ghulam Abbass	E.S.E	04.04.1968	13.11.2004	322,061
30391874	Akhtar Ali	E.S.E	15.01.1968	13.11.2004	322,061
30392316	Javed Iqbal	EST	01.01.1967	24.11.2004	457,293
30394451	Muhammad Habibullah	E.S.E	01.01.1968	11.12.2004	328,061
30392681	Muhammad Rafique Shahid	PST	30.10.1964	30.01.2004	332,021
31459027	Mohammad Latif	MALI	10/2/1971	1/6/2010	254,605
31858013	Khalid Nazir	Chowkidar	4/2/1977	3/8/2016	220,297
31913978	Safeer Ul Hasnain	Security Guard	4/10/1979	5/6/2017	232,629
31920404	M. Saleem	-do-	1/2/1968	5/6/2017	232,629
31920953	M. Javeed	-do-	12/4/1972	5/6/2017	283,538
		Total			4,076,056

Audit holds that payment of pay and allowances to over age employees was due to weak internal control and poor financial management.

This resulted in irregular payment pay and allowances amounting to Rs 4.076 million to overage employees.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends that matter may be probed into for correction or action against overage employees under intimation to audit.

[PDP No 15]

15.4.2.5 Overpayment of pay and allowances – Rs 1.562 million

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

The CEO District Education Authority Okara, it was observed that an amount Rs1.562 million was paid to following teachers on account of pay and allowances during the leave period but their pay was not stopped by the DDO concerned.

Sr. No.	Name	Designation	Name of School	Personal no	Period	Amount Rs
1	Mehwish Choudry	PST	GGPS Mari Pur Depalpur	31577358	2014 to June 2018	1,011,114
2	Sumayya Jhangeer	PST	GGPS	30603707	01-02-2015 to 31-03-201	550,856
	Total					1,561,970

Audit holds that due to weak internal control and poor financial discipline irregular payment was made.

This resulted in overpayment of pay and allowances for Rs 1.562 million to government employees.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends recovery of pay and allowances besides fixing responsibility against person (s) at fault.

[PDP No.4]

15.4.2.6 Irregular payment for construction of civil works - Rs 55.64 million

According to para 3.4 sub para 2 of the guidelines of NSB funds, the head of the school will submit a copy of development plan to the concerned AEO for scrutiny. Sub para 8 of para 3.4 states that after completion of development activities the head of the school will submit completion report to the concerned Dy. DEO & According to Para 2.4 &

4.5 of B&R Code, no development work shall be executed without TS Estimate and administrative approval and all civil works needs to be recorded in Measurement Book. According to the clause 4 of Administrative Approval, payment for construction of boundary wall and toilet block was to be made by the SMC after the recommendation of the committee comprising of DMO, DO Planning and DDO Building of the concerned Tehsil.

Management of schools under the control of Dy. DEO (MEE) Okara & DDEO (MEE) Renala paid Rs 55.64 million for construction of the development works out of NSB. Payments were held irregular because no administrative approval was issued by the competent authority. No technical estimate was prepared and sanctioned by the competent authority. There was no report about the scope of work of the toilet blocks and boundary walls. No comparison of market rates was made. There was no liaison of building department and school councils/education department to cross match the entries of the building register and repair history thereof which drastically enhanced the risks that building department had already charged the same works for construction of toilet blocks or boundary walls in the same schools.

Sr. No.	Description	Amount (Rs in million)
1	DDEO (MEE) Okara	18.88
2	DDEO (MEE) Renala	36.76
	Total	55.64

Audit was of the view that expenditure on account of civil works characterized by poor financial discipline and weak internal controls.

This resulted in irregular expenditure on civil works Rs 55.64 million.

The matter was reported to the PAO during November, 2018. Neither reply was not furnished nor was DAC meeting convened till finalization of this report.

Audit recommends holding of a detailed enquiry into the matter besides fixing responsibility against the officers / officials at fault.

[PDP No. 10, 11, 18]

15.4.2.7 Non-utilization of budget - Rs 60.00 million

According to para 2.1 of Booklet of guide lines for NSB (Non-salary Budget) issued by Education Department Govt., of the Punjab “NSB funds is provided to fulfill the daily needs of school and to facilitate the education activities”

During audit of CEO District Education Authority Okara, it was observed that did not utilize / spend budget for development of IT labs in schools out of NSB grants up to 30-06-18 and this resulted in depriving

the student for getting better education facility due to non utilization of funds of Rs 60.000 million as detailed below.

Reference No	Amount (Rs in million)	Expenditure
FD(W&M)21-1/2017-18/DEA/1016 dated 06-10-2017	25	0
SO(ADP)relase-420/339/2016-17 dated 17-04-2018	25	0
FD(W&M)21-1/2017-18/DEA/1016 dated 06-10-2017	5	0
SO(ADP)relase-420/339/2016-17 dated 17-04-2018	5	0
	Total	0

Audit was of the view that due to weak internal and administrative control Government instructions violated.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed fixing responsibility against the person(s) at fault under intimation to Audit.

[PDPNo.11]

15.4.2.8 Unauthorized payment on weather shield - Rs 10.955 million

According to instructions issued vide Finance Department letter No.RO (Tech) FD-2-8/98 dated 5th June 2000, the weather shield will be applied on historical buildings like Governor House, Chamber of Commerce etc.

The Management of the following formations of the DEA, Okara, incurred expenditure on the item weather shield paint to school buildings in violation of above instructions. This resulted irregular expenditure of Rs 10.955 million.

Sr. No.	Name of office	Amount (Rs in million)
1	DDEO (WEE) Okara	1.506
2	DDEO (MEE)Depalpur	7.136
3	DDEO (MEE) Renala	0.913
4	DDEO (MEE) Okara	1.400
	Total	10.955

Audit was of the view that due to weak internal and administrative control Government instructions were violated.

This resulted in unauthorized payment on weather shield for Rs 10.955 million

The matter was reported to the PAO during November, 2018. Neither reply was not furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter from the competent authority besides fixing responsibility against the person(s) at fault under intimation to Audit.

[PDP No. 1,13,20,23]

15.4.2.9 Irregular payment to contingent paid staff - Rs 7.714 million

As per preface of Schedule of Wage Rates, 2010- 2016 issued by the Government of the Punjab Finance Department, appointment of contingent staff may be made by competent authority subject to the following conditions;

- The demand duly approved in the counsel and recruitment policy was prepared.
- The posts shall be advertised properly in leading newspapers.
- The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004.

Management of following formations made payment of Rs 20.413 million from the NSB funds of salaries to daily wage staff / contingent paid staff during 2017-18. The expenditure was held irregular due to the fact that staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy referred ibid and appointment orders, duties roster, disbursement record, acquaintance rolls and CNIC copies were also neither available on record nor shown to audit.

Sr. No.	Description	Amount (Rs in million)
1	DDEO (WEE) Okara	7.714
2	DDEO (MEE) depalpur	6.896
3	DDEO (MEE) Depalpur	4.553
4	DDEO (MEE) Okara	1.25
	Total	20.413

Audit was of the view that incurrance of irregular expenditure was due to defective financial discipline and poor planning.

This resulted in incurrance of irregular expenditure amounting to Rs 20.413 million.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends that expenditure may be got regularized from the competent authority besides fixing responsibility of person at fault.

[PDP No. 3,33]

15.4.3 Internal Control Weaknesses

15.4.3.1 Expenditure without preparation of School Based Action Plan-Rs 122.351 million

According to para 3.3 and 3.4 of NSB Guidelines read with para 17.4.1 of School Council Policy 2007, the School Council shall identify and prioritize the basic needs of the school keeping in view the available resources to the council. The School Council may counsel with the local community in such prioritization. The School Council shall prepare the 'School Based Action Plan (SBAP)' as per the 'Form No.6' and the SBAP shall be signed by all members of the council.

During audit of following formations DEA Okara were made expenditure of Rs 122.351 million. The schools expended the NSB funds without the preparation of School Based Action Plan (SBAP) in violation of para 3.3 of NSB guidelines and seeking its approval from the members of the School Councils in violation of the rule *ibid*.

Sr. No.	Description	Amount Rs in million
1	DDEO (WEE) Okara	13.560
2	DDEO(MEE) Depalpur	58.396
3	DDEO(WEE) Depalpur	50.395
	Total	122.351

Audit was of the view that the transfer of funds without pre-audit was due to weak internal controls and poor financial discipline.

This resulted in expenditure of Rs 122.351 million without preparation of School Based Action Plan.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP No. 11,23,31]

15.4.3.2 Loss due to non-deduction of Income Tax from expenditure of FTF and NSB – Rs 12.268 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person:

- (a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer.
- (b) For the rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer;

The Management of the following formations of the DEA, Okara incurred an expenditure on different items from NSB funds but income tax amounting to Rs 12.268 million was not deducted resulting in loss of to public exchequer.

Sr. No.	Description	Amount Rs million
1	DDEO (MEE) Depalpur	0.517
2	DDEO (WEE) Depalpur	3.837
3	DDEO (WEE) Okara	3.716
4	DDEO(MEE) Okara	4.198
	Total	12.268

Audit was of the view that due to weak internal and financial control Income Tax was not deducted.

This resulted in loss of public exchequer due to less recovery of income tax Rs12.268 million.

The matter was reported to the PAO during November, 2018. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audits recommends recovery of government taxes and depositing of the same into government treasury besides fixing responsibility against the officers at fault.

[PDP No. 3, 24, 26, 36, 41]

15.4.3.3 Un-authorized payment of charge allowance - Rs 2.991 million

According to the instructions issued vide Govt. of the Punjab Notification No. FD-PR-10-71/72 dated 18-06-1973, "Charge allowance to the Head Masters of Govt. Primary Schools is admissible only where five teachers are posted in the school and enrollment is up to 150 students."

Management of the following offices of District Education Authority released charge allowance amounting to Rs 2.991 million to the headmasters / headmistress without observing the admissibility of the allowance.

Sr. No.	Name of Office	Amount (Rs in millions)
1	Dy. DEO WEE Depalpur	2.095

2	Dy DEO MEE Okara	0.448
3	Dy DEO MEE Renala	0.406
4	DEO SE Okara	0.042
	Total	2.991

Audit holds that payment of charge allowance was made due to weak internal control.

Unauthorized payment of charge allowance resulted in overpayment amounting to Rs 2.991 million.

The matter was reported to the PAO during November, 2018. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends recovery besides seeking regularization of the matter in a manner prescribed and fixing responsibility against the officers / officials at fault.

[Para No. 2,3,13,23]

15.4.3.4 Non-maintenance of pass book - Rs 881.842 million

As per para 2.2 (b) of Treasury Rules (Budget and reconciliation) stated that monthly reconciliation statements duly signed by PAO/DDO/Operator of SDA along with photo copies of pass book by 7th of each month to the Treasury Officer for verification and authentication. Further vouched account against these payments prior to disbursement of new releases is conspicuous by absence contrary to provisions set forth in term of para 2.3(a) of Treasury Rules be submitted to the concerned AG/DAG/TO for post audit by 15th of each month.

Contrary to above, scrutiny of accounts record of CEO (DEA) Okara revealed that Finance Department released funds to the tune of Rs 881.842 million into the joint SDA of DC/Administrator and CEO DEA, Education during 2017-18. The pass books of the SDAs valuing Rs 881.842 million was neither prepared nor sent to Treasury Office on monthly basis for reconciliation and authentication in violation of rule *ibid*. An expenditure of Rs 744.156 million was incurred out of SDA and remaining balance was not verified. This resulted in non-maintenance of pass book record.

Audit was of the view that due to weak internal and administrative control pass book was neither maintained.

This resulted in non preparation/non verification of pass book for Rs 881.842 million

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault beside compliance. [PDP No.1]

15.4.3.5 Irregular Creation of Liabilities – Rs 357.904 million

According to Rule 17.18 of PFR Vol-I, under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision and till the sanction of that budget has supplied means; but on no account may charges be actually incurred in one year and thrown on the grant of another year.

During audit of CEO (DEA) Okara for the year 2017-18, it was observed that liabilities for Rs 357.904 million as detailed below was created for next financial in violation of above rules.

Sr. No.	Description	Amount Rs in million
1	Deficiency of development funds utilized against monthly salary	100.000
2	Un cashed chques A/C	160.000
3	Arrears bills un trained period teachers	90.000
4	Evening school liability	7.904
	Total	357.904

Audit was of the view that due to weak internal control, excess supply orders were placed without considering the availability of the budget.

Creation of liability for Rs 357.904 million resulted in extra burden on budget for the next financial year.

The matter was reported to the PAO during November, 2018. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends condemnation of irregularity besides fixing of responsibility against the person(s) at fault under intimation

[PDP No. 9]

15.4.3.6 Irregular Expenditure without advertisement at PPRA's Website – Rs24.44 million

According to Rule 12(1) & (2) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. Further, as per 59 (d) (iii & iv) of Punjab Procurement Rules 2014, for reasons of extreme urgency brought about by events unforeseeable by the procuring agency, the time limits laid down for open and limited bidding methods cannot be met, however, the circumstances invoked to justify extreme urgency must not be attributable to the procuring agency; and the Provincial Cabinet, for reason to be recorded in writing, approves any specific procurement to be made on urgent basis and shall fix the time for such urgency.

Management of the following offices of District Education Authority incurred an expenditure of Rs 24.44 million on purchase of furniture for schools without publishing advertisement on PPRA's website.

Sr. No.	Name of Office	Amount Rs in million
1	DDEO (WEE) Okara	17.331
2	DDEO (WEE) Depalpur	4.039
3	DDEO (MEE) Okara	1.14
4	DDEO (MEE) Renala	1.93
	Total	24.44

Audit was of the view that purchase of furniture without adopting the system of open tender was due to weak internal controls.

This resulted in incurrence of irregular expenditure amounting to Rs 24.44 million.

The matter was reported to the PAO during November, 2018. Neither reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility of person at fault.

[PDP No. 2,3,5,20,21,27,30]

15.4.3.7 Irregular cash payment instead of cross cheque - Rs 2.65 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations &As per Rule 4.49(a) of Subsidiary Treasury Rules Punjab, all payments of Rs.100,000 and above shall not be paid in cash and according to Rule 4 (1) Accounts Rules of District Authorities, upto Rs 1000 cash payment may be made.

During audit of Dy District Education Officer (M-EE), Renala and DDEO (MEE) Okara for the financial year 2014-18, it was observed that the office drew cash amounting of Rs 2.65 million (1.99 and 0.66) from account No. 4045521691 and bank account No. 4015974955 maintained in National Bank of Pakistan, in which each transaction was more than Rs 100,000. Further, it was also noticed that receipts and payment side of cash book were equal and showing Nil balance in hand as on 30-06-2018 whereas scrutiny of bank statement revealed that there was a balance of Rs 1.721 million (0.837 and 0.884). The detail of cash drawl is given below:

Date	Description	Amount (Rs)
Dy. DEO (MEE), Renala Khurd		
22-07-015	Cash Withdrawal	121,665
01-02-016	Cash Withdrawal	223,860
23-06-017	Cash Withdrawal	865,882
26-01-018	Cash Withdrawal	271,675
26-04-018	Cash Withdrawal	165,250
14-06-018	Cash Withdrawal	345,835
Dy. DEO (MEE), Okara		
18-05-018	Cash Withdrawal	107,426
08-06-018	Cash Withdrawal	137,744
28-06-018	Cash Withdrawal	415,109
Total		2,654,446

Audit holds that irregular drawl of cash and difference of cash was due to weak internal control and poor financial discipline.

This resulted in irregular drawl of cash and difference of Rs 884,247.

The matter was reported to the PAO during November, 2018. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the of person at fault.

[PDPNo.10,9]

15.4.3.8 Irregular expenditure of earth filling –Rs 7.699 million

According to the school council policy amended 2013 addition 2017, the expenditure of earthwork was not allowed.

The management of District Education Authority Okara incurred expenditure on account of earth filling in violation of policy of the government. The expenditure was held unauthorized/irregular because the expenditure of earth filling was beyond jurisdiction of NSB expenditure.

Sr. No.	Description	Amount Rs Million
1	DDEO (WEE) Okara	0.334
2	DDEO (MEE) Depalpur	0.810
3	DDEO (WEE) Depalpur	6.555
	Total	7.699

Audit was of the view that incurrence of irregular expenditure was due to defective financial discipline and poor planning.

This resulted in incurrence of irregular expenditure amounting to Rs 7.699 million.

The matter was reported to the PAO during November, 2018. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends that expenditure may be got regularized from the competent authority besides fixing responsibility of person at fault.

[PDPNo.4,17,20]

15.4.3.9 Non-recovery of inadmissible allowances during Leave Period – Rs 5.812 million

According to Rule 1.15 of the Punjab Travelling allowance that Conveyance Allowance was not admissible during leaves.

The management of the following formations did not recover amount of Rs 5.812 million on account of conveyance allowance and others from the employees during leave period:

Sr. No.	Description	Amount Rs in million
1	DDEO (WEE) Depalpur	1.112
2	DDEO (MEE) Depalpur	1.096
3	CEO	0.045
4	DDEO Okara	0.878
5	DDEO	1.75
6	DEO (SE)	0.04
7	DDEO (MEE) Okara	0.891
	Total	5.812

Audit was of the view that recovery was not made due to defective financial discipline and poor planning.

This resulted in loss of Rs 5.812 million to the public exchequer and overpayment to employees.

The matter was reported to the PAO during November, 2018. Neither any reply was not furnished nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of inadmissible allowances from the employees and matter may be got regularized besides fixing responsibility of person at fault.

[PDPNo.14,22,6,78,11,7,11]

CHAPTER 16

DISTRICT EDUCATION AUTHORITY, RAWALPINDI

16.1 Introduction of the Authority

District Education Authority, Rawalpindi was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Rawalpindi is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Rawalpindi manages following schools / education offices:

Description	No. of offices / schools
CEO (District Education Authority)	1
DEO (Elementary Education)	2
DEO (Secondary Education)	2
Deputy DEO (WEE)	7

Description	No. of offices / schools
Deputy DEO (MEE)	7
Higher Secondary School	40
High School	370
Middle Schools	314
Primary Schools	1203

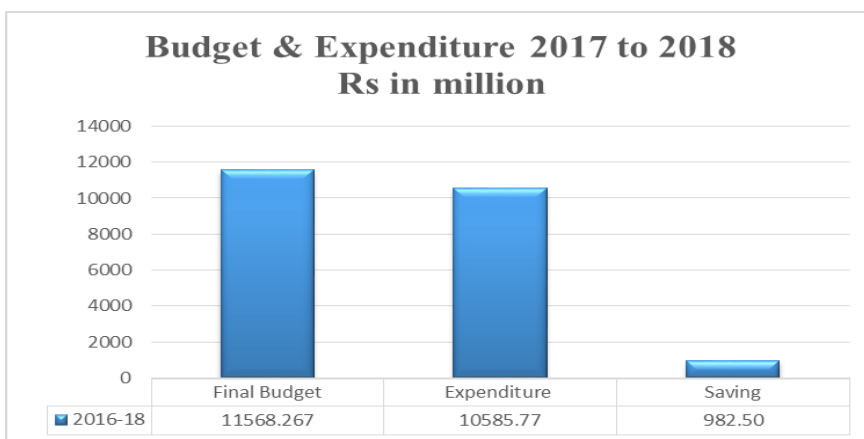
16.2 Comments on Budget and Accounts

Total budget of District Education Authority Rawalpindi was Rs 11,568.267 million including salary component of Rs 11,123.04 million, non-salary component of Rs 78.508 million and development component of Rs 366.719million. Expenditure against salary component was Rs 10,178.35 million, Non salary component was Rs 71.327 million and development component was Rs 336.093 million. Overall savings were Rs 982.5 million which was 8.49% of total budget.

Amount in million

Financial year 2017-18	Budget	Expenditure	Excess (+)	% of Excess /
			/ Saving (-)	Saving
Salary	11,123.04	10178.35	944.69	8.49
Non Salary	78.508	71.327	7.18	9.15
Development	366.719	336.093	30.63	8.35
Total	11568.267	10585.77	982.5	8.49

The Salary, Non Salary and Development expenditure comprised 96.15 % and 0.67 % and 3.17% of the total expenditure respectively.



Ineffective financial management resulted in savings to the tune of Rs 982.497 million which in term of percentage was 8.49% of the final budget.

16.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to the following period was submitted to the Governor of the Punjab.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	14	Not Convened

16.4 AUDIT PARAS

16.4.1 Non-production of Record

16.4.1.1 Non-production of vouched account of developmental expenditure – Rs 86.641 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

During audit of following formations of District Education Authority Rawalpindi for the Financial Year 2017-18, it was observed that an amount of Rs 86.641 million was incurred but the relevant auditable record was not provided to audit for verification as detail below.

(Rs in million)

Sr. No	Name Of department	Nature of Record	Amount
1	CEO District Education Authority	Development	81.908
2	CEO District Education Authority	Furniture & Fixture	2.028
3	DEO WEE, District Rawalpindi	Leave encashment	0.585
4	Dy. DEO WEE, District Rawalpindi	Leave encashment	2.120
5	GPS Tanveerul Islam DhokHukum Khan Rawalpindi	NSB	-
6	Dy. DEO MEE, District Rawalpindi	30% SSB	-
	Total		86.641

Audit holds that due to weak internal controls and negligence, relevant record was not produced to Audit which might lead to misuse of public money.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit stressed to provide the record for detail verification.

[AIR Para No 1, 16, 1, 1, 10]

16.4.2 Irregularities & Non-Compliance

16.4.2.1 Non deposits of Security by private Schools – Rs 498.600 million

According to rule 12-A(m) of Punjab Private Educational Institution (Promotion and Regulation) Ordinance, 1984 “the institution shall deposit Rs200,000 (two lac) as security with the Registration Authority.”

During audit of CEO (DEA) Rawalpindi, it was noticed that there were 2492 registered schools running in District Rawalpindi as evident from Punjab Education Sector Reform Program website (www.pesrp.edu.pk) but according to the registration branch record, no school had deposited the security @ Rs 200,000 (2492 x 200,000 = 498,600,000) with the registration Authority.

Audit also noticed that proper record regarding total number of private schools registered and un-registered was not maintained by the registration branch of Education Authority.

Audit is of the view that due to weak financial Management, Education Authority failed to collect the security from all private schools under its jurisdiction.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit stresses upon the early deposits of security besides fixing of responsibility against person (s) at fault.

[AIR Para No 8]

16.4.2.2 Irregular purchase of IT labs - Rs 80.247 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, as per NIT the financial bid of only those firms will be accepted who will be prequalified by the technical evaluation committee. Moreover, as per letter No.2198/B-II dated 08.05.2017 issued by the office of Chief Executive Officer (District Education Authority) Rawalpindi, System Network Administrator was directed to carry out the inspection of IT labs for release of payment to firm on the basis of satisfactory report by SNA

During audit of accounts of CEO (Education Authority) Rawalpindi, it was observed that amount of Rs 80,247,720 was paid to a firm “M/S Computer Marketing Co (PVT) Ltd, Islamabad” on account of establishment of 46 IT Labs in Govt. High & Higher Secondary Schools of Rawalpindi District during Financial Year 2017-18. Further, scrutiny of tender documents, following shortcomings were observed

- i. The cost of IT Labs was increased by Rs 7.360 million per lab without recording any reason as specification of the lab was modified without consulting with PITB (Punjab Information Technology Board) as original specification was prepared and duly approved by the PITB. The modification without recording reason and approval of the competent authority resulted in loss to the government Rs 7.36 million as detailed below:-

(Rs in million)

Total No. of Labs	Approved cost per lab	Amount paid per lab	Excess payment per lab	Excess Payment
46	1.6	1.76	0.16	7.36

- ii. The evaluation report of prequalification of firms was not signed by the committee members i.e. DO (Budget), DO (Planning) and member of TEVTA. In absence of signature of the members, evaluation report was not valid. the award of contract valuing Rs 80.247 million on the basis of defective report was irregular and un-authorized.
- iii. Scrutiny of relevant record revealed that the department was liable to pay the amount to contractor on the basis of inspection and satisfactory report issued by System Network Administrator. The record showed that the cost of forty-one (41) IT Labs amounting to Rs 64.0 million were paid without inspection and satisfactory report by system Network administrator. This resulted in irregular and unauthorized payment to contractor.

Audit is of the view that the irregularities occurred due to weak financial discipline.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

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

[AIR Para No 4, 6, 10]

16.4.2.3 Irregular expenditure from irrelevant heads- Rs 42.766 million

According to NAM, the budgetary allocation be made according to the chart of accounts/classification approved by the Auditor General of Pakistan. As per Article 30 of Audit Code, all financial transactions are required to be properly recorded and allocated to proper heads of account.

During audit of following formations of District Education Authority Rawalpindi for the Financial Year 2017-18, it was observed that the expenditures for Rs 42.766 million were booked under wrong head of accounts. This resulted in un-authorized expenditure of Rs 42.766 million as detailed below:

(Rs in million)			
Sr. No.	Name of formation	Heads	Amount
1	Dy.DEO(M-EE) Gujar Khan	A03970-others	13.51
2	DEO (Special Education) Rawalpindi	A03970-others	0.365
3	DEO (Literacy)	A03970-others	28.891
TOTAL			42.766

Audit is of the view that due to weak internal controls, expenditure was incurred from irrelevant heads resulting in un-authorized expenditure.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularization from competent authority.

[AIR Para No7, 7, 17]

16.4.2.4 Excess expenditure than budget allocation - Rs 31.77 million

According to Rule 60 (1) of Punjab District Authorities Budget Rules, 2017, in case expenditure is likely to exceed from the approved grant, the head of office or institution and the drawing and disbursing officer shall take immediate steps to prevent the excess expenditure by (a) exercising strict control over the affected grant (b) transferring funds through re-appropriation; and (c) submitting, as soon as the exigency arises, a request for supplementary grant. (2) If funds cannot be provided

through re-appropriation, a proposal for supplementary grant shall be prepared and got approved from District Authority.

During audit of following formations of District Education Authority Rawalpindi for the Financial Year 2017-18 it was noticed that expenditure of Rs 31.77 million was incurred in excess of budget allocation as detailed below:

(Amount in million)				
Sr. No	Name Of Formation	Budget	Expenditure	Excess
1	DEO (Special Education) Rawalpindi	3.188	4.733	1.543
2	DEO W-EE, District Rawalpindi	5.943	6.210	0.268
3	DEO (M-EE) Rawalpindi	11.001	25.248	14.247
4	Dy DEO (W-EE) Rawalpindi	13.000	28.712	15.712
	TOTAL	33.132	64.903	31.77

Audit is of the view that due to weak financial control, expenditure was incurred excess than budget grant.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

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

[AIR Para No 9, 8, 02, 11]

16.4.2.5 Overpayment due to irregular award of contract - Rs 6.02 million

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

During audit of CEO (Education Authority), Rawalpindi it was noticed that CEO paid a sum of Rs 80.247 million to firm on account of installation of IT equipment in 46 IT labs of High and Higher Secondary Schools in Rawalpindi District during Financial Year 2017-18. Scrutiny of relevant record including comparative statement and other tender documents revealed that most of the items offered by the M/S Premier Systems were less than the rate offered by M/S Computer Marketing Company. But the tender was awarded to M/S Computer Marketing Company, which was illegal and un-authorized. If the department awarded the contract to the lowest bidder i.e M/S Premier Systems than a sum of Rs 6.02 million could be saved. Detail is as under

(Amount in Rs)

Sr. No	Items	Qty	M/S Premier systems	M/S CMC	Difference	Overpaid
1	Server	1	81,465	86,853	5,388	5,388
2	Desktop	15	67,977	72,781	4,804	72,060
3	External DVD	3	4,707	5,527	820	2,460
4	Printer	1	20,228	23,367	3,139	3,139
5	Access point	1	4,326	4,506	180	180
6	UPS	1	191,813	223,945	32,132	32,132
7	Projector	1	42,135	122,011	2,348	2,348
8	Interactive board	1	77528 =119,663			0
9	Microsoft Office	15	4,879	5,704	825	12,375
10	Electric work	1	31,297	32,060	763	763
11						130,845
	TOTAL Payment made in excess			130,845x46=		6,018,870

Audit holds that due to weak financial controls, the tender was not awarded to lowest bidder.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit stressed to justify the issue beside the recovery of overpayment from the firm and other responsible person(s).

[AIR Para 7]

16.4.2.6 Non-verification of GST – Rs 5.07 million

According to the (Central Board of Revenue (Revenue Wing), Islamabad letter No.4(47)STB/98 (Volume-I) dated 4th August, 2001) “the purchasing departments / organizations may forward an intimation together with copies of sales tax invoices to the concerned Collectorate of Sales Tax for the purpose of verification of deposits of tax by the suppliers”.

During audit of CEO (Education Authority) Rawalpindi, it was noticed that a sum of Rs 5,077,968 was paid to various firms on account of GST but the invoices provided by firms did not verify from FBR. Detailed is as under:

(Amount in Rs)

Sr No	Name	Items	Date	Amount excl. S/Tax @ 17	Sales Tax	Total Amount
1	Computer Marketing Co	IT Labs Equipment	18.04.17	76,893,094	3,847,578	80,740,672
2	Premier(Pvt)	IT Labs	09.03.17	13,851,117	693,774	14,544,891

	Ltd	Equipment				
3	Akram metal & Wood works	Furniture Table	04.02.17	772,430	131,312	903,742
4	Asian Furniture	Furniture Chair	04.02.17	2,384,136	405,304	2,789,440
				93,900,777	5,077,968	98,978,745

Audit holds that non-verification of deposit of GST may leads non-payment of GST amount and loss to government.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit stresses for verification of deposit of GST by the suppliers.

[AIR Para 15]

16.4.2.7 Irregular payment - Rs 2.028 million

According to the Rule 2.32 (a) of PFR Volume-I, it is essential that the records of payments and transactions in general must be clear, explicit and self-contained. Further According to Rules, 22 of PPRA 2014, as otherwise provided the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

During audit of CEO (Education Authority) Rawalpindi, it was noticed that a sum of Rs 2,027,680 was paid to the Director Wood Working service centre TEVTA on account of purchase of furniture for IT Labs established in Government High and Higher Secondary Schools of Rawalpindi District. Scrutiny of record revealed that the contract for purchase of computer Tables was awarded to TEVTA woodworking centre Rawalpindi on the basis of lowest bidder. Scrutiny of record revealed that the project Director of TEVTA was the member of the committee constituted for evaluation of technical bids provided by the firms. Hence, being a member of committee, the Director was not authorized to participate in the competition. This resulted in irregular award of contract against the rule and payment made to TEVTA was held irregular.

Audit holds that due to weak financial management, codal formalities were not observed.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends to probe the matter besides fixing responsibility of the person(s) at fault.

[AIR Para 18]

16.4.2.8 Non recovery of liquidity damages charges due to late supply of I.T equipments - Rs 1.604 million

As per supply order issued by CEO (Education Authority) Rawalpindi vide letter No 9104/B-11 dated 09.11.2016, the entire quantity of said material/ equipments as per work order will be completed up to 18.02.17. In case the firm failed to execute the supply of equipment, earnest money will be forfeited. The supply should be completed within 100 days from the date of supply order.

Audit of accounts of CEO (Education Authority) Rawalpindi for the Financial Year 2017-18 revealed that a sum of Rs 80.247 million was paid to M/S Computer Marketing Company on account of establishment of 46 IT labs of high and higher secondary schools of Rawalpindi District. As per above criteria, the supply should be completed upto 18.02.2017 but the firm was failed to complete the supply with in stipulated period and the firm was liable to pay the liquidity damages as per rule. Department neither impose any penalty on the said firms nor the case for black listing the firm was initiated till date. Resultantly treasury sustained a loss of Rs 1.604 million due to non-recovery of liquidity damages from the firm as detailed below:-

(Amount in Rs)

No of IT Labs	Date of supply order	Completion date	Amount paid	2% earnest money
46	9/11/2016	18/02/2017	80,247,720	1,604,954

Audit holds that due to weak financial control, the department failed to impose the penalty on late supply of Material.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends the matter should be justified beside recovery of liquidity damages from the firm.

[AIR Para 9]

16.4.2.9 Irregular expenditure without advertisement at PPRA website -Rs 5.985 million

According to Rule 8 of PPRA 2014, A procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future..

Following formations of Districts Education Authority Rawalpindi incurred expenditure of Rs 5.985 million during Financial Year 2017-18 without calling tenders in violation of PPR Rules 2014. The detail is as below:

(Amount in million)

Sr. No	Name Of Formation	Nature	Amount
1	Dy DEO (W-EE) Gujar khan	Repair work	1.679
2	Dy DEO(M-EE)	Construction	1.271
3	Government Qandeel School for Blind	Food items	0.203
4	Dy DEO (M-EE) Rawalpindi	Repair work	2.832
	TOTAL		5.985

Audit holds that due to weak internal control and financial discipline, irregular expenditure of Rs 5.985 million was incurred ignoring the PPRA rules.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of expenditure from competent forum.

[AIR Para 2, 2, 2, 1]

16.4.2.10 Overpayment of conveyance allowance during summer/winter vacations – Rs 1.42 million

According to Treasury Rule 7, Conveyance allowance is not admissible during leave period. Further, according to Government of the Punjab, Finance Department letter No.FD.SR.1.9-4/86(P) (PR) dated 21st April 2014, officers who are availing government vehicles including bikes (sanctioned/pool) are not entitled to the facility of Conveyance Allowance w.e.f. 01-03-2014.

Scrutiny of record of following formations of District Education Authority, Rawalpindi for the Financial Year 2017-18 revealed that a sum

of Rs 1.42 million were drawn on account of Conveyance allowance during summer & winter vacations and other leave period in violation of rules. Moreover, some officers had also drawn the CA despite availing Government Vehicle. This resulted in overpayment of Conveyance Allowance of Rs 1.42 million as detailed below:

Sr. No.	Name of Formation	Nature of Leave	Amount (million)
1	Government Qandeel School for Blind, Rawalpindi	Summer/winter Vacation	0.408
2	Government Qandeel School for Blind, Rawalpindi	LFP	0.049
3	District Officer (Special Education) Rawalpindi	Provided vehicle	0.115
4	DEO (Secondary Education) Rawalpindi	Provided vehicle	0.059
5	Dy DEO (MEE) Rawalpindi	Mat leave & Medical Leave	0.106
6	Deputy District Education Officer(W-EE), Rawalpindi	Summer vacation	0.683
TOTAL			1.420

Audit is of the view that overpayment of conveyance allowances was due to defective financial discipline and weak internal controls.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends recovery from concerned at the earliest.

[AIR Para 3, 4, 8, 8, 5, 3]

16.4.2.11 Non-recovery of overpayment on account of pay & allowances - Rs 1.221 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, as per Basic Pay Scales revised time to time “the hill allowance is admissible only for those employees who are working in hilly areas”.

Following formations of District Education Authority Rawalpindi had paid amounting to Rs 1.221 million on account of pay and different allowances on fixation of pay after regularization of contract employees and the payment of Hill Allowance to officials working in Rawalpindi city. As the Rawalpindi City was not a hilly area for which such allowance was admissible. Detail of pay and allowance overpaid is given below:

Sr. NO	Name Of Formation	Payment made for	Amount (Rs)
1	DEO W-EE Rawalpindi	Hill allowance	0.840
2	DEO W-EE, Rawalpindi	Pay & allowances	0.251
3	Dy DEO (MEE) Rawalpindi	Hill Allowance	0.130
	Total		1.221

Audit is of the view that due to weak managerial controls, overpayment had not been recovered.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit requires that action be taken against the concerned besides recovery at the earliest.

[AIR Para 5, 7, 4]

16.4.2.12 Unauthorized drawl of inspection allowance – Rs 7.203 million

According to School Education Department Government of the Punjab, Lahore letter No.SO(ADP)/MISC-2012 dated 29th August 2012, inspection allowance will be payable on the basis of inspection of school. Inspection report prepared by AEO shall be submitted to Deputy DEOs concerned on monthly basis and inspection allowance shall be paid after verified inspection report by immediate \ controlling officer. Further, according to Finance Department Government of the Punjab, Lahore Letter U.O.No.FD.SR-II/9-33/2016(180104/00037) dated 15 January 2018 “inspection allowance is allowed to each AEO working in Education Department subject of verifiable Key Performance Indicators developed by School Education Department in consultation with DFID (The Department for International Development) issued vide letter No.SO(SE-III)5-226/2017dated 12.09.2017.

During audit of following formations under control of District Education Authority Rawalpindi it was noticed that inspection allowance was paid to different AEOs during 2015 to 2018 but neither schools inspection reports verified by Deputy DEOs concerned was prepared nor verifiable KPIs had be fulfilled before payment of inspection allowance. This resulted in unauthorized and irregular payment of inspection allowance to AEOs amounting to Rs 7.203 million as detailed below:

Sr. No.	Name of Formation	Amount (Rs in million)
1	DEO (SE) Rawalpindi	0.025
2	DEO(M-EE) Rawalpindi	7.023
3	Dy DEO (MEE) Rawalpindi	0.175
	TOTAL	7.223

Audit is of the view that due to weak internal controls, Inspection allowance had been paid without fulfilling codal formalities.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularizations from competent forum.

[AIR Para 9, 1, 9]

16.4.2.13 Irregular drawl of pay & allowances – Rs 1.377 million

According to Rule 7.12 of PFR Volume-1, the Head of an office is personally responsible for every pay drawn on a bill.

During Desk audit of DEO (M-EE) Rawalpindi, it was noticed that following staff was not on the sanctioned strength/posts of DEO (M-EE) Rawalpindi but an amount of Rs 1,376,674 was booked and paid under cost center of DEO (M-EE) Rawalpindi.

Audit is of the view that due to weak financial controls, pay & allowances of the officials who are not on the sanctioned strength, was unauthorized.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends recovery from the concerned.

[AIR Para 4]

16.4.2.14 Irregular payment on account of rent of school buildings without assessment – Rs 1.554 million

According to rule 5 of the Delegation of Financial Powers, the powers has to be executed subject to the condition that rent does not exceed the limits defined by the rent assessed by the Excise & Taxation Department for the property tax purposes.

Dy DEO (W-EE) Rawalpindi paid an amount of Rs 1,553,589 on account of rent of school buildings. Following irregularities were observed:

- Rent of school buildings was paid without assessment of the rental value from the Excise & Taxation Department resulting in irregular and unjustified payment of rent in light of rule above.
- Actual amount of rent or increase in rent was not justified by the agreement or other document.

Name of the school	Amount (Rs)
GGPS Dhoke ziarat	308,225
GGPS Rehmania	150,000
GGES Darul Islam	169,114
GGES Anwar Islam	156,250
GGPS Dhoke Rahim Baksh	110,000
GGES Zia Chur	300,000
GGES Zia Chur	360,000
Total	1,553,589

Audit holds that due to weak internal controls, building rent of the schools were paid without assessment of rental value of the building and completing other codal formalities resulting in violation of government rules.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit requires that besides regularization of expenditure appropriate action be taken against the concerned under intimation to audit.

[AIR Para 9]

16.4.3 Performance

16.4.3.1 Loss due to not registration of private schools - Rs 29,224.00 million

As per the Punjab Private Educational Institutions (Promotion and Regulation) ordinance 1984, an incharge shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance. Further, Rule 11 of the Punjab Private Educational Institutions (Promotion and Regulation) ordinance, 1984 stipulates that if an incharge contravenes any provision of the ordinance or the rules, the Registering Authority may subject to reasonable opportunity of defense, impose administrative penalty which may extend to twenty thousand rupees per day from the date when the notice of contravention is served on the institution till such time that the contravention continues.

Scrutiny of record of private schools maintained by CEO (Education Authority) Rawalpindi revealed that registration of thousands of schools functioning in Rawalpindi District was not done by the Authority, as evident from media report dated 12.08.2016 in which the then EDO (Education Authority) Rawalpindi states that “The Rawalpindi Education Department decided to take the action against 2,000 non-registered private schools and impose a fine of Rs 20,000 per day until these get registered”. Neither the schools were registered nor any action was taken against the non registered schools resulted in loss to government amounting to Rs 29,224.00 million (approximately) as detailed below.

Numbers of Non-Registered schools	Registration fee @ 7,000	Annual inspection fee @1000	Late period since 01/07/16 to 30/6/18	Penalty @ Rs 20,000	Total recoverable amount of penalty	Total recoverable
2000	14,000,000	2,000,000	730	14,600,000 (14.60 million) (14,600,000x2000)	29,200.00 million	29216.00 million

Audit holds that due to weak internal controls and negligence, neither the schools were registered nor any action was taken against non registered schools.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit stressed for immediate registration of these private schools and recovery of penalty as per ordinance.

[AIR Para 2]

16.4.3.2 Loss to Govt. due to non collection of fines/penalty - Rs 4.315 million

According to section 3 of Punjab private Educational Institution (Promotion and Regulation) Ordinance, 1984, “No institution shall be run unless it is registered in accordance with the provisions of this Ordinance and the rules” and further according to section 11 Penalties:(1) “if an incharge contravenes any provisions of the Ordinance or the rules, the registering authority may, subject to reasonable opportunity of defense, impose administrative penalty which may extend to twenty thousand rupees per day from the date when the notice of contravention is served on the institution till such time that the contravention continues.” (2) “Where the contravention continues for a period of three months, the institution shall be liable to closure by the registering authority.”

During scrutiny of record of CEO (DEA) Rawalpindi Registration Branch, it was noticed from Minutes of meetings conducting for registration of Private Schools during F.Y 2017-18 that fine/penalty imposed @ Rs 100/day on institutions/schools for late submission of cases to the registration authority but not implemented the decision taken in the said meeting which resulted in non collection of Rs 4.315 million.

Audit is of the view that instruction provided in the ordinance was violated due to weak managerial discipline.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit stresses upon the early deposits of penalty and fixing of responsibility against person (s) at fault.

[AIR Para 5]

16.4.3.3 Non-deduction / deposited of taxes - Rs 0.734 million

According to Para 2 of S.R.O No.660(1)/2007 Dated 30.6.2007, tax is the responsibility of a withholding agent, including to make purchases of taxable good shall indicate in an advertisement or notice for this purpose that the sales tax to the extent as provided in these rules shall be deducted from the payment to the supplier at source.

During audit of following formations of District Education Authority Rawalpindi it was noticed that expenditure of Rs 0.734 million was incurred during Financial Year 2017-18. But the income tax @ 4.5% and GST @ 17% at prescribed rate were not deducted resultantly treasury sustained a loss of Rs 84250.

Name of School	Income Tax	Sales tax deducted	Amount (Rs)
Dy DEO (W-EE) Gujar Khan	39,955	44,295	0.084
Dy DEO WEE, Rawalpindi	167,684	113,576	0.281
Dy DEO (MEE) Rawalpindi	61,684	233,027	0.294
Dy DEO (W-EE) Gujar Khan	0	75,771	0.075
Total			0.734

Audit is of the view that defective financial discipline GST/Income Tax was not deducted.

The matter was reported to PAO/CEO in August 2018. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that matter be further probed for same nature and fixing of responsibility against the person (s) at fault.

[AIR Para 5, 4, 13, 6]

16.4.3.4 Poor Control of School Registering Authority

As per the Punjab Private Educational Institutions (Promotion and Regulation) ordinance 1984, Rule 7, Condition of Registration, an institution shall comply with such condition of registration including

An institution shall comply with such conditions of registration including payment of fees as may be prescribed.

(1) An institution shall not charge, during the academic year 2015-16, the fee from a student at a rate higher than the fee charged for the class during the academic year 2014-2015.

(2) Subject to subsection (1), if there is reasonable justification for appropriate increase in the fee for purposes of the next academic year, the In charge may apply to the Registering Authority, at least three months before the start of the next academic year, proposing reasonable increase of the fee.

(3) The application shall contain reasons and justification for the proposed increase and all the requisite documents or evidence in support of the application shall be annexed with the application.

(4) The In charge shall provide such other information or documents to the Registering Authority as may be necessary for the disposal of the application.

(5) The Registering Authority may, in the prescribed manner, fix the maximum amount of fee which may be charged by an institution or a category of institutions from a student or a category of students.

(6) An institution shall not charge any amount from the student other than the fee mentioned in subsection (1) or fixed under subsections (5) or (6), and the In charge shall either refund to the student, within seven days from the commencement of the Punjab Private Educational Institutions (Promotion and Regulation) (Amendment) Ordinance 2015, the additional fee already charged or adjust it with the fee immediately payable by the student.

(7) The word 'fee' in this section means admission fee, tuition fee, security, Laboratory fee, library fee or any other fee or amount charged by an institution from student.

(8) An institution shall not require the parents to purchase textbooks, uniform or other material from a particular shop or provider.

As per rule 8 of ordinance, The Registering Authority or an officer authorized by Government may inspect any institution and may give directions to require compliance with the conditions prescribed for registration.

During audit of accounts of CEO (Education Authority) Rawalpindi, it was observed that CEO being a registration authority of Private Schools, was failed to keep the check and enforcement of compliance of the instructions given in above criteria. Resultantly the private schools management violated the ordinance and dragged money from pockets of parents as per their own policies against the ordinance mentioned above.

Audit holds that due to weak internal controls and negligence, the schools violated the instruction given in said ordinance.

The matter was reported to PAO concerned in August 2018 but neither any reply was not furnished nor DAC meeting was convened till the finalization of this report.

Audit recommends fixing responsibility against person(s) at fault for non-comply of instruction by the private schools.

[AIR Para 3]

CHAPTER 17

DISTRICT EDUCATION AUTHORITY, SARGODHA

17.1 Introduction of the Authority

District Education Authority, Sargodha was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Sargodha is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

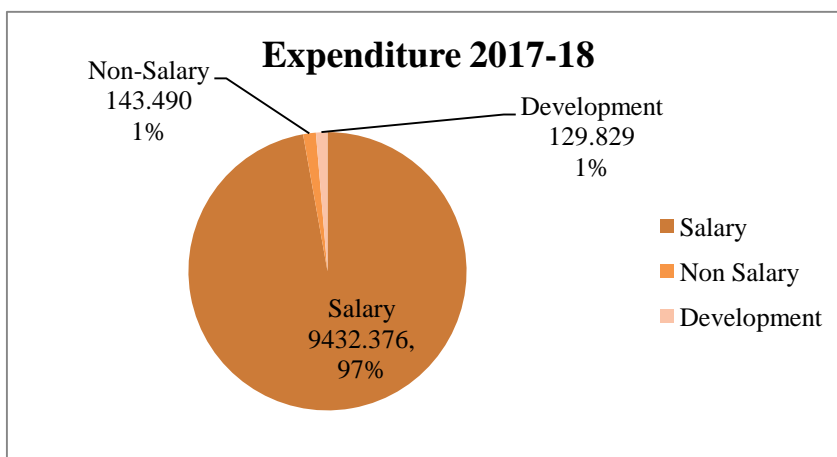
- To establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District;
- To ensure free and compulsory education for children of the age from five to sixteen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

DEA Sargodha manages following schools / education offices:

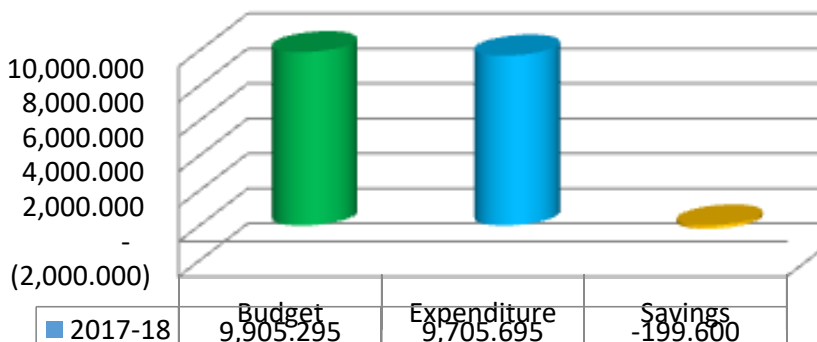
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	7
Dy. DEO (W-EE)	7
High and Higher Secondary Schools	338
Elementary & Primary Schools	1339

17.2 Comments on Budget and Accounts

Total budget of District Education Authority, Sargodha was Rs 9,905.295 million including Salary component of Rs 9,475.834 million, non-salary component of Rs 150.122 million and development component of Rs 279.339 million. Expenditure against salary component was Rs 9,432.376 million, non-salary component was Rs 143.490 million and development component was Rs 129.829 million. Overall savings were Rs 199.600 million which was 02% of total budget.



Budget and Expenditure 2017-18



The overall saving of Rs 199.600 million was 02% of the final budget.

17.3 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:

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	10	Not convened

17.4 AUDIT PARAS

17.4.1 Irregularities & Non-compliance

17.4.1.1 Irregular procurement of I.T equipment through repeat order – Rs 16.0 million

According to rule 59 C (iv) of PPRA rules 2014, repeat orders should not exceed fifteen percent of the original procurement.

Scrutiny of the accounts record of CEO (DEA), Sargodha for the Financial Year 2017-18, revealed that a tender worth Rs 34.0 million was floated through PPRA dated 26-08-2017 for purchase of I.T equipment for 19 High and Higher Secondary Schools. After completion of tendering process a repeat order worth Rs16.00 million was issued to firms for purchase of I.T equipments for another 10 schools. Audit noticed that the amount of repeat order crossed the limit of 15% of the original order. (34,000,000 x15% =5,100,000)

Audit held that due to weak financial and internal controls repeat orders were awarded.

This resulted in irregular expenditure of Rs16.0 million.

Audit pointed out the matter in August, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department for regularization of irregularity from the competent forum.

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

[PDP No.51]

17.4.1.2 Irregular execution of civil works – Rs 9.932 million

According to Para 2.4 & 4.5 of B&R Code, no development work shall be executed without TS Estimate and administrative approval and recording of each item of civil work in Measurement Book.

Drawing & Disbursing officers of the following formations drew Rs 9.932 million for execution of various civil works. Neither the

estimates were prepared nor got approved from the competent authority. The annual plan was also not prepared. The material of civil work was not entered in relevant stock register.

Sr. No.	Name of formations	PDP No.	Amount (Rs)
1	Dy. DEO (M-EE) Sargodha	29	4,625,229
2	Dy. DEO (W-EE) Sahiwal	40	5,307,290
Total			9,932,519

Audit held that due to weak financial controls civil works was carried out in violation of above rules.

This resulted in irregular execution of civil works amounting to Rs 9.932 million.

Audit pointed out irregularity in August, 2108. The management replied that instruction shall be issued for proper maintenance of civil works in future.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department for regularization of the irregularity from competent forum.

Audit recommends regularization of irregularity from competent forum and fulfillment of all mandatory formalities required for execution of civil work in future.

[PDP No.40]

17.4.1.3 Irregular expenditure on non-schedule items - Rs 3.501 million

As per Finance Department notification No.RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis of non MRS item of work shall be prepared by the Executive Engineer and get approved from the superintending engineer. A copy of each analysis approved by the competent authority shall be sent to Technical cell of Finance Department for scrutiny/standardization.

During audit scrutiny of record of development schemes of CEO (Education) for the financial year 2017-18 executed through Executive Engineer, Buildings Division, Sargodha, it was observed that for the work “multi purpose hall in GBHS at chak 71/SB” non-schedule items of work

was awarded to the contractor. The department did not get approved the rate analysis of the following item of work from the competent authority. Moreover 20% contractor's profit was added on the carriage also.

Sr. No.	Item of Work	Amount (Rs)
1	P/L pre-stressed tee roof etc	2,080,000
2	Gutka	29,750
3	Gypsum	830,880
4	Treatment of roof	380,835
5	Electric penal board	180,000
Total		3,501,465

Audit held that due to weak internal controls expenditure was incurred in violation of the rules.

This resulted in irregular expenditure of Rs 3.501 million.

Audit pointed out lapse in August, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department for regularization of expenditure from competent forum and recovery of contractor's profit.

Audit recommends recovery of the overpayment to contractor besides fixing responsibility of irregular expenditure against the person(s) a fault.

[PDP No.67]

17.4.1.4 Irregular payment of inspection allowance – Rs 1.340 million

As per letter No. SO (ADP) Misc-409/2012 dt. 29-08-12 inspection allowance will be admissible in summer vocation after prior approval of competent authority.

Assistant Education Officers under the administrator control of CEO District Education Authority drew inspection allowance @ Rs 5000/10000 in summer vacations i.e June to August, 2017 without the approval of competent authority in violation of rule ibid

Sr.No.	Name of formations	PDP No.	Amount (Rs)
1	Dy.DEO (M-EE) Shahpur	8	20,000
2	Dy.DEO (M-EE) Bhalwal	16	120,000
3	Dy.DEO (M-EE), Kot Momin	47	960,000

4	Dy.DEO (M-EE) Kot Momin	48	240,000
Total			1,340,000

Audit held that due to weak internal and financial controls, inspection allowance was paid during summer vacation.

This resulted in overpayment of Rs 1.340 million.

Audit pointed out over payment in July, 2018. The department replied that DY DEO sanctioned to draw inspection allow but sanction of CEO was not available.

The para was also discussed in DAC meeting held on 05-12-2018. DAC decided to pend the para till recovery/ decision of court.

Audit recommends recovery of stated amount from the defaulter at the earliest.

17.4.2 Internal Control Weaknesses

17.4.2.1 Non-surrendering of savings - Rs 184.288 million

Anticipated savings in the budget should be surrendered in the 2nd excess and surrendered statements as required under Rule 17.20 of P.F.R Vol-1 and PDP 14 of Punjab Budget Manual. Furthermore Rule 20(iii) of PDG and TMA (Budget) Rules, 2003 also requires that each Drawing and Disbursing officer shall develop the most realistic and sound budget estimates.

During audit of accounts record of following formations for the financial year 2017-18, it was noticed that funds amounting to Rs 184.288 million were neither utilized nor surrendered in time.

Sr. No.	Name of formations	PDP No.	Object Head	Amount (Rs)
1	CEO (DEA), Sargodha	56	Salary / Non-Salary	148,403,276
2	Dy. DEO (W-EE) Kotmomin	88	Salary / Non-Salary	35,884,702
Total				184,287,978

Audit held that due to weak administrative controls, the funds were blocked without surrendering the savings.

This resulted in irregular blockage of government funds of Rs 184.288 million.

Audit pointed out the mater in July, 2018.

The para was also discussed in DAC meeting held on 05.12.2018. The department replied that the saving was within the prescribed limit of 10% of budget allocation. Audit contended that no such rule of 10% is available and saving on the basis of actual expenditure of 8 months was required to be surrendered in 2nd statement. DAC directed the departments to get regularized the amount from competent forum.

Audit recommends justification of irregular blockage/Non surrendering of funds besides fixing of responsibility against the person at fault under intimation to audit.

17.4.2.2 Non/less deduction of sales tax – Rs 3.994 million

According to Central Board of Revenue Standing Instructions read with notification SRO 660 (1)/2007 dated 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly register under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill shall be deducted at source and deposited it into Government Treasury. In case of non-availability of a registered firm, the purchases shall be made from unregistered firm. The GST @19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

Drawing of Disbursing Officers of following formations of District Education Authority Sargodha made payment to suppliers for the purchase of different items but recovery on account of GST was not deducted /less deducted from the gross payment.

Rs. in million			
Sr.No.	Name of formations	PDP No.	Amount
1	Dy. DEO M-EE Bhalwal	17	0.274
2	Dy. DEO M-EE, Sargodha	31	0.354
3	Dy. DEO W-EE, Sahiwal	37	2.175
4	Dy. DEO W-EE, Sahiwal	38	1.191
Total			3.994

Audit held that due to weak internal controls and weak financial discipline deduction of taxes was not made.

This resulted in loss of Rs 3.994 million to public exchequer.

Audit pointed out the matter in July, 2018. The department admitted the recovery.

The matter was discussed in DAC meeting held on 05-12-2018. The committee directed the department to effect recovery within 30 days.

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

17.4.2.3 Expenditure over and above budget allocation – Rs 283.742 million

According to Rule 66(5) of (Budget) Rules 2003, Drawing and Disbursing Officer shall not authorize any payment in excess of the funds placed at his disposal.

Drawing & Disbursing Officers of the following under the control of CEO Education Sargodha expended more than the funds authorized in the budget. Incurring of expenditure over and above the authorized budget resulted in excess expenditure of Rs 283.742 million as detailed below:

(Rs in million)			
Sr.No.	Name of formations	PDP No.	Amount
1	Dy. DEO W-EE Sargodha	27	256.111
2	DY DEO W-EE Kotmomin	87	27.631
Total			283.742

Audit held that due to weak administrative controls, the funds were utilized over and above the budget

This resulted in expenditure over and above budget allocation of Rs 283.742 million.

Audit pointed out the lapse in July, 2018.

The matter was discussed in DAC meeting held on 05.12.2018. The department replied that the quarter concerned would be directed to get the irregularity regularized from competent authority. DAC directed the department to get regularized the amount from competent forum.

Audit recommends regularization of irregularity from competent forum besides fixing of responsibility against the person at fault.

17.4.2.4 Non- preparation of pass book of SDA - Rs 123.0 million

A passbook should be kept for each Personal Deposit Account PLA / SDA. It should be the duty of the administrator of the fund to see that the passbook is sent to the treasury officer at least once a month and balanced according to provisions of Rule 12.19 of PFR Form 25 read with Rule 12.20 of PFR which provides that the Treasury Officer is responsible for seeing that the entries are correctly made and at the end of the each month the entries on each side of the pass books are totaled and the

balance struck and agreed with the treasury account. The Treasury Officer should then sign the book.

During scrutiny of the accounts record of CEO (DEA), Sargodha for the financial year 2017-18, it was revealed that expenditure of Rs 123.0 million was incurred from SDAs account. But the pass book of the said SDA was neither prepared properly nor sent to DAO Sargodha for verification and authentication in violation of rule *ibid*. Record of check books received, unused cheques and balance at the end of financial year was also not prepared.

(Rs in million)

Description	Funds received	Funds released	Funds surrendered
S0-5414	562.0	439.0	123.0

Audit held that due to negligence of the management pass book was not maintained.

This resulted in un-authentication of expenditure of Rs 439 million.

Audit pointed out the matter in August, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed for the preparation of pass book as early as possible.

Audit recommends fixing of responsibility for non verification of pass book and non fulfillment of formalities.

[PDP No.60]

17.4.2.5 Non-imposition of penalty due to non-completion of work – Rs 54.485 million

The clause 7 of Tender Document laid down that before entering into Tendering, the contractor will visit and examine the site and aware himself about the availability of labour, material, water, electric power, access of material as well as local scenario for his execution of work as department will not assume any responsibility subsequently. According to clause 39 of Contract, a penalty @ 1% to 10% is required to be imposed for delayed completion of work.

Scrutiny of record of CEO (Education) for the year 2017-18 revealed that some development schemes of missing facilities in schools i.e. boundary walls and reconstruction of class rooms costing Rs 544.855 million were allotted to different contractors in October, November & December, 2017 which were to be completed in 2-3 months. The schemes were fully funded. But even after lapse of time limit the schemes were not completed till June, 2018 as evident from monthly progress report of XEN Buildings, Sargodha. Moreover, neither extension in time limit were granted nor penalty for delay in completion of work was imposed on contractors due to which almost all the development schemes remained incomplete even after lapse of specified time limit.

Audit held that due to weak internal and financial controls penalty was not imposed on contractors.

This resulted in non-imposition of penalty of Rs 54.485 million and deprivation to masses from the benefit of development schemes.

Audit pointed out the matter in August, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the departments to recover the penalty from the contractors.

Audit recommends imposition of penalty and recover the amount from the contractors.

[PDP No.62]

17.4.2.6 Unauthorized payment of PST – Rs 22.49 million

As per Punjab Revenue Authority instructions issued vide No. PRA/22477 dated 25.04.2014 and in the light of Notification No. SO(TAX) 1-2/97 (PT VIII), sales tax @ 5% is required to be deducted from the payment made for services rendered w.e.f. July, 2013.

Chief Executive Officer District Education Authority transferred an amount of 449.818 million to XEN buildings for the construction of schools. The XEN buildings un-authorizedly charged 5% PST to overall cost the schemes rather deducting this tax from the contractors in violation of rules. Audit also noticed the following irregularities.

1. As per PRA notification PST was required to be deducted from contractor without any input tax credit.
2. MRS of Punjab Government MRS rates are inclusive of all taxes.
3. No orders / instructions of Government were produced regarding charging of PST to cost of estimates.

Audit held that due to weak internal controls and weak financial discipline PST was charged to cost of estimates

This resulted in loss of Rs 22.49 million to public exchequer.

Audit pointed out the matter in July, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05-12-2018. DAC directed the departments to recover the amount of PST.

Audit recommends that fixing of responsibility and recovery of PST be effected.

[PDP No.61]

17.4.2.7 Non-payment of pension/gratuity to MC employees – Rs 6.9 million

According to rule 6 (K) of District Authorities Budget Rules, 2017 read with para 5 of notification number FD(DG)1/Instruction-Act-13/2016 dated 25.05.2016 of Finance Department Government of the Punjab, the budget and accounts officer shall be responsible to maintain pension fund for the Government employees of Health sector adjusted in the District Authority. Authority shall deposit the monthly pension contribution @ 40%/50% as the case may be of the pay of employees of defunct MC/ZC adjusted in authority w.e.f. 01.01.2017 onward to the District Health Authority Pension Funds.

During audit of CEO (Education Authority), Sargodha for Financial Year 2017-18 it was observed that since the establishment of the District Education Authority, Sargodha neither established the pension contribution fund for the MC cadre teachers of defunct MCs nor provided allocation for this purpose. Moreover efforts were not made to recover the outstanding pension funds of these pensioners available with the respective MCs.

Audit held that due to financial mismanagement the pension contribution fund was not maintained.

This resulted in nonpayment of pension to retired /retiring teachers of MCs cadre Rs 6.9 million.

Audit pointed out the matter in August, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed to establish the pension fund and to recover the outstanding pension funds from MC.

Audit recommends fixing of responsibility and recovery of outstanding pension funds from MC.

[PDP No.59]

17.4.2.8 Double Payment of income tax - Rs 6.047 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 10% respectively on account of supplies and services rendered.

Management of primary and elementary schools under the administrative control of CEO District Education Authority Sargodha utilized the NSB budget for the procurement of miscellaneous items and made payment to the vendors. The management paid income tax from its own budget instead of deducting from the vendors claim.

Sr.No.	Name of formations	PDP No.	Amount (Rs)
1	Dy.DEO M-EE Bhalwal	20	240,493
2	Dy.DEO W-EE, Sargodha	23	631,219
3	Dy. DEO M-EE, Sargodha	33	1500000
4	Dy.DEO M-EE Kotmomin	49	3,357,233
5	Dy.DEO W-EE Kotmomin	92	317,694
Total			6,046,639

Audit held that due to weak internal controls and weak financial discipline income tax was not deducted.

This resulted in loss of Rs 6.047 million to public exchequer.

Audit pointed out the matter in July, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05-12-2018. The committee directed the departments to recover the amount of income tax within 30 days.

Audit recommends fixing of responsibility and recovery of income tax.

17.4.2.9 Undue retention of public funds in DDO account - Rs 5.170 million

According to rule 31 (2) PLG (Accounts) Rules 2001 read with rule 2.10 (b) (5) PFR Vol-I, no money shall be withdrawn from treasury unless required for immediate disbursement.

During scrutiny of the accounts record of CEO (DEA), Sargodha for the financial year 2017-18, it was noticed that a sum of Rs 5.170 million was available in DDO account of CEO (DEA), Sargodha since long. Purpose of the drawl of the amount was also not known.

Audit held that due to weak financial discipline amount was retained in DDO account.

This resulted in undue retention of money in DDO account Rs 5.170 million.

Audit pointed out the matter in August, 2018. The department replied that the amount will be credited into government treasury.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department to probe into the matter as early as possible and credit the amount to the treasury.

Audit recommends fixing of responsibility against the person(s) at fault besides credit of the amount to treasury.

[PDP No.58]

17.4.2.10 Recovery on account of advance increments –Rs 2.597 million

According to Notification No.FD.PR.21-30/13 dated 17-11-2014 government of Punjab Finance Department Lahore, the advance increment

granted from time to time on acquiring higher qualification over and above the qualification prescribed for the post shall ceased to paid from cut of date i.e. 23-09-2013. Further all the incremental financial benefit granted prior to the cutoff date shall not be recovered from the beneficiary. However benefit/increment allowed after cutoff date shall be recovered from concerned teachers.

DDOs of the following formations under the administrative control of CEO District Education Authority paid advance increments to their employees which were not admissible. Management neither recovered the amount of previously paid advance increments nor discontinued for future.

Sr.No.	Name of formations	PDP No.	Amount (Rs)
1	Dy. DEO (M-EE) Bhalwal	21	188,069
2	Dy. DEO (M-EE) Shahpur	22	505,135
3	Dy. DEO (WEE) Bhalwal	79	1,013,998
4	Dy. DEO (W-EE) Kotmomin	85	889,769
Total			2,596,971

Audit held that due to weak internal controls advance increments was paid to employees.

This resulted in over payment of advance increment Rs 2.597 million

Audit pointed out the matter in July, 2018. The department replied that recovery is pended in the light of orders of Supreme Court.

The matter was discussed in DAC meeting held on 05-12-2018. The committee directed the departments to recover the amount of over payment within 30 days.

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

17.4.2.11 Non forfeiture of performance guarantee – Rs 2.527 million

As per condition # 10 & 8 of the tender, the firms were bound to supply the material within stipulated time period otherwise security would have to be forfeited. The authority was required to ensure that the firm is fully equipped with latest machinery and man-power and will make the supply within prescribe period.

During scrutiny the accounts record of CEO (DEA), Sargodha for the financial year 2017-18, it was revealed that firm did not supply furniture to several schools within specified period in violation of agreement. The management did not forfeit the security deposit of firm and released their performance guarantee amount.

Audit held that due to weak financial and internal controls, performance security was not forfeited.

This resulted in non-forfeiture of performance grantee amounting to Rs 2.527 million.

Audit pointed out the matter in August, 2018. The department replied that the detailed reply will be submitted after scrutiny.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department to recover the performance guarantee from the contractors.

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

[PDP No.55]

17.4.2.12 Loss due to purchase of furniture – Rs 2.274 million

As per rules 2.44 (a) of PFR Vol-I read with para 4 of appendix-5 of PFR Vol-II, the terms of contract once entered should not be materially varied without the previous consent of the competent financial authority.

During scrutiny of record of CEO (DEA), Sargodha for the financial year 2017-18, it was revealed that for the work “provision of furniture to schools, the Wood Works Service Center Rawalpindi being public manufacturing unit, in negotiation offered to deliver the furniture to schools on the rates offered by lowest bidders.

Audit held that the Wood Works Service Center Rawalpindi was still not lowest bidders after negotiation because the rates offered by lowest bidders were inclusive of all taxes while rates offered by Wood Works Service Center Rawalpindi were excluding income tax as they claimed income tax exemption. Audit concluded that the management should pay the rate of lowest bidder ‘excluding taxes, to the wood works

service centre Rawalpindi. Audit further observed that the furniture items Desk bench of same specification in the same year, was purchase by the CEO (DEA) Khushab from Khan Traders Taunsa Sharif D.G Khan at very lower rates @ Rs 5,700 per set whereas DEA Sargodha had paid Rs 9,610 per set. Detail is as under:

Item	TEVTA Rate	Lowest Bidder Rate Inclusive of Income Tax	Lowest Bidder rate Without Income Tax	TEVTA Reduce Rate	Amount Over Paid (Rs)
Desk Bench High	9,998	9,610	9,177.55	9,610	2,274,066
Desk Bench Middle	9,650	9,494	9,066.77	9,494	
Student Chair High	3,798	3,470	3,313.85	3,470	
Student Chair Middle	3,385	3,135	2,993.925	3,135	
Steel Almirah	14,560	13,990	13,360.45	13,990	
Computer Table	5,735	5,735	5,476.925	5,735	
Computer Chair	6,560	6,475	6,183.625	6,475	

Audit held that due to weak internal and financial controls works was awarded to the contractor other than lowest bidders.

This resulted in loss to public exchequer Rs 2.274 million.

Audit pointed out the matter in August, 2018. The department replied that the matter will be taken at appropriate level for investigation.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department for regularization of expenditure from the competent forum.

Audit recommends probe in the matter for fixing responsibility of loss against the person (s) at fault.

[PDP No. 52]

17.4.2.13 Non-recovery of liquidated damages - Rs 1.640 million

As per Clause 39 of the agreement, if the contractor fails to complete his work within stipulated period, he will be liable to pay as compensation 1% to 10% of estimated cost.

During audit scrutiny of record of development schemes of CEO (Education) for the financial year 2017-18 executed through Executive Engineer, Buildings Division, Sargodha, it was revealed that the work “multi purpose hall in GBHS at chak 71/SB awarded a work to a

contractor on 15.05.2017. The work was to be completed within 09 months. Neither the contractor completed the work in time nor department made recovery of compensation charges for Rs 1,640,338 (16,403,673 x 10%) from contractor.

Audit held that recovery of LD charges was not made to extend undue favour to suppliers/vendors.

This resulted in loss to the Govt. of Rs 1.640 million.

Audit pointed out the matter in August, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department to recover the liquidated damages from the contractors within 30 days.

Audit recommends recovery of the stated amount besides fixing of responsibility against the person at fault.

[PDP No.68]

17.4.2.14 Non-deduction of income tax – Rs 1.478 million

As per exemption certificate of FBR, the TEVTA was granted income tax/withholding tax exemption under section 151 (profit on debt) and section 231A (cash withdrawals) under Income Tax Ordinance, 2001. Further as per section 153 of Income Tax Ordinance, 2001 every prescribed person is liable to deduct income tax at source @ 4.5% while making payment to filer supplier.

Scrutiny of the accounts record of CEO (DEA), Sargodha for the financial year 2017-18 revealed that a payment of Rs 36.096 million was made for supply of furniture to Wood Works Service Center Rawalpindi but income tax at prescribed rates was not deducted and allowed them exemption in tax on supplies which was not admissible.

Audit held that due to weak financial discipline income tax was not deducted at source.

This resulted in loss to Government on income tax Rs 1.478 million.

Audit pointed out the lapse in July, 2018. The management signed the observation without any reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department for clarification within 30 days.

Audit recommends fixing of responsibility against the person(s) at fault besides recovery of the income tax amount under intimation to Audit.

[PDP No. 54]

17.4.3 Performance

17.4.3.1 Wasteful expenditure on establishment of I.T lab without appointing I.T teachers – Rs 50.3 million

As per Rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of the account record of CEO (DEA), Sargodha for the financial year 2017-18 revealed that 54 Labs were established under scheme construction of I.T labs but for several schools sanctioned post of I.T teacher were not available. Without availability of qualified staff proper utilization of these I.T lab is not possible.

Audit held that due to weak internal and administrative controls labs were established prior to recruitment of lab teachers.

This resulted in wasteful expenditure of Rs 50.3 million.

Audit pointed out the matter in August, 2018. The department did not submit reply.

The matter was discussed in DAC meeting held on 05.12.2018. The committee directed the department to appoint the I.T teachers in the schools within 30 days.

Audit recommends fixing of responsibility of lapse against the person(s) at fault besides appointing IT teachers in these schools.

[PDP No.57]

CHAPTER 18

DISTRICT EDUCATION AUTHORITY, SHEIKHUPURA

18.1 Introduction of Authority

District Education Authority, Sheikhpura was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Sheikhpura is a body corporate having perpetual succession and a common seal, with power to acquire / hold property and enter into any contract and may sue and be sued in its name.

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

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

DEA Sheikhpura manages following schools / education offices:

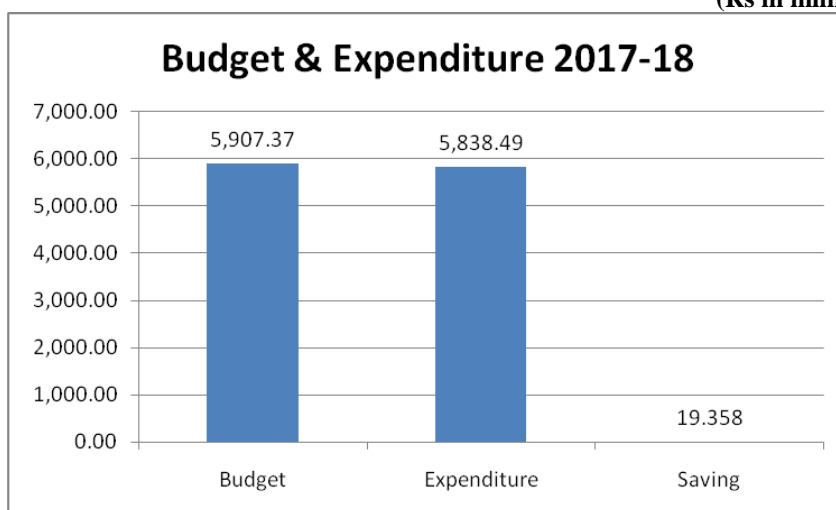
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	5
Dy. DEO (WEE)	5
High and Higher Secondary Schools	168

18.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2017-18 was Rs 5,907.367 million, against which only Rs 5,838,492 million was spent. Overall savings of Rs19.358 million during the Financial Year 2017-18 which was 1.96% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

Financial Year 2017-18	Budget (Rs in million)	Expenditure (Rs in million)	Excess / Saving (Rs in million)	% Saving
Salary	5,586.880	5,601.010	- 14.130	- 0.25
Non-Salary	140.908	91.483	49.425	35.08
Development	179.580	145.636	33.944	18.90
Total	5,907.368	5,838.129	69.239	

(Rs in million)



18.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab:

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	18	Not convened

18.4 AUDIT PARAS

18.4.1 Non-Production of Record

18.4.1.1 Non-Production of Record - Rs 225.323 million

According to Section 14 (1) (b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

During scrutiny of record of CEO District Education Authority SKP for the financial year 2017-18, it was observed that authority transferred an amount of Rs 225.323 million to building department for development works but supporting vouchers / documents were not produced to audit for scrutiny.

Audit holds that vouched account was not produced due to weak internal controls and poor financial discipline.

This resulted in non-production of vouched accounts amounting to Rs 225.323 million.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends production of record for audit scrutiny besides fixing responsibility against the officers at fault.

18.4.2 Irregularities & Non-compliance

18.4.2.1 Irregular cash payment instead of cross cheque - Rs 16.716 million

According Finance Department Government of Punjab letter No.FD(FR)V-6/75(P) 4.49(a) payment of Rs 100,000 and above to the contractors and suppliers shall not be made in cash by the drawing & disbursing officers (DDOs).At places where pre-audit cheques are issued, sanctioning authority shall accord sanction to incur expenditure, under his own signature in favor of contractor/supplier incorporating CNIC No. of the contractor/supplier.

Management of certain formations of District Education Authority, Sheikhpura made payment of Rs 16.716 million to different suppliers by drawing cheque in the name of DDO and making payment in cash instead of cross cheques.

Sr. No.	Name of Formation	PDP No.	Amount (Rs in million)
1	CEO District Education Authority SKP	9	16.362
2	Govt. Special Education Centre Ferozewala	11	0.354
Total			16.716

Audit was of the view that due to weak internal control, expenditures held irregular

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends regularization of matter from the competent authority besides fixing responsibility against officers at fault.

18.4.2.2 Defective execution of civil works – Rs 14.732 million

According to para 3.4 sub para 2 of the guidelines of NSB funds, the head of the school will submit a copy of development plan to the concerned AEO for scrutiny. Sub Para 8 of Para 3.4 states that after completion of development activities the head of the school will submit completion report to the concerned Dy. DEO.

During audit of DDEO (EE-W) Muridke for the financial year 2017-18, it was observed that an amount of Rs 14.732 million was expended on civil works like repair of buildings, construction of washrooms etc. without approval of development plan was by NSB

Committee. After the completion of development plan completion report was not sent to the concerned Dy. DEO.

Audit was of the view that expenditure on account of civil works characterized by poor financial discipline and weak internal controls.

This resulted in irregular expenditure on civil works.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends holding of a detailed enquiry into the matter fixing responsibility against the officers / officials at fault,

[PDP No 02]

18.4.2.3 Non-deposit of general sales tax and income tax – Rs 6.211 million.

According to clause 153(a) of the Income Tax Ordinance 2001, income tax at prescribed rates be deducted from payments made to suppliers of goods and services. According to CBR letter No.4(47) STB/98 (Vol-I) dated 04.08.2001, all Government Departments and organizations are required to purchase taxable goods only from registered persons against prescribed sales tax invoices and forwarded an intimation to the concerned sales Tax collectorate for the purpose of Audit / verification of deposit of tax.

The following offices of District Education Authority, Sheikhpura made purchases of different items from different vendors but neither sales tax charged nor income tax was not shown to be withheld at prescribed rate for deposit in government treasury, resulting in loss of Rs 6.211 million to the Government.

(Amount in Rs)

Name of Office	PDP	Amount	GST	Income Tax
Govt. Special Education Centre Ferozwala	4	0.481	-	0.00961
DDEO (EEM) Muridke	1	11.580		0.753
			2.201	0
CEO Education Authority SKP	5	0.204	0.163	0
DDEO (EEW) Muridke	5	11.928		1.279
			4.834	
DDEO (WEE) Ferozwala, Sheikhpura	6	1.375	0	0.532
			0.845	0
Total		25.568	5.679	0.532
Grand Total				6.211

Audit was of the view that deduction of income tax and general sales tax was not made due to poor financial discipline.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of government taxes from vendors besides fixing responsibility against officers at fault.

18.4.2.4 Irregular payment of pay and allowances - Rs 4.977 million

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

Government Special Education Center, Ferozwala paid Rs 4.977 million on account of Pay and Allowances to contract employees without carrying out verification of their degrees from the concerned institutes.

Audit holds that payment of pay and allowances without verification of degrees was due to weak internal controls.

The matter was reported to PAO in October, 2018 but neither reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of expenditure besides fixing responsibility against the concerned.

[PDP No. 7]

18.4.2.5 Non-utilization of NSB funds - Rs 4.681 million

According to para 2.1 of Booklet of guide lines for NSB (Non-salary Budget) issued by Education Department Govt., of the Punjab “NSB funds is provided to fulfill the daily needs of school and to facilitate the education activities”

During audit of the following two formations of District Sheikhpura it was found that a sum of Rs 4.681 million was found unutilized in the NSB accounts of the schools as detail given below.

Sr. No.	Department	Description	PDP No.	GST
1.	Dy DEO (EEW), Muridke	Purchase of misc. items	10	1.995
2.	Dy. DEO (EEW), Ferozwala	Purchase of misc. items	05	2.686
Total				4.681

Audit was of the view that non-utilization of funds was poor financial discipline and weak internal controls.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against officers at fault.

18.4.2.6 Payment of conveyance allowance during Leave period—Rs 3.027 million

According to Rule 1.15 (2) of Punjab Travelling Allowance Rules, conveyance / mobility allowance is not admissible during summer & winter vacations. Further according to sub-section of 8.18 of Section SR 7-A, Conveyance Allowance is not admissible during leave period.

During audit of following formations, it was observed that conveyance allowance for Rs 3.027 million was not deducted during leave period / summer and winter vacations.

Sr. No.	Name of Formation	PDP No.	Nature of Leave	Amount (Rs)
1	Govt. Special Education Centre Ferozwala	6	Summer / winter vacation	0.420
2	DDEO (EEM) Muridke	4	-do-	1.651
3	DDEO (EEW) Muridke	15	-do-	0.536
4	DDEO (EEW) Ferozwala	09	-do-	0.197
5	Govt. Special Education Centre Ferozwala	05	LFP, LHP etc	0.024
6	DDEO (EEW) Ferozwala	16	LFP, LHP etc	0.199
Total				3.027

Audit was of the view that payment of conveyance allowance during leave period was due to poor financial indiscipline and weak internal controls.

This resulted in loss of Rs 3.027 million to the public exchequer.

The matter was reported to PAO in October, 2018 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

18.4.2.7 Irregular drawl of qualification allowance - Rs 2.725 million

According to Finance Division's O.M. bearing No.F.1(12)Imp.II/91, dated 19-8-1991, qualification allowance is admissible subject to terms & conditions including verification of testimonials from degree awarding institutions/ HEC.

Management of the two formations paid Qualification Allowance @ Rs600 and 400 each teacher during 2017-18 without ensuring verification of degrees from respective universities / institution.

Sr. No.	Name of office	Para No.	Amount (Rs)
1	Govt. Special Education Centre Ferozwala	10	0.412
2	Deputy District Education Officer (W-EE) Muridke	16	2.313
Total			2.725

Audit was of the view that payment of qualification allowances without verification of degrees was due to weak internal.

This resulted in irregular expenditure of Rs 2.725 on account of payment of qualification allowance.

The matter was reported to the PAO in October, 2018. Neither reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

18.4.2.8 Posting of AEO's without sanctioned posts Rs2.274 million.

According to Rule17.15 of PFR Vol-I No Govt. Servant without previously obtaining an extra appropriation, incur expenditure in excess of amount provided for expenditure under the head concerned. For every payment there should be a budget allocation, and posting transfer must be done against sanctioned posts.

During scrutiny of the accounts record of office of the Dy. DEO (WEE) Ferozwala for the year 2017-18, it was observed that four AEO's were posted and drawing their pays against one sanctioned post. Hence drawl of pay and allowances of Rs 2.274 million were irregular.

Name of AEO	Gross pay per month	Period in months	Total pay
Abdul Hadi AEO	47,380	12	568,560
M.Nazim	47,380	12	568,560
Naureen Fatima	47,380	12	568,560
Zakia Bano	47,380	12	568,560
Total			2,274,240

Audit was of the view payment of pay and allowances in excess of sanctioned posts was due to financial indiscipline and weak internal controls.

This resulted in irregular payment of salaries of Rs2.274 million.

The matter was reported to the PAO in October, 2018. Neither reply was submitted by the department, nor DAC meeting convened till finalization of this report

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

[PDP No. 11]

18.4.2.9 Non-verification of GST - Rs 1.238 million

According to FBR's letter No.4(47)STC/98(Vol. I) dated 4.8.200, purchasing department / organization are required to forward intimation regarding recovery/deposit of GST to the concerned GST collectorate for verification.

During audit of the following formations, it was observed that an amount of Rs 1.239 million was paid to the supplier on account of GST for purchase of different items but its verification was not made from BR department.

Sr. No.	Department	Description	PDP No.	GST (Rs in million)
1.	DDEO (EEW), Muridke	Purchase of misc. items	03	1.144
2.	DDEO (EEM), Muridke	Purchase of misc. items	17	0.094
Total				1.238

Audit was of the view that verification of GST was not made due to defective financial management and non-compliance of rules.

This resulted in likely pilferage of unaccounted for GST worth Rs 1.238 million.

The matter was reported to the PAO in October, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in manner prescribed besides fixing responsibility against the officers / officials at fault.

18.4.2.10 Unjustified payment of charge allowance - Rs 1.219 million

According to Government of Punjab, Finance Department Notification No. FD-PR-10-71/72 dated 18-06-1973, charge allowance to the Head Masters of Government Primary Schools is admissible only where five teachers are posted in the school and enrollment is up to 150 students.

Scrutiny of payroll record of the following formations District Education Authority Sheikhpura revealed that expenditure of Rs 1.219 million was incurred on account of Charge Allowance without observing above criteria.

Sr. No.	Department	PDP No.	Amount (Rs in million)
1.	DDEO (EEW), Muridke	14	0.594
2.	DDEO (EEM), Muridke	06	0.660
3.	DDEO (EEW), Ferozwala	15	0.559
	Total		1.219

Audit was of the view that due to weak internal and administrative control charge allowance was paid without fulfillment of criteria. This resulted in irregular payment.

This resulted in irregular payment of charge allowance for Rs 1.219 million

The matter was reported to the PAO in October, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault.

**18.4.2.11 Non collection of renewal fee and fine of private schools
- Rs 251,000.**

According to the Punjab Private Education Institutions (Promotion & Regulation) Rules 1984.as per No. SO(A-I) 7-21/81 dated 24/08/1998 of Government of the Punjab of the Punjab Education Department, whoever continues to run an Institution without registration or after refusal or cancellation shall be punished with fine which may extend to Rs. 100/- for each day during which contravention continues and where the contravention continues for a period of 3-months the Institution shall be closed by registering authority as per Memo No. 3593/D/AB dated 18/04/2000 of Director Public Instruction (EE) Punjab Lahore. Further an amount of Rs 5000 and Rs 7000 required to be collected from the privately managed Institutions on account of Registration fee and Inspection Fee Rs. 1000/- and Rs. 500/- for annum respectively shall be collected on account of Elementary and High Schools in private Sector.

During Audit of CEO Education Sheikhpura for the financial year 2017-2018, it was observed that private schools did not paid extension fee and fine after lapsed of expired period due to this omission government receipts amounting to Rs.251,000 was not recovered from concerned as detail below.

Audit was of the view that non-collection of registration fee and penalty was due to weak internal controls.

This resulted in loss of the Rs 251,000 to the public exchequer.

The matter was reported to the PAO / CEO in October, 2018 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery of the realizable dues besides fixing responsibility against the officers / officials at fault.

[PDP No. 08]

18.4.3 Performance

18.4.3.1 Non verification of closing balance of SDA Pass book - Rs 153.808 million

As per para 2.2 (b) of Treasury Rules (Budget and reconciliation) monthly reconciliation statements duly signed by PAO/DDO/Operator of SDA along with photo copies of pass book shall be submitted by 7th of each month to the Treasury Officer for verification and authentication. Further vouched account against these payments prior to disbursement of new releases is conspicuous by absence contrary to provisions set forth in term of para 2.3(a) of Treasury Rules be submitted to the concerned AG/DAG/TO for post audit by 15th of each month. Further, a passbook should be kept for each Personal Deposit Account PLA / SDA. It should be the duty of the administrator of the fund to see that the passbook is sent to the treasury officer at least once a month and balanced according to provisions of Rule 12.19 of PFR Form 25 read with Rule 12.20 of PFR which provides that the Treasury Officer is responsible for seeing that the entries are correctly made and at the end of the each month the entries on each side of the pass books are totaled and the balance struck and agreed with the treasury account. The Treasury Officer should then sign the book.

School Education Department, Government of the Punjab vide letter No. SO(ADP) Release-420/2016-17 dated 19.01.2017 addressed to Secretary Finance requested for transfer of A/C-IV balance as on 31.12.2016 into SDA of DEA.

Contrary to above, an audit scrutiny of accounts record of CEO Education Authority SKP revealed that Finance Department released funds to the tune of Rs 278.39 million in to the joint SDA of DC/Administrator and CEO DHA, in which Rs.226.542 million expenditure was incurred and remaining balance amounting to Rs. 153.808 million on 30-6-2018 was not verified with SDA pass book and same amount was not transferred into Account-V. The pass books of the SDAs (Development and Non Development) were not sent to Treasury Office on monthly basis for verification and authentication in violation of rule *ibid*. The examination of record revealed that only a plain register was maintained, and each and every transaction was not verified by the Administrator / operator of the account.

Rs in million

Description	Funds received	Expenditure incurred	Balance on 30-6-18
Opening Balance School Education (1-7-17)	-	-	82.441
Opening Balance Special Education (1-7-17)	-	-	26.904
Opening Balance Literacy (1-7-17)	-	-	12.615
SDA Development (1st trench)	163.247	139.497	23.750
CM director SDA Dev (PP-170)	57	30.087	6.913
SDA Development (2 nd Trench)	58.143	56.958	1.185
Total:-	278.39	226.542	153.808

Table-B (closing balance on 30-6-2017 and become opening balance on 1-7-18)

(Rs in Million)

District	Name of Department	Balance available in A/C-IV on 31.12.2016	Total Funds in SDA	Expenditure in SDA	Balance
Sheikhupura	School Education	270.829	206.478	124.037	82.441
	Special Education		42.360	15.456	26.904
	Literacy		21.991	9.376	12.615
	Total	270.829	270.829	148.869	121.96

Audit holds that non verification of closing balance of SDA with pass book and non-transferring of remaining balance in account-V was due to weak internal control and poor financial discipline.

This resulted in non-verification and nontransferable closing balance SDA amounting Rs 153.808 million.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP No. 02]

18.4.3.2 Transfer of NSB funds without pre-audit - Rs 73.146 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who

will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided that the provisions contained in chapter 10 and 17 of the APPM will be implemented". Further, according to rule 3.4 of Non Salary Budget Guide Lines, every school will prepare School Based Action Plan for the utilization of funds. According to Rule 16 read with Rule 33 of Punjab District Authorities (Accounts) Rules 2017, the accounts officer shall perform pre-audit of all payments of local fund and public account before authorizing its disbursement

During audit of the formations, it was observed that Rs 73.146 million were transferred to the Primary & Elementary Schools on account of NSB in schools during 2016-18. Accordingly the heads of the schools incurred expenditure out of the funds of NSB. The drawing authorities did not submit monthly account of expenditure with copies of paid vouchers to the AG Punjab for post audit purpose in violation of above directions.

Sl. #	Department	Description	PDP#	Amount
1.	DDEO (EEM), Muridke	Transfer of funds without pre-audit	11	15.906
2.	DDEO (EEM), Ferozwala		08	28.804
3.	DDEO (EEW), Muridke		12	28.436
Total				73.146

Audit was of the view that due to weak internal and administrative controls pre-audit system was not adopted while incurring expenditure.

This resulted in irregular expenditure of Rs 73.146 million.

The matter was reported to the PAO during October, 2018. Neither reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP No. 11,08,12]

18.4.3.3 Non utilization of IT Labs fund - Rs 23.750 million

School Education Department, Government of the Punjab vide letter No. SO(ADP) Release-420/2016-17 dated 19.01.2017 directed vide endorsement No.5 that all DCs are requested to execute the development schemes pertaining to Procurement and establishment of IT labs and other revenue component from the SDAs. The Funds shall not be re-appropriated by the District Government for any other purpose.

Scrutiny of record of CEO District Education Authority Education Sheikhpura for the financial year 2017-2018 revealed that funds of Rs 23.75 million allocated for provision of IT labs in higher secondary schools were not utilized of CEO. The poor students were deprived from the facility which provided by government for establishment of IT labs. Neither this amount was not transferred in to account-V nor verified with SDA pass book.

Rs in million					
Cheque No.	Date	Name of Schemes	Fund received	Fund used	Balance
759807	30-11-17	Provision of IT Labs in High/Higher Secondary Schools	20.000	0	20.000
		Provision of IT Labs in Elementary Schools	3.750	0	3.750
Total			23.75		23.75

Audit holds that non utilization of IT labs fund, non-transferred fund into account-V and non-verification balance SDA pass book was due to weak internal control and poor financial discipline.

The matter was reported to the PAO in October, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP No. 12]

CHAPTER 19

DISTRICT EDUCATION AUTHORITY, SIALKOT

19.1 Introduction of the Authority

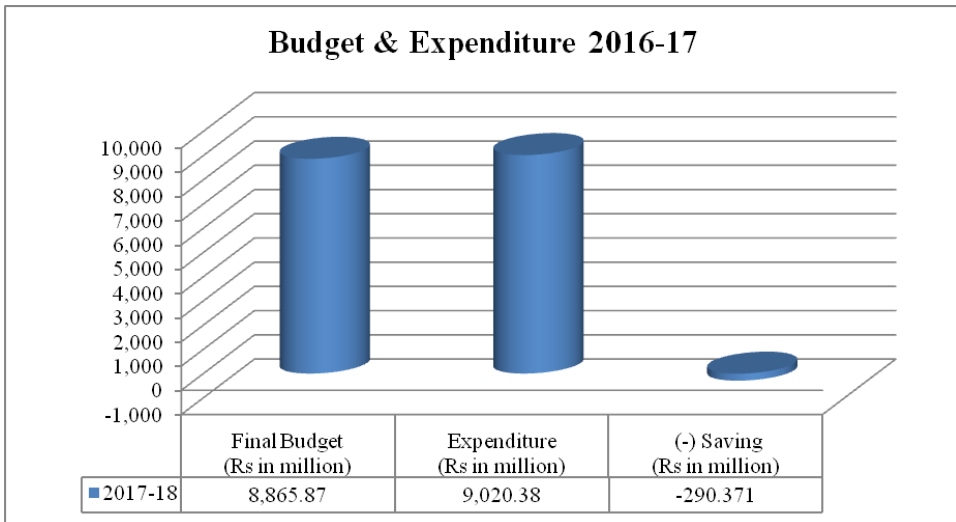
As per PLGA, 2013, the activities of District Education Authority are managed under the administrative control of a CEO Education who acts as a PAO assisted by District Officer Education, Medical Superintendents and Senior Medical Officers distributing the work amount the officers, branches and / or sections of each Office. Following is the list of Departments through which the activities of District Education Authority are managed:

1. Chief Executive Officer Education (CEO)
2. District Education Officers
3. Deputy District Officers Education
4. Head Masters of special education centers
5. Head Masters of High Schools
6. Principals of Higher Secondary Schools

19.2 Comments on Budget and Accounts

During FY 2017-18 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 8865.866 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 9020.377 million, showing savings of Rs 290.371 million for the period, which in terms of percentage was 3.22% of the final budget as detailed below:

Financial Year 2017-18	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving / (+) Excess (Rs in million)	%age of Savings
Salary	8,034.145	8,479.027	+444.882	5.54%
Non Salary	311.025	307.022	-4.003	1.29%
Development	520.696	234.328	-286.368	54.99%
TOTAL	8,865.866	9,020.377	-290.371	3.22%



19.3 Brief Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to following year was submitted to the Governor of the Punjab:

Sr. #	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	2	Not convened

19.4 AUDIT PARAS

19.4.1 Irregularities & Non-compliance

19.4.1.1 Irregular expenditure out of development head- Rs.203.834 million

According to rule 2.14 (a) (ii) of Departmental Financial Rules, to assist the Divisional Officer in the discharge of his responsibilities referred to above, the Director, Audit & Accounts (Works) will post a Divisional Accountant to his office as primary auditor, i. e., as the representative of the Director, Audit & Account (Works) entrusted with the responsibility of applying certain preliminary checks to the initial accounts, vouchers, etc. (Chapter 6 in section IV of Audit Code-First Edition).

CEO (Education) Sialkot paid an amount of Rs.203.834 million to XEN Buildings Sialkot and Sampak Int. during financial year 2017-18 for execution of various development schemes on Deposit Work basis and resident consultancy services respectively. Further scrutiny noticed that these funds were paid to said vendors out of regular cost center of development i.e. SX 8996 by submitting these bills / payment advices to District Accounts Officer Sialkot for pre-audit and payment. Whereas these payments were required to be transferred / paid directly in Public Works Deposits Head or after pre-audit by Divisional Account / Technical Staff. It was observed with great concern that DAO Sialkot and his staff was non-technical and did not qualified the technical exams. In this situation these payments were made without pre-audit by the Divisional Accountant / Technical Staff. This resulted into irregular expenditure out development head - Rs.203.834 million.

Cost Center	Document No.	Document Date	Doc. Type	G/L	G/L Descp	Amount	Cost Center Desc	Vendor Name
SX8996	1900014896	22.12.2017	KR	A05270	Other	195,872,000	CEO DEA	XEN Buildings Division Sialkot
SX8996	1900051305	20.10.2017	KR	A05270	Other	4,549,730	CEO DEA	SAMPAK International (Pvt.) Ltd.
SX8996	1900009206	11.01.2018	KR	A05270	Other	2,274,862	CEO DEA	SAMPAK International (Pvt.) Ltd.
SX8996	1900077464	30.01.2018	KR	A05270	Other	1,137,431	CEO DEA	SAMPAK International (Pvt.) Ltd.
Total						203,834,023		

Audit holds that due to weak financial controls irregular expenditure was incurred.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends inquiry of the matter under intimation to Audit.

[PDP No 10]

19.4.1.2 Irregular transfer of funds amounting Rs.195.872 million

According to Finance Department letter No. IT (FD)3-7/2000 dated 01.01.2001, M&R of buildings the funds would not constitute a deposit work and the funds were to be utilized upto 30th June and the unspent balance would be refunded to the concerned DDO.

Scrutiny of accounts record of CEO (Education) Sialkot revealed that Rs.195.872 million was transferred to XEN Buildings Sialkot during the financial year 2017-18 for execution of development schemes of various schools. However neither vouched accounts regarding execution of work were submitted nor the residual balance intimated and refunded to CEO (Education) office. Further probe revealed that inspection reports regarding completion or work in progress were also missing in record. In the absence of requisite record it can be easily concluded that funds might be misused and chances of misappropriation cannot be rule out.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit holds that irregular transfer of funds was happened due to negligence of management and weak internal controls.

Audit recommends regularization of the matter under intimation to Audit.

[PDP No 11]

19.4.1.3 Irregular payment of arrears of pays & allowances - Rs.73.307 million

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

Deputy DEO (W) Pasrur paid an expenditure of Rs.73.307 million, during financial year 2017-18, on account adjustments / arrears of pay &

allowances to various officials / officials but due drawn statements and other supporting documents relating to these claims were not found in record. It resulted into irregular expenditure of Rs.73.307 million.

Audit holds that record relating to arrears of pay & allowances was not maintained due to negligence of management and weak internal controls.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

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

[PDP No 18]

19.4.1.4 Doubtful expenditure Rs.43.945 million on development schemes

According to Finance Department letter No. IT (FD)3-7/2000 dated 01.01.2001, on completion of the project the executing agency would render a completion certificate together with a statement of accounts.

Scrutiny of the accounts record of CEO (Education) Sialkot for the financial year 2017-18 observed that an amount of Rs.61.881 million was transferred to XEN Buildings Sialkot out of Special Deposit Account SB 5414 for construction work of schemes of schools against this release these schemes were shown as completed and handed over by expending Rs.43.945 million. This resulted into doubtful expenditure of Rs.43.945 million.

The said expenditure or progress was held doubtful on the following grounds: -

- No completion certificate was found available against any of the schemes.
- No handing over / taking over certificate was found available of these schemes.
- PC-IV was also not available of these schemes.

In the absence of above mentioned documents / evidences the expenses as well as completion of these schemes could not be verified.

Audit holds that due to weak financial controls and negligence of management the above mentioned documents were not obtained from execution agency.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends inquiry of matter at higher level under intimation to Audit.

[PDP No 10]

19.4.1.5 Lapse of government funds amounting to Rs.39.761 million

According to rule 5.65 (ii) of DDO Handbook, all "grants-in-laid not utilized within the financial year or any unspent balance thereof lapse and the amount should be surrendered back to the Government.

Scrutiny of the accounts record of CEO (Education) Sialkot for the financial year 2017-18 noticed that an amount of Rs.337.507 million was released by the government of the Punjab in Special Drawing Account (Development) SB 5414 along with list of development schemes. But due to mismanagement and carelessness of the DEA all the funds were not utilized nor all the schemes were completed / executed resultantly the balance amount i.e. Rs.39.761 million was lapsed. Detail is as follows: -

SB 5414 Development		
Receipt	Payment	Balance
337.507 million	297.746 million	39.761million

Audit holds that due to weak financial controls of management huge funds were lapsed.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

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

[PDP No 4]

19.4.1.6 Un-authentic expenditure amounting to Rs.31.131 million

As per rule 13.4 of Punjab Budget manual read of Govt. of Punjab Finance Deptt.No.SO (TT) 2(I)/83 dated 27-9-1986, “the monthly expenditure statements are to be verified from the District Accounts Officers”.

During the course of audit of the accounts of CEO (Education) Sialkot for the period 2017-18 it was noticed that expenditure incurred during the whole financial year was not got verified from the District Accounts Office Sialkot because the monthly expenditure statements were not prepared by the dealing clerk. It was also added by this clerk that this office had no practice to prepare such expenditure statements. In this situation DDO did not notice this blunder and not taken any action for rectification. It resulted into un-authentic expenditure of Rs.31.131 million.

Audit holds that due to weak internal control expenditure statements were not maintained.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends matter be justified along with fixing the responsibility on the persons at fault under intimation to Audit.

[PDP No 5]

19.4.1.7 Non-recovery of un-spent balance amounting to Rs 17.936 million

According to Finance Department letter No. IT (FD)3-7/2000 dated 01.01.2001, M&R of buildings the funds would not constitute a deposit work and the funds were to be utilized upto 30th June and the unspent balance would be refunded to the concerned DDO.

CEO Education Sialkot did not recover the un-spent balance out of funds released to XEN Buildings Sialkot i.e. Rs.61.881 million, during financial year 2017-18, for execution of various schemes. As per progress report schemes were completed and handed over but the unspent balance was not recovered. This resulted into non-recovery of un-spent balance of Rs 17.936 million.

Audit holds that due to weak internal and financial controls of management the un-spent balance was not recovered.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends recovery from the concerned quarters under intimation to Audit. [PDP No 1]

19.4.1.8 Doubtful provision of consultancy services of Rs. 10.237 million

As per clause 3.8 of consultancy agreement executed between Sampak and CEO Education Sialkot, “Documents prepared by the consultants to be the property of the client”. Further as per clause 11 of appendix A of aforementioned agreement: -

- e) The consultant will maintain daily record of check requests / tests performed & approval correspondence and site diaries supported with digital photographs. Submit the record of daily inspection reports, all the tests made, to the client on monthly basis.
- f) Prepare monthly progress reports, maintain estimate and comparative statement of projects and submit reports to the client.

During audit of Chief Executive Officer Education Sialkot for the financial year 2017-18, it was observed that consultancy contract for resident supervision for construction of dilapidated school buildings and missing facilities in school was awarded to SAMPAK International Pvt. Ltd Lahore for Rs.10.237 million. Consultant did not perform work as per agreement except certification of contractor bills. Management failed to provide record of consultant work as required by above clause of agreement. This resulted into doubtful provision of consultancy services for Rs.10.237 million.

Audit held that payments to consultant were made without receiving reports/consultancy services as per agreement due to non-existence of internal controls.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends inquiry of the matter under intimation to Audit.

[PDP No 9]

19.4.1.9 Doubtful disbursement of money drawn in the name of DDO - Rs.8.420 million

According to Rule 2.33 of PFR Vol-I, states that every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government though fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Dy. DEO (Women) Pasrur drawn an amount of Rs.8.420 million, during financial year 2017-18, on account Financial Assistance to the families of government servants who expire during service and Leave Encashment of government servants who retired on superannuation. This amount was drawn in the name of DDO but no authentic document was found in record regarding disbursement of this amount among the actual recipients. This resulted into doubtful disbursement of Rs.8.420 million, as detailed below:

Cost Center	Document No	Document Date	Description	Amount	Vendor Name
SX6276	1900044706	06.02.2018	Fin. Assistance. to the families of G. Serv.	2,200,000	DDEO (W) Pasrur
SX6271	1900059653	26.06.2018	Fin. Assistance. to the families of G. Serv.	2,200,000	DDEO (W) Pasrur
SX6276	1900020277	14.05.2018	Fin. Assistance. to the families of G. Serv.	600,000	DDEO (W) Pasrur
SX6276	1900082937	03.04.2018	Superannuation Encashment of L.P.R	589,320	DDEO (W) Pasrur
SX6276	1900001650	04.04.2018	Superannuation Encashment of L.P.R	446,640	DDEO (W) Pasrur
SX6276	1900130815	03.04.2018	Superannuation Encashment of L.P.R	434,880	DDEO (W) Pasrur
SX6271	1900077395	09.01.2018	Superannuation Encashment of L.P.R	427,560	DDEO (W) Pasrur
SX6271	1900015812	29.06.2018	Fin. Assistance. to the families of G. Serv.	400,000	DDEO (W) Pasrur
SX6276	1900089691	23.11.2017	Fin. Assistance. to the families of G. Serv.	400,000	DDEO (W) Pasrur
SX6276	1900066844	15.03.2018	Superannuation Encashment of L.P.R	361,080	DDEO (W) Pasrur
SX6276	1900111057	26.06.2018	Superannuation Encashment of L.P.R	360,625	DDEO (W) Pasrur
Total				8,420,105	

Audit holds that due to weak internal and financial controls of management disbursement record was not found in record.

No reply was submitted by the department.

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends recovery and cases of similar nature in all other schools be dealt at DDO level under intimation to Audit.

[PDP No 22]

19.4.1.10 Irregular award of consultancy contract for Rs.6.825 million

According to Rule12(2) of Punjab Procurement Rules 2014 “any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu”.

During audit of Chief Executive Officer Education Sialkot for the financial year 2017-18, it was observed that consultancy contract for resident supervision for construction of dilapidated school buildings and missing facilities in school was awarded to SAMPAK International pvt Ltd Lahore for Rs.6.825 million. CEO Education advertised for expression of Interest for consultancy of above said project/work on PPRA website. Details of scheme/work/project i.e Cost, time period etc was not mentioned. No bidding documents/ Detailed TORs were uploaded. This resulted into irregular award of consultancy contract for Rs.6.825 million.

Audit holds that Consultancy contract was awarded by adopting defective procurement procedure to favor service provider to achieve ulterior motives due to non-existence of internal controls.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends inquiry of the matter and fixing the responsibility on the persons at fault under intimation to Audit.

[PDP No 7]

19.4.1.11 Un-due retention of government money in DDO account Rs.5.579 million

According to Rule 17.19 of PFR Vol-I, it is not permissible to Draw Advances from Government Treasury to prevent the lapse of Appropriation. Further Rule2.10 (b)(5) stipulates that no money is withdrawn from Government Treasury unless it is required for immediate disbursement and it is to permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

Audit of the accounts of CEO (Education) Sialkot for the financial year 2017-18 revealed that an amount of Rs.5.579 million was shown as

closing balance as on 30.06.2018, lying undisbursed, in DDO account (A/c No.6010080162100036 - BOP Sialkot) but whereabouts of this huge amount were not known. This resulted into un-due retention government funds in DDO account Rs.5.579 million.

Audit holds that due to weak financial controls and negligence of management funds drawn without immediate requirement / disbursement.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends inquiry of matter at higher level besides fixing the responsibility on the person (s) at fault under intimation to Audit.

[PDP No 2]

19.4.1.12 Irregular extension of consultancy contract for Rs.3.412 million

According to Rule 59(C)(IV) of Punjab Procurement Rules 2014 “repeat orders not exceeding fifteen percent of the original procurement can be extended”.

During audit of Chief Executive Officer Education Sialkot for the financial year 2017-18, it was observed that consultancy contract of SAMPAK International Pvt. Ltd Lahore for resident supervision for construction of dilapidated school buildings and missing facilities in school was extended for three months whose cost was Rs.3.412 million which was 50% of original contract price. This resulted into irregular extension of consultancy contract for Rs.3.412 million.

Audit holds that Consultancy contract was extended by violating PPRA rules to blue eyed contractor to achieve ulterior motives due to non-existence of internal controls.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends inquiry of the matter and fixing the responsibility on the persons at fault under intimation to Audit.

[PDP No 8]

19.4.1.13 Unjustified payment of Arrears of pay and allowances- Rs 1.826 million

Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud according to Rule 2.33 of the PFR Vol-I.

During scrutiny of records of pay and allowances it has been observed that following employees were allowed to draw arrears of pay and allowances without any justification. No orders/ evidence/ service books in this regard were available with the department. This resulted in unjustified payment of Rs 1,825,751.

P.No	Name	Cost Center	Designation	Item	Month	Amount
305801 36	TAHIRA PARVEEN	SX6277	ELEMENTARY SCHOOL TEACHER	Pay and Allowances	Feb,2018	203,945
305805 38	AZRA PARWEEN	SX6277	P T C	Pay and Allowances	Feb,2018	122,903
305815 39	NUSRAT GULNAZ	SX6277	P.T.C.TEACHER	Pay and Allowances	Nov,2017	167,008
305833 97	RUBINA SHAHEEN	SX6277	P.T.C.TEACHER	Pay and Allowances	August,20 17	251,690
305920 01	ALIA SHAMSHAD	SX6277	ELEMENTARY SCHOOL TEACHER	Pay and Allowances	April,201 8	329,942
305944 52	MUMTAZ BEGAM	SX6277	P T C	Pay and Allowances	Jan,2018	588,502
305945 69	FAZEELAT KOUSAR	SX6277	DISTRICT TEACHER EDUCATOR	Pay and Allowances	Sep,17	161,761
Total						1,825,751

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit is of the view that due to weak internal control the arrears were paid without obtaining the office copy and preparation of due drawn statement.

[PDP No 40]

19.4.2 Internal Control Weaknesses

19.4.2.1 Un-authentic transfer of funds- Rs 337.507 million

As per DDO Handbook Rule 6.27, all monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of office or by any gazzeted officer authorized by him in this behalf, in token of his having checked it.

CEO (Education) Sialkot received a huge amount of Rs.337.507 million in his SDA Development SB 5414 from Finance Department Punjab for 85 development schemes of various schools during the period 2017-18. Further an amount of Rs.297.746 million was released / transferred to XEN Buildings Sialkot for execution of specified schemes on deposit work basis. But the Cash Book of receipts and payments was not maintained in violation of above referred rule. In the absence of the this mandatory financial document / book of account the authenticity of the transactions could not be evaluated. This resulted in un-authentic transfer of funds Rs.337.507 million, as detailed below

Sr. No	Description	No. of Total Schemes Approved	Funds Released from Lahore	Funds Released to XEN Building	Date of release
1	Provision of missing facilities 2017-18 District Sialkot (GS No.574)	25	460	460	13/12/2017, 02.03.2018
2	Re-construction of Dilapidated School Buildings 2017-18 (GS No.577)	24	1170	1170	13/12/2017, 02.03.2018
3	Construction of shelter-less School Building in GGPS Naju Chak Tehsil Pasrur (GS No.578)	1	7.118	7.118	13/12/2017, 02.03.2018
4	Provision of Govt. Girls P/S, E/S & H/S in leftover UCs in Punjab (Up-gradation of Govt. Girls Elementary School Kotli Nona to High Level)(GS No.579)	1	90	90	13/12/2017, 02.03.2018
5	Provincial ADP 2017-18 District Sialkot (GS No.581)	34	158.389	118.628	13/12/2017, 27.12.2017, 28.12.2017, 07.02.2018
Total:-		85	337.507	297.746	

Audit holds that due to weak financial controls and negligence of management the financial transactions were made without maintaining Cash Book.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends inquiry of matter at higher level besides fixing the responsibility on the person (s) at fault under intimation to Audit.

[PDP No 6]

19.4.2.2 Overpayment of pay and allowances due to non-deduction of GP Fund Group Insurance and Benevolent Fund Rs 11.886 million

According to Rule 2.33 of PFR Vol-1 every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part.

During scrutiny of record it has been observed that Dy DEO W-EE Daska, Sialkot did not deduct GI, BF and General Provident Fund from the pay and allowances of the certain regular employees, who were regularized on various dates, due to which they were paid in excess of the regular pay and allowances. Furthermore, it is pertinent to mention here that there is a possibility that the said employees were got regularized from contract and their pay was not fixed at the initial of their pay scale and the get the benefit of an increment. This resulted in overpayment of pay and allowances of Rs 11.886 million

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit is of the view that due to weak internal control GP Fund, GI and Benevolent fund was not deducted from the employees.

[PDP No 38]

19.4.2.3 Unjustified payment of inspection allowance of Rs 3.685 million and recovery there of Rs 1.200 million paid during vacation

According to Government of Punjab School Education Department Notification No SO(ADP)Misc-409/2012 dt 29.8.12, duly endorsed by the Finance Department, “the competent authority approve inspection allowance for the AEOs against inspection of schools of at least 50/10 school inspections in a month. In case of less than 50/10 school inspections it shall be claimed @ Rs 100/ school inspection. Furthermore, the inspection allowance shall be admissible during vacations subject to the approval of competent authority.

During scrutiny of records in respect of Dy DEO (W-EE), Daska and Dy. DEO (W-EE) Pasrur it has been observed that inspection allowance was paid to the AEOs which is unjustified of the following grounds

- 1 the payment of inspection allowance was made as part of pay of the AEOs which is against the spirit of the notification ibid, because it is conditional allowance and its payment is based upon the number of inspections made by the AEOs. Hence a separate voucher was required to be claimed for the payment of such allowance along with all inspections duly countersigned by the competent Authority
- 2 the payment of inspection allowance during summer vacations is quite unjustified as no primary/middle school was opened during summer and winter vacations. This resulted in unjustified payment of inspection allowance of Rs 1,200,000 during summer and winter vacations

Period of payment	Total Inspection allowance + extra duty allowance paid	Inspection Allowance paid during vacations
1.7.17 to 30.08.18	1,550,000	1,200,000
	1,550,000	1,200,000

Audit holds that due to weak internal control the unjustified payment was made.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit desires justification of the matter along with recovery.

[PDP No 19&34]

19.4.2.4 Unjustified Payments of pay & allowances Rs.2.513 million

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

During audit of Dy DEO (Women) Pasrur for the financial year 2017-18, it was observed that Pay and Allowances were drawn, through Off Cycle Pay Roll, in respect of detailed below employees but no

documentary evidence was available in record against these claims. It resulted into unjustified expenditure of Rs.2,513,371.

Cost Center	Personnel No.	Employee Name	Payment
SX6276	30580572	Farzana Kausar	63,360
SX6276	30583340	Mussrat Bibi	250,992
SX6276	30583963	Farzana Saeed	259,992
SX6276	30588995	Shaheen Kousar	360,750
SX6276	30589065	Rashida Parveen	225,000
SX6276	30589375	Tamer Parvez	119,988
SX6276	30589681	Sajida Perveen	292,500
SX6276	30591108	Mohammad Amin	120,000
SX6276	30866100	Riaz Akhter	292,500
SX6276	31584392	Tabassum Safdar	161,612
SX6276	30580547	Shahzada Nasreen	366,677
Total			2,513,371

Audit holds that record relating to Off Cycle Payment was not maintained due to negligence of management and weak internal controls.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends justification of the matter besides fixation of responsibility on person (s) at fault under intimation to Audit.

[PDP No 17]

19.4.2.5 Overpayment of Conveyance Allowance Rs. 1.040 million

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

During audit of Deputy District Education Officer (W-EE) Sialkot for the financial year 2017-18, it was observed that conveyance allowance of Rs 1.040 million was paid to teachers during winter vocation 2017.

Audit holds that conveyance allowance was overpaid due to weak internal controls and defective financial discipline.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends for recovery of overpayment besides fixation of responsibility on person(s) at fault under intimation to Audit.

[PDP No 25]

19.4.2.6 Doubtful payment of arrears of pay & allowances – Rs 1.024 million

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

During audit of Deputy District Education Officer (WEE) Sialkot for the financial year 2017-18, it was observed that pay & allowance of Rs 1.024 million was paid to employees more than one time as detailed below:

Sr. No.	Name of Teacher	Designation	Month	Amount
1	NAVEEDA KAUSER	S.S.T	August 17	2,742
			December 17	53,432
			Feb 18	83,688
			April 18	228,700
2	SHAHIDA BIBI	AEO (W)	July 17	76,060
			Nov 17	53,561
3	SIDRA SADIQ	AEO (W)	August 17	1,059
			Nov 17	226,019
			December 17	134,499
4	SADAF NAZ	E.S.E	March 18	136,146
			April 18	28,070
Total				1,023,976

Audit holds that arrears payment record was not maintained due to weak internal controls and defective financial discipline.

No reply was submitted by the department

The matter was reported to the Deputy Commissioner in September, 2018. No DAC was convened despite repeated requests

Audit recommends for provision of record besides fixation of responsibility under intimation to Audit.

[PDP No 26]

ANNEXURES

PART-I
Memorandum for Departmental Accounts Committee
Paras pertaining to Current Audit Year 2018-19

District Education Authority Attock

Rs in million

Sr No.	Name of Formation	PDP NO	Title of Para	Nature of Para	Amount
1	CEO DEOAttock	PDP-01	Non-surrendering of Anticipating Savings	Non-Compliance	162.893
2	CEO DEOAttock	PDP-04	Non-verification of receipt deposited	Non-Compliance	0.234
3	CEO DEOAttock		Loss to Government due non-decision of application of Registration of schools	Non-Compliance	
4	CEO DEOAttock	PDP-15	Non-verification of Sales Tax –	Non-Compliance	6.530
5	CEO DEOAttock	PDP-16	Less-utilization of Development Funds	Non-Compliance	80.736
6	CEO DEOAttock	PDP-18	Un-justified payment of 30% SSB due to non-regularization of contract staff	Non-Compliance	29.663
7	CEO DEOAttock	PDP-18	Un-justified payment of 30% SSB due to non-regularization of contract staff	Non-Compliance	29.663
8	CEO DEOAttock	PDP-18	Un-justified payment of 30% SSB due to non-regularization of contract staff	Non-Compliance	29.663
9	CEO DEOAttock	PDP-18	Un-justified payment of 30% SSB due to non-regularization of contract staff	Non-Compliance	29.663
10	CEO DEOAttock	PDP-22	Non-regularization of 17-A cases, over payment of 30% SSB –	Non-Compliance	0.248
11	CEO DEOAttock	PDP-23	Difference in Closing Balance District Education Authority –	Non-Compliance	347.691
12	CEO DEOAttock	PDP-24	Non-recovery of pay and conveyance allowance during leave	Non-Compliance	0.648
13	CEO DEOAttock	PDP-25	Non-surrendering of Anticipating Savings	Non-Compliance	10.525

Sr No.	Name of Formation	PDP NO	Title of Para	Nature of Para	Amount
14	CEO DEO Attock	PDP-26	Excess Expenditure Over & above the Budget Allocation	Non-Compliance	-
15	DEO (Secondary Education) Attock	PDP-27	Un-authorized drawl of Inspection Allowance	Non-Compliance	0.089
16	DEO (Secondary Education) Attock	PDP-28	Non-verification of Sales Tax	Non-Compliance	0.048
17	DEO (Secondary Education) Attock	PDP-30	Un-justified payment of 30% SSB due to non-regularization of contract staff	Non-Compliance	16.729
18	DEO (Secondary Education) Attock	PDP-31	Irregular purchase of stationary through splitting without annual planning	Non-Compliance	0.449
19	Dy.DEO (M-EE) Jand	PDP-34	Irregular expenditure without specification	Non-Compliance	0.516
20	Dy.DEO (M-EE) Jand	PDP-35	Non deduction / deposited of Taxes	Non-Compliance	85,571
21	Dy.DEO (M-EE) Jand	PDP-36	Un-authorized cash payments	Non-Compliance	-
22	Dy.DEO (M-EE) Jand	PDP-37	Doubtful payment without acknowledgment	Non-Compliance	-
23	Dy.DEO (M-EE) Jand	PDP-38	Wasteful Expenditure due to Non achievement of Objectives	Non-Compliance	
24	Dy.DEO (M-EE) Jand	PDP-39	Non-surrendering of anticipated savings	Non-Compliance	-
25	Dy.DEO (M-EE) Jand	PDP-41	Doubtful expenditure of	Non-Compliance	524,261
26	Dy.DEO (M-EE) Jand	PDP-42	Overpayment of pay & allowances of educator newly appointed staff –	Non-Compliance	0.205
27	Dy.DEO (M-EE) Jand	PDP-43	Non-utilization of NSB Fund	Non-Compliance	-
28	Dy.DEO (M-EE) Jand	PDP-44	Over Payment of Inspection Allowance -	Non-Compliance	0.225
29	Dy.DEO (M-EE) Jand	PDP-45	Irregular payment amounting to -	Non-Compliance	.0.112
30	Dy.DEO (M-EE) Jand	PDP-46	Over Payment of Charge Allowance	Non-Compliance	0.024
31	Dy.DEO (M-EE) Jand	PDP-47	Improper maintenance of stock Register	Non-Compliance	

Sr No.	Name of Formation	PDP NO	Title of Para	Nature of Para	Amount
32	Dy.DEO (M-EE) Jand	PDP-48	Over Payment of conveyance Allowance.	Non-Compliance	0.163
33	DEA Attock	PDP-49	Inadmissible payment of Integrated Allowance –	Non-Compliance	0.005
34	DEA Attock	PDP-50	Unauthorized payment of Inspection Allowance during vacations	Non-Compliance	0.114
35	DEA Attock	PDP-51	Unauthorized payment of Inspection Allowance during vacations	Non-Compliance	0.300
36	DEA Attock	PDP-52	Unauthorized payment of Conveyance Allowance during vacations	Non-Compliance	0.026
37	DEA Attock	PDP-55	Unauthorized payment of Conveyance All during vacations	Non-Compliance	0.249
38	Dy DEO (MEE) Hazro	PDP-56	Unjustified utilizing the funds during additional charge	Non-Compliance	0.259
39	Dy DEO (MEE) Hazro	PDP-57	Irregular payment of Inspection Allowance	Non-Compliance	0.200
40	Dy DEO (MEE) Hazro	PDP-58	Non transparent payment of Leave encashment	Non-Compliance	1.266
41	Dy DEO (MEE) Hazro	PDP-59	Non recovery of Conveyance Allowance during leaves	Non-Compliance	0.156
42	Dy DEO (MEE) Hazro	PDP-60	Overpayment on account of pay & allowance	Non-Compliance	0.079
43	Dy DEO (MEE) Hazro	PDP-62	Irregular retention of	Non-Compliance	49.619
44	Dy DEO (MEE) Hazro	PDP-63	Irregular Expenditure in Excess of Budget Provision	Non-Compliance	1.866
45	Dy DEO (MEE) Hazro	PDP-64	Non utilization of NSB funds	Non-Compliance	5.315
46	Dy DEO (MEE) Hazro	PDP-67	Overpayment on A/C of Salary	Non-Compliance	0.042
47	Dy DEO (MEE) Hazro	PDP-68	Non maintenance of vouched account	Non-Compliance	0.202
48	Dy DEO (MEE) Hazro	PDP-69	Non maintenance of Donation register	Non-Compliance	
49	Dy DEO (MEE) Hazro	PDP-70	Irregular purchase –	Non-Compliance	0.167
50	Dy DEO (MEE) Hazro	PDP-71	Irregular purchase without specification	Non-Compliance	0.481
51	HM R.Z for Blind Attock	PDP-72	Non-deduction of Conveyance Allowances during vacations/LFP	Non-Compliance	0.086

Sr No.	Name of Formation	PDP NO	Title of Para	Nature of Para	Amount
52	HM R.Z for Blind Attock	PDP-73	Overpayment on account of non-deduction of House Rent, conveyance allowance and 5% of Basic pay	Non-Compliance	0.115
53	HM R.Z for Blind Attock	PDP-74	Irregular expenditure on purchase of Food items –	Non-Compliance	0.538
54	HM R.Z for Blind Attock	PDP-72	Non-deduction of Conveyance Allowances during vacations/LFP –	Non-Compliance	0.086
55	HM R.Z for Blind Attock	PDP-75	Irregular expenditure on purchases without quotations –	Non-Compliance	0.361
56	HM R.Z for Blind Attock	PDP-76	Less deduction of income tax Recovery thereof –	Non-Compliance	0.019
57	HM R.Z for Blind Attock	PDP-77	Non verification of GST –	Non-Compliance	0.176
58	HM R.Z for Blind Attock	PDP-78	Un-authorized issuance of uniform	Non-Compliance	0.078
59	HM R.Z for Blind Attock	PDP-79	Non- Surrendering of Savings –	Non-Compliance	1.868
60	HM R.Z for Blind Attock	PDP-80	Excess expenditure than budget	Non-Compliance	0.578
61	HM R.Z for Blind Attock	PDP-81	Irregular cash payment of stipend –	Non-Compliance	0.177
62	HM R.Z for Blind Attock	PDP-82	Overpayment on account of SSB due to not fixation of Pay after regularization –	Non-Compliance	0.079
63	HM R.Z for Blind Attock	PDP-83	Un-authorized payment of Inadmissible Allowances –	Non-Compliance	0.015
64	Head Master, Special Education Center, Fateh Jang	PDP-84	Un-justified expenditure on Pay & Allowances	Non-Compliance	13.746
65	H.M.S.E.Fateh Jang	PDP-85	Non-surrender of savings-	Non-Compliance	3.156
66	H.M.S.E.Fateh Jang	PDP-86	Excess over approved budget allocation-	Non-Compliance	2.971

Sr No.	Name of Formation	PDP NO	Title of Para	Nature of Para	Amount
67	H.M.S.E.Fateh Jang	PDP-88	Rush of expenditure at the close of Financial Year-	Non-Compliance	2.971
68	H.M.S.E.Fateh Jang	PDP-91	Irregular and un-authentic payment of scholarships	Non-Compliance	
69	H.M.S.E.Fateh Jang	PDP-93	Irregular expenditure on repair-	Non-Compliance	0.645
70	H.M.S.E.Fateh Jang	PDP-94	Irregular purchases made without intimation to sales tax department-	Non-Compliance	3.132
71	H.M.S.E.Fateh Jang	PDP-95	Irregular expenditure due to non-calling of quotations	Non-Compliance	
72	H.M.S.E.Fateh Jang	PDP-96	Irregular payment on account of daily wages to contingent paid staff-	Non-Compliance	0.280
73	H.M.S.E.Fateh Jang	PDP-97	Irregular expenditure due to mis-classification	Non-Compliance	
74	H.M.S.E.Fateh Jang	PDP-98	Irregular drawl of pay during unauthorized shifting of head quarter	Non-Compliance	0.266
75	H.M.S.E.Fateh Jang	PDP-99	Non deduction of Conveyance and Integrated Allowance-	Non-Compliance	0.129
76	H.M.S.E.Fateh Jang	PDP-100	Irregular expenditure-	Non-Compliance	0.365
77	GSEC Hazro	PDP-101	Misappropriation on account of Scholarship Funds	Non-Compliance	0.630
78	GSEC Hazro	PDP-102	Drawl of qualification allowance without having prescribed degree on record	Non-Compliance	0.130
79	GSEC Hazro	PDP-104	Irregular retention of –	Non-Compliance	27.391
80	GSEC Hazro	PDP-105	Irregular Expenditure in Excess of Budget Provision	Non-Compliance	4.230
81	GSEC Hazro	PDP-107	Improper maintenance of stock registers for store items	Non-Compliance	0.712
82	GSEC Hazro	PDP-108	Irregular/Doubtful expenditures on account of R&M of vehicle	Non-Compliance	0.191
83	GSEC Hazro	PDP-110	Irregular expenditure due to splitting	Non-Compliance	0.152
84	CEO (DEA)	PDP-03	Laps of SDA funds due to non-utilization of Funds	Non-Compliance	36.791
85	CEO (DEA)	PDP-11	Non-refund of residual balance / savings –	Non-Compliance	228.745

Sr No.	Name of Formation	PDP NO	Title of Para	Nature of Para	Amount
86	DEO (SE) Attock	PDP-29	Doubtful disbursement of Merit Scholar Ship	Non-Compliance	2.003
87	Dy DEO (WEE) Hazro	PDP-61	Irregular expenditure	Non-Compliance	2.777
88	DEA, Attock	PDP-54	Un-authorized drawl of inadmissible allowance	Non-Compliance	0.012
89	DEA, Attock	PDP-17	Non-recovery of penalties / fines imposed due to negligence and in-efficiency	Non-Compliance	0.041
90	GSEC Hazro	109	Irregular utilizing of POL without route approval	Non-Compliance	2.622
91	H.M.S.E.Fateh Jang	90	Un justified payment of POL charges	Non-Compliance	2.034
92	H.M.S.E.Fateh Jang	87	Irregular payment of office rent	Non-Compliance	1,764

District Education Authority Bhakkar

Sr. No.	Name of formation	PDP No	Subject of Para	Nature of para	Amount (Rs)
1	CEO Education Bhakkar	4	Non recovery of PST	Recovery	224,098
2	CEO Education Bhakkar	23	Overpayment due to allowing excessive rate for RCC work	Recovery	223,644
3	CEO DEA	26	Irregular payment of mild steel estimated quantity rather actual	Irregularity	5,748,265
4	DEO (W) Bhakkar	37	Irregular and misclassified expenditure	Irregularity	232,475
5	DEO (W) Bhakkar	40	Over payment of Inspection Allowance	Recovery	45,000
6	DEO (W) Bhakkar	41	Un-authorized expenditure without availability of budget in proper head	Irregularity	843,546
7	Dy. DEO (MEE) Bhakkar	43	Loss due to non deduction of income tax	Recovery	413,603
8	Dy. DEO (MEE) Bhakkar	55	Overpayment on account of purchase of tablets on higher rates	Recovery	957,572
9	Dy. DEO (WEE) Mankera	60	Loss due to non deduction of income tax	Recovery	369,505
10	Dy. DEO	68	Non deduction of	Recovery	110,984

	(MEE) Kallurkot		conveyance allowance during vacation period		
11	Dy. DEO (MEE) Kallurkot	69	Loss due to non deduction of income tax	Recovery	134,379
12	Dy. DEO (MEE) Kallurkot	70	Non deduction of 1/5 th of GST	Recovery	172,120
13	Govt. Spl. School Mankera	75	Excess payment over the printed cost given on the products	Recovery	73,135

District Education Authority Chakwal

(Rs. in million)

Sr. No.	Name of Formation	AIR Para No	Title of Para	Amount
1	CEO (DEA) Chakwal	3	Difference in expenditure statement and FI Data – Rs 1.269 million	1.269
2	-do-	13	Un-justified Booking/payment of expenditure - Rs 90,400	0.090
3	-do-	14	Irregular payment of Pay and allowances recovery of - Rs 73,328	0.073
4	-do-	16	Poor Control of Registering Authority	0
5	-do-	19	Non verification of receipts Rs 430,130	0.430
6	-do-	22	Non-verification of GST worth Rs 0.685 million	0.685
	-do-	23	Overpayment of conveyance allowance during leave period – Rs 51,460	0.051
	DO(SE)	02	Overpayment of CA during LFP – Rs 10,080	0.010
7	DO(SE)	04	Irregular expenditure on purchase of stationary without quotations – Rs159,917	0.159
8	-do-	05	Unjustified expenditure on repair Rs 69,380	0.069
9	-do-	06	Non- Surrendering of Savings – Rs 1,453,459	1.453
10	-do-	08	Un authorized shifting of	0.277

Sr. No.	Name of Formation	AIR Para No	Title of Para	Amount
			head quarter Rs 277,208	
11	-do-	09	Irregular payment of previous year liabilities Rs 69,770	0.069
12	-do-	11	Non deduction of income tax & Punjab sales tax– Rs 18,131	0.018
14	-do-	47	Irregular payment of salary to temporary staff – Rs 312,000	0.312
	Dy.DEO(MEE) Chakwal	02	Un-justified payment of conveyance allowance during summer vocations - Rs 67,365	0.067
15	Dy.DEO(MEE) Chakwal	12	Non-utilization of funds due to unjustified provision of extra funds in NSB Account to schools – Rs 7.222 million	7.222
	Dy.DEO(WEE), Chakwal	05	Non recovery of Conveyance Allowance during leaves – Rs 0.407 million	0.407
16	-do-	06	Inadmissible use of NSB funds for depositing of vendor GST – Rs0.336 million	0.336
17	-do-	07	Irregular expenditure amounting to Rs 107,290	0.107
18	-do-	08	Inadmissible drawl of Charge Allowance - Rs 83,500	0.083
19	-do-	09	Non-surrendering of Savings – Rs 14.402 million	14.402
20	Dy.DEO(MEE),Lawa	05	Overstaffing in violation of government policy Rs15.885 million	15.885
21	-do-	06	Non-deposit of sales tax and income tax Rs155,385	0.155
22	-do-	07	Un authorized payment of Pay & Allowances- Rs123,757	0.123
23	-do-	08	Non-reconciliation of expenditure and non-comparison of schedule of	136.570

Sr. No.	Name of Formation	AIR Para No	Title of Para	Amount
			payments with cash book- Rs136.570 million	
24	Dy.DEO(WEE),Lawa	03	Non-surrendering of Anticipating Savings – Rs 1.077 million	1.077
25	-do-	04	Unauthorized Drawl / payment of inadmissible Allowances – Rs 0.442 million	0.442
26	-do-	05	Non-utilization of NSB Fund - Rs 1.42 million	1.420
27	-do-	07	Irregular expenditure without specification	0.309
28	-do-	08	Non-deduction of Income Tax/GST - Rs 84,462	0.084
29	-do-	10	Wasteful Expenditure due to Non achievement of Objectives	0
30	-do-	01	Doubtful payment on account of pay and allowances of Rs 690,708/-	0.690
31	Govt. Deaf & Defective Hearing School Chakwal	83	Irregular purchase of Uniform without DEO Special Education – Rs 496,840	0.497
32	-do-	84	Over payment due to Purchase of Uniform on high rates as compare to other District – Rs 176,735	0.176
33	-do-	85	Over payment on account of GST on uniform due to wrong rate – Rs 50,958	0.051
34	-do-	86	Non verification of GST Deposit – Rs 72,191	0.072
35	-do-	88	Non-surrendering of Anticipating Savings	0.664
	-do-	89	Non-deduction of house rent and conveyance allowance	0.062
36	-do-	90	Overpayment on account of Pay and Allowances	0.060

District Education Authority Gujranwala

Sr. No.	Name of Formation	PDP #	Description of Para	Amount
1.	CEO Education, Gujranwala	02	Non-production of vouched accounts valuing Rs.4.654 million	4.654
2.		03	Doubtful expenditure Rs.151.677 million on development schemes	151.677
3.		04	Lapse of development funds amounting to Rs.80.834 million	80.834
4.		05	Lapse of government funds amounting to Rs.248.747 million	248.747
5.		07	Non disbursement of money drawn from treasury amount to Rs.1,832,174	1.832
6.		08	Less deposit of revenue component amounting to Rs.200,000	0.200
7.		10	Non verification of Revenue Component Deposit amounting to Rs.8,800,000	8.800
8.		11	Overpayment on account of Travelling Allowance - Rs 35,708	0.036
9.		12	Non deduction of conveyance amounting to Rs.9,780	0.0098
10.		13	Loss of millions to government due to non-conducting survey of private schools	-
11.				
12.				
13.				
14.				
15.				
16.				
17.		21	Irregular cash payment to contractor & supplier Rs. 2,450,158	2.450
18.	23	Unauthorized Expenditure by school councils - Rs 1,159,052	1.159	
19.	25	Unjustified expenditure by splitting Indents Rs 256,200	0.256	
20.	26	Irregular payment of allowances during leave period recovery thereof	0.055	
21.	30	Doutful Drawl on account of Pay & Allowance Rs. 230,185	0.230	
22.	31	Unauthorized Drawl of 50% Adhoc	0.302	

Sr. No.	Name of Formation	PDP #	Description of Para	Amount	
			Relief Allowance 2010 -Rs 301,728		
23.	Deputy DEO (W-EE), Kamoke	32	Un-authorized payment of Inspection Allowance	0.835	
24.		33	Non-recovery of conveyance allowance	1.535	
25.		34	Loss to government due payment of inadmissible allowance	0.024	
26.		36	Irregular and doubtful payment in cash amount to Rs.2,427,683	2.428	
27.		37	Unjustified payment of pay & allowances - Rs.56,712	0.057	
28.		38	Irregular expenditure out of NSB	0.589	
29.		39	Non deduction of Benevolent fund	0.068	
30.		41	Non-deduction of Conveyance Allowance amounting to Rs.34,526	0.035	
31.		42	Doubtful expenditure due to non-accountal of purchased items	0.125	
32.		Deputy DEO (W-EE), Wazirabad	45	Overpayment of 50% Adhoc Allow	0.156
33.			46	Overpayment of Conveyance allowance during summer vacations	3.347
34.	47		Overpayment of House Rent Allowance	0.057	
35.	48		Overpayment of Conservancy Allowance	0.689	
36.	49		Overpayment of pay and allowance to employees	1.070	
37.	50		Overpayment of Charge Allowance	0.042	
38.	HM Govt. Girs'l High School, Abdal GRW	51	Non deduction of conveyance allowance during winter vacations	0.096	
39.		52	Non deduction of conveyance allowance during summer vacations	0.030	
40.		54	Irregular payment of pay and allowances due to dubious CNICs Number	5.225	
41.		55	Unauthorized Payment on account of Pay and Allowances beyond sanctioned strength	0.587	
42.	HM Govt. Jinnah Memorial Muslim High School GRW	57	Non deduction of conveyance allowance during winter vacations	0.191	
43.		58	Non deduction of conveyance allowance during summer vacations Rs 149,441	0.149	
44.		59	Irregular payment of qualification allowance due to non verification of degrees Rs 382,133	0.382	
45.		60	Non-recovery of overpayment for	0.075	

Sr. No.	Name of Formation	PDP #	Description of Para	Amount
			leave salary Rs 74,546	
46.		61	Irregular payment of pay and allowances Rs2.856 million due to dubious CNICs Numbers	-
47.		62	Irregular expenditure out of NSB valuing Rs.579,840	0.580
48.		63	Blockage of government funds – Rs.215,728	0.216
49.		64	Non recovery of conveyance allowance of summer vacations amounting to Rs.128,831	0.129
50.	HM Govt. Higher Secondary School Wahndo GRW	65	Non-verification of sales tax deposit amounting to Rs.46,927	0.047
51.		67	Unjustified payment of Special Travelling Allowance - Rs.12,000	0.012
52.		69	Undue payment of Social Security Benefit amounting to Rs.9108	0.091
53.		70	Non recovery of conveyance allowance amounting to Rs.7,616	0.076
54.		71	Payment of inadmissible Adhoc Relief Allowance amounting to Rs.2460	0.025
55.			72	Loss to government due payment of inadmissible allowance amounting to Rs.1,685,880
56.		73	Blockage of government funds – Rs.201,314	0.201
57.		74	Non utilization of FTF funds	0.929
58.	HM Govt. Girls High School Wahndo GRW	76	Irregular payment without supporting documents amounting to Rs.599,854	0.600
59.		77	Irregular drawl of leave encashment in the name of DDO amounting to Rs.201,780	0.202
60.		78	Irregular payment of Adhoc Relief Allowance amounting to Rs.9,550	0.096

District Education Authority Gujrat

(Rs in million)

Sr. No.	Name of Formation	PD P No.	Description of Para	Amount
1.	CEO DEA Gujrat	1	Doubtful payment of pay & allowances	0.529
2.		2	Doubtful hiring of employees	-
3.		3	Doubtful payment of pay & allowances	-
4.		4	Doubtful payment of Financial Assistance	17.50

Sr. No.	Name of Formation	PD P No.	Description of Para	Amount
5.		6	Irregular payment of pension contribution	31.73
6.		9	Irregular repair of Office Building	1.69
7.		11	Difference in SDA figures	321.99
8.	DO (Secondary Education)	1	Unauthorized disbursement of internal merit scholarship	1.04
9.		2	Unauthorized drawl of pay and allowances	0.89
10.		3	Unjustified drawl of TA/DA amounting	0.256
11.		4	Non deduction of CA	0.038
12.		5	Unauthorized payment	0.144
13.		6	Non recovery of pay and allowances amounting	0.070
14.	DEO (M-EE)	1	Recovery of due imposition of major penalty	0.233
15.		2	Non deduction of conveyance allowance	0.209
16.		3	Non recovery of conveyance allowance	0.08
17.		4	Recovery of pay and allowances	0.205
18.		5	Recovery of pay & allowances	0.893
19.		6	Non recovery of fine amounting	0.141
20.		7	Recovery of	0.137
21.		8	Unauthorized payment	0.129
22.	DEO (W-EE)	1	Non deduction of conveyance allowance	0.302
23.		2	Non recovery of conveyance allowance	0.08
24.		3	Non recovery of fine amounting	0.05
25.		4	Non provision of completion certificate	1.998
26.		5	Non verification of challan	0.33
27.		6	Irregular drawl of leave encashment	0.42
28.	Dy. DEO (M-EE) Kharian	1	Non deduction of Conveyance allowance during winter vacation for	0.839
29.		2	Unauthorized payment of Science Teaching Allowance for	0.018
30.		3	Non deduction of General Sales Tax &	1.270
31.		4	Non deduction of Income Tax	0.560
32.		5	Irregular cash payment to contractor & supplier	4.879
33.	GGHS	1	Non recovery of conveyance allowance –	0.647
34.	Chak Kamala	2	Non recovery of conveyance allowance	0.054

District Education Authority Hafizabad

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)	Nature of Para
1	CEO (Education) Hafizabad	5	Non-maintenance of expenditure statement -	83.876	Weak Internal Controls
2		6	Irregular Transfer of funds amounting	3.380	Non-Compliance
3		9	Irregular Appointment of Assistant Education Officers	-	Non-Compliance
4		10	Non-deduction of liquidity damages -	0.037	Non-Compliance
5		11	PDP No.11. Non-verification of payment of General Sales Tax	0.496	Weak Internal Controls
6		12	Un-authentic financial transactions amounting to	78.00	Non-Compliance
7		13	Non-maintenance of Cash book of NSB Funds Receipts and Payments	184.093	
8		14	Doubtful expenditure on POL	0.097	Non-Compliance
9		16	Expenditure on account of Honoraria	0.0307	Non-Compliance
10	DDEO (Male) Hafizabad	17	Unauthorized payment of inadmissible allowances		Non-Compliance
11		20	Un-authorized payment of Inspection Allowance	0.445	Weak Internal Controls
12		21	Non-accountal of Store & Stock	0.175	Non-Compliance
13		25	Overpayment of charge allowance	0.108	Non-Compliance
14		26	Blockage of government money	0.460	Non-Compliance
15	DDEO (Male) Pindi Bhattian	27	Unauthorized payment of inadmissible allowances	0.168	Non-Compliance
16		28	Loss to government due to non-deduction of Income Tax	0.027	Non-Compliance
17		31	Un-authorized payment of Inspection Allowance amounting	0.	Non-Compliance

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)	Nature of Para
18		35	Doubtful expenditure on repair of transport	0.084	Non-Compliance
19		36	Overpayment of charge allowance	0.180	Non-Compliance
20	DDEO (W) Hafizabad	37	Unjustified payment of inadmissible Allowances	0.120	Non-Compliance
21		41	Non-accountal of Store & Stock amounting	0.079	Non-Compliance
22		45	Blockage of government money	0.117	Weak Internal Controls
23	DDEO (W) Pindi Bhattian	52	Blockage of government money	0.296	Weak Internal Controls
24		53	Irregular purchase of stationery	0.076	Weak Internal Controls
25		54	Irregular expenditure on repair of transport	0.047	Non-Compliance
26		55	Irregular expenditure on account of POL	0.153	Non-Compliance
27	HM GGHS Kassoke	56	Irregular expenditure on account of purchase of Computers	0.921	Non-Compliance
28		59	Non-recovery of Conveyance Allowance of Winter Vacations	0.047	Weak Internal Controls
29		60	Overpayment	0.014	Weak Internal Controls
30		61	Loss to government due to non-deposit of taxes amounting	0.077	Weak Internal Controls
31		62	Un-authorized payment of TA / DA out of FTF	0.017	Non-Compliance

District Education Authority Jhelum

S. No	Name of Formation	AIR Para No	Title of Para	Amount of Para	Nature of Irregularity
1	CEO (DEA)	01	Non-surrendering of Anticipating Savings	50.237	Weak internal control
2		02	Excess Expenditure Over & above the Budget Allocation	0.086	-do-
3		12	Non-verification of Sales Tax	0.510	Non compliance of rules

S. No	Name of Formation	AIR Para No	Title of Para	Amount of Para	Nature of Irregularity
4		14	Non-recovery of penalties / fines imposed due to negligence and in-efficiency	0.134	Weak internal control
5		15	Non-recovery of Fine from the school whose registration expired	0.403	-do-
6		19	Non-recovery of pay and conveyance allowance during leave	0.253	-do-
7		20	Non-recovery of over payment of pay & allowances	0.227	-do-
8		21	Less-deduction of cost of old Material of Dismantled Schools buildings	0.761	-do-
9	Dy DEO (W-EE) PD Khan	16	Inadmissible/Unauthorized payment of Inspection Allowance	0.210	-do-
10	DEO (M-EE) Jhelum	03	Non-surrendering of Savings	12.823	-do-
11		05	Irregular payment of electricity bills	0.133	-do-
12	Dy DEO (W-EE) Sohawa	01	Payment of Inadmissible Increment to Newly Appointed Staff	0.529	-do-
13		03	Inadmissible payment of Integrated Allowance	0.073	-do-
14		04	Non recovery on account of Inspection Allowance	0.224	-do-
15		08	Over payment on account of 30% SSB recovery thereof	0.067	-do-
16		17	Non payment of GST Rs 2,629,168	0.447	-do-
17	Dy DEO (W-EE) Dina	05	Irregular payment of salary to temporary teachers	0.725	Non compliance of rules
18		09	Overpayment of Inspection Allowance	0.141	Weak internal control
19		10	Non- Surrendering of Savings	0.644	-do-
20		11	Excess expenditure than budget	0.115	-do-
21		12	Irregular expenditure on account of payments from irrelevant heads	0.166	Non compliance of rules
22		13	Irregular expenditure on purchase of furniture	0.127	-do-
23		Govt.	05	Loss due purchase of	0.400

S. No	Name of Formation	AIR Para No	Title of Para	Amount of Para	Nature of Irregularity
	Special Education Center Jhelum	08	machinery at high rates		control
24			Loss due to non-deduction of Sales Tax	0.172	-do-

District Education Authority Kasur

Rs in million

Sr.No	Para No	Name of formation	Title of Para	Amount (million)
1	1	DDEO EEW Pattuki	Non deposit of Income Tax Rs 1.389 million	1.389
2	3		Unjustified Payment of Qualification and other Inadmissible Allowance-Rs1.827 million	1.827
3	4		Irregular purchase from non-register firms with Sales Tax-Rs 1.394 million	1.394
4	5		Non utilization of NSB funds - Rs 20.625million	20.625
5	6		Loss due to unjustified payment of Charge Allowance Rs 460,800	0.461
6	3	DDMEE Pattuki	Unjustified Issuance NSB Budget to schools Rs.9.329million	9.329
7	4		Non-maintenance of trees record Rs10.836million approximate	10.836
8	5		Non utilization of NSB funds - Rs 8.724 million	8.724
9	7		Unjustified payment from NSB Fund Rs368000	0.368
10	8		Expenditure without preparation of School Based Action Plan-Rs 24.389 million	24.389
11	11		Irregular drawl of Qualification Allowance-Rs 461741	0.462
12	12		Irregular payment of Rs155000	0.155
13	13		Non transfer of the land in the Name of schools	0
14	14		Shortage of class rooms in schools	0
15	15		Wastage of government resources extra construction of class rooms in schools	0
16	2	CEO EDU Kasur	Excess established charges and Grand exp more than 10% from previous year Rs3.71 Million	3.71
17	4		Excess payment of Stipend to Girl	14.175

			Students – Rs 14.175 million	
18	7		Irregular drawn of Pay and allowance without verification of Academic record, police verification and medical fitness certificate Rs 19.844 Million	19.844
19	13		Non obtaining of vouched accounts amounting Rs 478.315 million	478.315
20	15		Unauthentic opening balance of Account-V taken in budget book amounting Rs 227.924 million	227.924
21	1	Govt Deaf & Defective Hearing School Kasur	Non reconciliation of cash book with bank statement and un-due retention of money in DDO Account – Rs.1.285 Million	1.285
22	8		Irregular drawn of pay and allowance without verification of academic record, police verification, driving licence and annual medical fitness certificate of Driver including eyes test Rs 9.989 Million	9.989
23	9		Irregular drawn of personal allowance Rs. 227,980	0.228
24	10		Irregular drawn of special allowance and special allowance @ 25% by contract employee and non teaching staff Rs 3.033 Million	3.033
25	11		Irregular drawn of qualification allowance Rs.155500	0.155
26	12	Govt. Secondary School for hearing Impaired Childern, Kasur	Non preparation of equipment and furniture lists/stock register Rs 3.556 million and irregular expenditure on repair of Machinery & Equipment and Furniture & Fixture Rs210963	0.211
27	13		Irregular Payment of Travelling Allowance Rs 64,001	0.064
28	14		Irregular / Doubtful Expenditure on POL amounting Rs 1.22 Million	1.22
29	15		Irregular expenditure on account of stationery Rs 69,917	0.07
30	16		Uneconomical printing work amounting Rs 98,865	0.099
31	18		Irregular expenditure on advertising amounting Rs 96,102	0.096
32	19		Doubtful expenditure on Fair and Exhibitions amounting Rs 49,989	0.05
33	20		Doubtful Purchase amounting Rs 76,963	0.077
34	21		Irregular expenditure on account of computer stationery Rs 49,585	0.05

35	22		Doubtful Purchase amounting Rs 199,858	0.199
36	24		Irregular purchase of hardware & computer amounting Rs 97,929	0.098
37	25		Irregular purchase of machinery & equipment amounting Rs 99,275	0.099
38	27		Irregular repair of hardware, furniture and Machinery & Equipment amounting Rs 202,147	0.202
39	1	DDEO MEE Kasur	Non utilization of FTF funds amounting Rs 417,053	0.417
40	2		Irregular Expenditure on Civil Works amounting Rs 8.36 million	8.36
41	6		Uneconomical Purchase of Tabs amounting Rs 117,410	0.117
42	7		Doubtful execution sanitary and electric fitting Rs 482,478	0.482
43	8		Irregular / doubtful expenditure of development works- Rs 446,727	0.447
44	9		Non transparent expenditure on white wash, distemper and paint amounting Rs.715149	0.715
45	13		Non recovery of Fine imposed to Teachers Rs.15500	0.0155
46	14		Irregular drawn of CA inspite of Having Government M.cycle	0.42
47	3		DDEO WEE KASUR	Expenditure incurred in excess of budget provision of Rs192.791Million.
48	4	Irregular retention of Rs 47.111 million.		47.111
49	5	Expenditure without head wise budget allocation of Rs 0.851 million.		0.851
50	6	Unjustified payment of charge allowance - Rs 0.756 million.		0.756
51	9	Overpayment of inspection allowance – Rs 1.275 million		1.275
52	10	Irregular payment amounting to Rs 12.158 million.		12.158
53	11	Unjustified payment of qualification allowance – Rs 0.254 million.		0.254
54	12	Irregular expenditure due to non-obtaining quotation amounting to Rs 55,990.		0.056
55	13	Non-reconciliation of Expenditure.		0
56	1	SP Edu Pattuki	Expenditure incurred in excess of budget provision of Rs 1.616 Million.	1.616
57	3		Non-Accounted of purchases in asset registers of Rs 1.510 Million.	1.51
58	4		Irregular Creation of Liabilities – Rs	0.096

			0.096 million	
59	5		Uneconomical Expenditure on repair of M&E and F&F of Rs 57,500.	0.057
60	6		Less-deduction of General Sales Tax - Rs 0.045 Million.	0.045
61	7		Loss to the Govt. due to less deduction of income tax - Rs 42,539.	0.042
62	9		Irregular payment amounting to Rs 10.132 million.	10.132
63	10		Doubtful expenditure on repair of machinery Rs 106368	0.106
64	14		Splitting of job orders to avoid tendering through PPRA - Rs 0.235 million.	0.235
65	17		Irregular payment on accounts of Pay and Allowances during service break period of Rs	0.607
66	2		Non-verification of payment of GST Rs 0.273 million.	0.273
67	15		Embezzlement on account of Uniform, printing and Software Rs. 50,833/-	0.051
68	3	Dy DO M Kasur	Purchase of furniture without specifications Rs 1.79 million	1.79
69	15		Non utilization of NSB funds amounting Rs 25.925 million	25.925
70	19	CEO DEA Kasur	Over payment of earth work Rs 667,433	0.667
71	20		Use of sub standard steel as the bills of contractors not supported with invoices and manufacturers certificate Rs 5.98 Million	5.98
72	21		Providing & Laying inferior RCC worth Rs 4.68 million	0.200
73	22		Irregular payment on account of Tiles for Rs 785,516	0.785
74	23		Irregular Payment on Account of Mosaic Flooring Amounting to Rs 1.59 million	1.59
75	24		Execution of PCC Work without having Strength Quality Test Reports Rs 630,158	0.630
76	25		Use of Sub-Standard Brick amounting Rs 16.91 million	16.91

77	26		Non Approval of Lead Chart by the Competent Authority for Earth work Rs 598,450	0.598
78	27		Unauthorized payment of Rs 1.04 Million	1.04

District Education Authority Khushab

Sr. No	Name of Formation	PDP No.	Description of Para	Nature of Para	Amount (Rs.)
1	CEO (DEA) Khushab	7	Overpayment of Adhoc Allowance	Recovery	49,577
2		17	Non recovery of L.D Charges	Recovery	304,836
3		23	Un-due retention of Government money into DDO A/C	Weak Internal Controls	74,394
4		26	Non Surrender of saving.	Weak Internal Controls	-
6	Dy.DEO(M EE),Khushab	67	Improper maintenace of store/stock record and non-conducting of annual physical verification.	Weak Internal Controls	-

District Education Authority Lahore

Rs in million

Sr No.	Para No.	Name of Formation	Title of Para	Amount
1	2	Govt. Secondary Institute for Blind Sheranwala Gate	Cash Payment Instead of Cross Cheque	3.891
2	3	Govt. Secondary Institute for Blind Sheranwala Gate	Purchase of dietary items for the hostel of blind students	3.206
3	4		Irrational purchase of parts for the repair of furniture	1.415
4	6		Unauthorized expenditure on hiring of security staff	3.015
5	7		Non-transparent purchase of uniform	1.289
6	8	Principal	Irregular retention of public money worth	2.854

Sr No.	Para No.	Name of Formation	Title of Para	Amount
		National Special Education Center		
7	9	Deputy District Education Officer (M-EE) Tehsil City Lahore	Loss Due to Unjustified Payment of Charge Allowance	90,000
8	8	Govt. Secondary Institute for Blind Sheranwala Gate	Non realization of government receipt	751,271
9	10	Govt. Secondary Institute for Blind Sheranwala Gate	Payment without supporting documents worth	2.173
10			Non disposal of off road vehicle	500,000
11	12	National Special Education Centre, Lahore	Irregular award of supply order for the purchase of uniform worth	2.265
12	1		Non-transparent purchase of uniform worth	4.265
13	8	Principal National Special Education Center	Irregular retention of public money worth	2.854
14	9		Cash Payment Instead of Cross Cheque	5.510
15	10	National Education Centre, Lahore	Unauthorized payment to contingent paid staff	7.527
16	11		Unauthorized expenditure on hiring of security staff	4.648
17	12		Payment without supporting documents worth	1.962
18	13	Principal National Special Education Centre	Non disposal of off road vehicle	3.600
19	14		Purchase of laptop for non-entitled officer	198900
20	15		Payment of contingent paid staff during summer vacation.	2.187
21	16	National Spl. Edu. Centre	Payment of arrear without having additional budget and sanction of the competent authority worth	2.143
22	17	Principal National Special	Splitting of job order on account of repair of transport to avoid advertisement on PPRA website	331,674

Sr No.	Para No.	Name of Formation	Title of Para	Amount
23	18	Education Centre Lahore	Non-verification of GST invoices worth	1.141
24	19	Education Centre Lahore	Irregular expenditure on POL without sanctioned strength	9.05
25	21		Abnormal Expenditure on Account of Sui-Gas	1.097
26	1		Non utilization of NSB funds	4.712
27	3	DDEO (EEM) City, Lahore	Expenditure without preparation of School Based Action Plan	5.604
28	5		Expenditure without prior approval of NSB Committee	5.218
29	6		Irregular purchase from non-register firms with Sales Tax	3.090
30	8	Deputy District Education Officer (M-EE) Tehsil	Unauthorized Expenditure on Pay & Allowances due to shifting of head Quarter	472,188
31	1	DDEO (EEW) Shalimar Town Lahore	Non utilization of NSB funds	2.303
32	3	Govt. Degree College of Special Education, Johar Town, Lahore	Expenditure without preparation of School Based Action Plan	16.585
33	3		Recovery of Overpayment	0.164
34	4	Govt. Degree College of Special Education, Johar Town, Lahore	Recovery of Conveyance allowance due to Maternity leave	44000
35	5		Mis-classification	0.245
36	6	. Degree College of Special Education, Lahore	Irregular Purchase of uniform Of Rs4389269 and non obtaining of 5%	219458
37	8		Irregular payment without advertisement	1.688
38	9		Irregular expenditure on the repair of vehicle	824559
39	10		Unjustified payment on account of Social Security Benefit without Budget Provision	0.462
40	1	Defective Hearing Model High School for Girls Rajgarh	Abnormal billing of Electricity amounting	342,980
41	2		Irregular / Doubtful Expenditure on POL amounting	1.24
42	3		Irregular expenditure on account of stationery	41,503
43	4		Irregular award of uniform contract for amounting	1.16
44	5		Doubtful expenditure on Fair and Exhibitions amounting	87,989
45	6		Uneconomical hiring of Security Guards for	160,000

Sr No.	Para No.	Name of Formation	Title of Para	Amount
			amounting Rs 1.16 million and recovery of PST amounting	
46	07		Doubtful Purchase of food items amounting	647,826
47	8		Irregular Purchase of Tyres amounting	157,325
48	9		Irregular Expenditure due to misclassification amounting	32,292
49				
50	10		Irregular Disbursement of scholarship amounting	2.00
51	11		Irregular repair of Transport amounting	226,318
52	12		Irregular repair of Machinery & Equipment amounting	135,713
53	13		Doubtful expenditure on the repairs of furniture	49,688
54	15		Non reconciliation of cash book with bank statement and Un-due retention of money in DDO Account	2.882
55	17		Irregular drawn of pay and allowance without performing the duty by Ready made Garments Training Center	1.809
56	18		Expenditure in excess of the allotted budget	2.93
57	19		Irregular Expenditure on Pay & Allowances	19.94
58	20		Unjustified Payment of Allowance	501,954
59	21		Unauthorized payment of Adhoc Allowances	199,735
60	22		Irregular drawl of Qualification Allowance & Personal Allowance	177,456
61	23		Irregular Drawn Of Pay & Allowances Without Verification of Academic Record for amounting	42.86
62	24		Non deduction of Income tax on leave encashment	106791
63	26		Loss to government due to non recovery of House Rent and Conveyance Allowance amounting	115,584
64	27		Irregular drawn of Personal Pay	3.26
65	28	Government Deaf &	Doubtful Expenditure on Hot & Cold amounting	14,310
66	29	Defective	Uneconomical printing work amounting	8,588
67	30	Hearing Model High School	Irregular expenditure on advertising amounting	19,302
68	3	Dy District Education Officer (M-EE)	Irregular Payment of Conveyance Allowance	89,208

Sr No.	Para No.	Name of Formation	Title of Para	Amount
69	4	Dy District Education Officer (M-EE) Model Town, Lahore	Irregular drawl of Qualification Allowance & Personal Allowance& other allowance	10,428
70	7		Irregular payment made to DDO	2,267
71	8		Unauthorized drawn of pay and allowance termination absent period	277,515
72	9		Irregular Cash Payments amounting	353,000
73	10		Non utilization of FTF funds amounting	1.34
74	11		Non utilization of NSB funds amounting	978,072
75	12	Dy District Education Officer (M-EE) Model Town, Lahore	Unauthorized payment for weather shield paint amounting	625,489
76	13	Dy District Education Officer (M-EE) Model Town, Lahore	Doubtful Providing & Fixing of Tile without observing government rules amounting	498,756
77	14	Dy District Education Officer (M-EE) Model Town, Lahore	Doubtful purchase of Earth amounting	130,500
78	15	Dy District Education Officer (M-EE) Model Town, Lahore	Non transparent expenditure on white wash, distemper and paint	1.37
79	17	Dy District Education Officer (M-EE) Model Town, Lahore	Uneconomical Purchase of Tabs amounting	243,230
80	18	Dy District Education Officer (M-EE) Model Town, Lahore	Purchase of assets without specifications	680,324
81	20	Dy District Education Officer (M-EE) Model Town, Lahore	Uneconomical hiring of Security Guards	240,000
82	3	Chief Executive Officer (Education) Lahore	Unauthenticated expenditure due to non submission of certificate of transfer	671.749
83	5		Irregular / doubtful payment of financial assistance	22,800
84	6		Non Provision of vouched accounts	3.614
85	9	CEO (DEA) Lahore	Irregular drawl	0.874
86	10		Irregular Creation of Liabilities	0.103
87	11		Double payment made to supplier on account of purchase of computers	0.166
88	12		Non-conducting of survey census of Private Schools – irregular award of register without fulfillment formalities	
89	13	EDO/ CEO (DEA), Lahore	Unjustified Expenditure due to payment of pending Liabilities	903,638
90	15		Non-Verification of pass book worth	1372.656
91	16		Transfer of pension contribution into Pension contribution Fund account without calculation	373.476
92	17		Irregular development works	539.020
93	18		Blockage of funds	64.500
94	20	Chief Executive Officer, District Education	Non clearance old cheques amounting	85.559
95	21	Chief Executive Officer, District Education	Non-transfer of special education funds	10.987
96	22	Chief Executive Officer, District Education	Lapsed of Funds To the tune	430.081

Sr No.	Para No.	Name of Formation	Title of Para	Amount
		Authority, Lahore		
97	1	District Education Officer (SE) Lahore	Unauthenticated expenditure due to non submission of certificate of transfer	671.749
98	3		Non-utilization of Funds	5.117
99	4	DEO SE Lahore	Expenditure without head wise budget allocation	1.163
100	5	District Education Officer (SE) Lahore	Non-reconciliation of Expenditure	29.253
101	7		Unjustified payment on account of Charge allowance	Rs93,600
102	8		Irregular Creation of Liabilities	47,151
103	9		Irregular / doubtful payment of financial assistance	2.80
104	10		Non Provision of vouched accounts	0.471
105	13		Uneconomical Expenditure on repair of M&E and F&F	123,650
106	14		Overpayment on account of Special allowance	67,392
107	3	DDEO (EEW) Shalimar Town, Lahore	Expenditure without preparation of School Based Action Plan	16.585
108	7		Unjustified Payment of Qualification and other Inadmissible Allowance	505,512
109	5	Degree College of Special Education,	Mis-classification	0.245
110	16	of Dy District Education Officer (M-EE) Model Town, Lahore	Irregular Expenditure on Civil Works amounting	4.68
111	3	National Special Education Centre	Excess payment on account of uniform	86140
112	11		Non-transparent purchase of assets	1.210
113	6		Irregular payment of Rs 4.196 million - Loss to government due to non-deduction of PST	578,891
114	17		Splitting of job order on account of repair of transport to avoid advertisement on PPRA website	331,674
115	7	DDEO (EEM) City Lahore	Defective execution of civil works	2.224
116	4	Chief Executive Officer (Education)	Non verification of record of Income Tax & GST	157.861

Sr No.	Para No.	Name of Formation	Title of Para	Amount
		Lahore		
117	2	DEO (SE) Lahore	Non verification of record of Income Tax & GST	157.861

District Education Authority Mandi Baha-u-Din

Sr. #	Name of Formation	PDP #	Description of Para	Amount
01.	Principal GHSS Makhnanwali District Mandi Bahauddin	01	Non recovery of conveyance allowance	0.013
02.	Head Mistress Govt. Special	02	Unauthorized expenditure	0.799
03.	Education Centre	03	Excess payment	0.0130
04.	Malakwal	04	Non deduction of sales tax	0.0380
05.		01	Non maintenance of Stock Register	0.03
06.	District	02	Doubtful Expenditure on Account POL Due to Non Production of log book	0.073
07.	Education Officer (M-EE) District Mandi Bahauddin	03	Doubtful Expenditure on Account Repair of Vehicle Due to Non Production of log book	0.030
08.		04	Payment on account of TA/DA	0.0565
09.		05	Unauthorized Use of Official Telephone	0.000379
10.		06	Physical verification not carried out	Nil
11.				
12.	Head Mater Govt. Special	02	Less deduction of income tax	0.0106
13.	Education Centre MB Din	03	Irregular expenditure on repair of transport	0.180
14.		04	Doubtful payment on account of scholarship in cash	0.620
15.	Senior Headmistress GGHS Jokalian	01	Non deduction of Income tax on leave encashment	0.881 million
16.		01	Unauthorized Repair	0.0698
17.	District Officer	02	Unauthorized expenditure on account of POL	0.0875
18.	(S.E) M.B	05	Unjustified drawl of funds in cash	0.085
19.		06	Unjustified drawl of funds for feeder teacher	0.102
20.	District Education Officer (W-EE)	01	Recovery of pay & allowances Rs300,009	0.300

Sr. #	Name of Formation	PDP #	Description of Para	Amount
	District Mandi Bahauddin			
21.	HM GHSS Bhikhi	01	Non deduction of Income tax on leave encashment	0.054
22.		02	Irregular drawl of Advance Increments-Recovery thereof	0.050
23.	HM GHSS Bosaal	01	Overpayment of science teaching allowance of	0.005
24.		02	Non deduction of Income tax on leave encashment	0.038
25.	HM GGHS Qadirabad	01	Non deduction of Income tax on leave encashment	0.006
26.	HM GSEC Phalia	01	Doubtful expenditure on repair of machinery	0.020
27.		02	Doubtful expenditure on repair of vehicle	0.183
28.		03	Doubtful payment on account of scholarship in cash	0.478
29.		04	Irregular Payment Rent of building	0.315
30.		05	Doubtful drawl of POL	0.398
31.		06	Doubtful consumption of lubricating oil	0.096
32.		07	Doubtful payment due to substandard purchase of uniform	0.799
33.		08	Non-production of uniform record	0.799
34.		09	Irregular Deduction of sales tax without sales tax invoice on purchase of uniform	0.014
35.		10	Non Verification of sales tax deposits	0.017
36.		11	Doubtful payment on account of repair of furniture	0.035
37.	CEO DEA MB Din	11	Non refund of amount to the government treasury	0.500

District Education Authority Mianwali

PDP No.	Name of Formation	Title of Para	Nature of Para	Amount
01	CEO (DEA), Mianwali	Doubtful payment of SSB Allowance	Weak internal control	3,160,000
04		Overpayment of inadmissible Allowances	Weak internal control	390,702
05		Over Payment of inadmissible allowances	Weak internal control	12,900
10		Non-recovery of PST	Recovery	118,103

14		Overpayment of science teaching allowances	Recovery	136,200
23		Overpayment due to Allowing Excessive Rate for RCC Work	Weak internal control	343,668
38	Dy District Education officer (WEE), Mianwali	Overpayment due to non deduction of Group Insurance and Benevolent Fund for regular period	Weak internal control	124,273
42		Loss due to non Deduction of PST on Services		324651
52		Overpayment due to payment of health risk allowance	Recovery	22,500
53		Overpayment of science teaching allowance of	Recovery	7,800
62	DO (SE), Mianwali	Non Realization of Fine	weak internal control	83,500
63	Special Education for Hearing Impaired Boys, Mianwali	Overpayment of GST	Recovery	76,950
70	G.S.S.S.E Hearing Impaired Boys, Mianwali	Non verification of GST paid to supplier.	weak internal control	255,506
73	Dy DEO (M EE) Piplan	Irregular payment of inadmissible allowances	Irregularity	16,945
77		Un-authentic store/stock record and non-conducting of annual physical verification	Irregularity	0

District Education Authority Nankana Sahib

(Rs in million)

Sr No.	PDP No.	Name of Formation	Title of Para	Amount
1	1	CEO District Education Authority	Non recoupment of retrenchment from Account-V for Rs 500.79 million	500.79
2	3	CEO District Education Authority	Non Reconciliation of Expenditure amounting Rs 3.61 million	3.61
3	6	CEO District Education Authority	Non transfer of deposit work balance amounting Rs 84.62 million	84.62
4	9	CEO District Education Authority	Irregular Expenditure amounting Rs 11.29 million	11.29
5	10	CEO District Education Authority	Irregular Payment of Travelling Allowance Rs 848,527	0.848
6	11	CEO District	Irregular / Doubtful Expenditure on POL	0.835

Sr No.	PDP No.	Name of Formation	Title of Para	Amount
		Education Authority	amounting Rs 835,075	
7	12	CEO District Education Authority	Uneconomical purchase of stationery amounting Rs 1.14 million	1.14
8	13	CEO District Education Authority	Uneconomical purchases amounting Rs 497,448	0.497
9	14	CEO District Education Authority	Uneconomical purchase of computer stationery amounting Rs 698,957	0.698
10	15	CEO District Education Authority	Irregular payment of Financial Assistance amounting Rs 6.40 million	6.40
11	16	CEO District Education Authority	Transfer of pension to Private Banks amounting Rs 23.54 million	23.54
12	17	CEO District Education Authority	Irregular repair of Machinery & Equipment amounting Rs 344,595	0.34
13	18	CEO District Education Authority	Irregular payment of arrear of Pay & Allowances amounting Rs 224,208	0.22
14	19	CEO District Education Authority	Unauthorized appointment of overage employees amounting Rs 231,621	0.231
15	20	CEO District Education Authority	Irregular expenditure amounting Rs 1.675 million	1.675
16	22	CEO District Education Authority	Providing & Laying inferior RCC worth Rs 8.02 million and Overpayment of Rs 320,772	8.02
17	24	CEO District Education Authority	Use of sub standard steel as the bills of contractors not supported with invoices and manufacturers certificate Rs 12.26 Million	12.26
18	26	CEO District Education Authority	Irregular Payment of PVC Pipe without obtaining documentary evidence Rs 116,674	0.116
19	27	CEO District Education Authority	Irregular Payment on Account of Mosaic Flooring Amounting to Rs 1.88 million	1.88
20	1	District Education Officer (M-EE) Nankana	Non Reconciliation of Expenditure amounting Rs 23.49 million	23.49
21	2	District Education Officer (M-EE) Nankana	Irregular payment of arrear of Pay & Allowances amounting Rs 345,482	0.345
22	3	District Education Officer (M-EE) Nankana	Irregular payment of rent of Office Building amounting Rs 1.00 million	1.00
23	4	District Education Officer (M-EE) Nankana	Irregular Payment of Travelling Allowance Rs 848,527	0.848
24	5	District Education Officer (M-EE) Nankana	Irregular / Doubtful Expenditure on POL amounting Rs 1.71 million	1.71
25	6	District Education	Uneconomical purchase of stationery	0.428

Sr No.	PDP No.	Name of Formation	Title of Para	Amount
		Officer (M-EE) Nankana	amounting Rs 428,191	
26	7	District Education Officer (M-EE) Nankana	Uneconomical printing work amounting Rs 119,472	0.119
27	8	District Education Officer (M-EE) Nankana	Irregular Purchase of Uniform amounting Rs 23,740	0.023
28	9	District Education Officer (M-EE) Nankana	Doubtful Purchases amounting Rs 734,563	0.734
29	10	District Education Officer (M-EE) Nankana	Doubtful Purchases amounting Rs 121,856	0.121
30	11	District Education Officer (M-EE) Nankana	Uneconomical purchase of furniture amounting Rs 351,121	0.351
31	12	District Education Officer (M-EE) Nankana	Irregular repair of Transport amounting Rs 520,395	0.520
32	13	District Education Officer (M-EE) Nankana	Irregular repair of Machinery & Equipment amounting Rs 103,485	0.103
33	14	District Education Officer (M-EE) Nankana	Irregular repair of furniture amounting Rs 215,470	0.215
34	15	District Education Officer (M-EE) Nankana	Irregular repair of hardware amounting Rs 219,810	
35	16	District Education Officer (M-EE) Nankana	Non Production of Record amounting Rs 485,917	0.485
36	17	District Education Officer (M-EE) Nankana	Irregular Expenditure due to misclassification amounting Rs 58,744	0.058
37	19	District Education Officer (M-EE) Nankana	Payment of inadmissible allowances amounting Rs 10,130	0.010
38	20	District Education Officer (M-EE) Nankana	Irregular expenditure amounting Rs 3.24 million	3.24
39	22	District Education Officer (M-EE) Nankana	Irregular cash drawl of Rs 5.18 million from bank and difference of Rs 341,542 between cash book & bank account.	0.341
40	4	Dy. DEO (W-EE) Shahkot	Non issuance of notification of School Council-irregular expenditure of Rs 23.831 Million	23.831

Sr No.	PDP No.	Name of Formation	Title of Para	Amount
41	5	Dy. DEO (W-EE) Shahkot	irregular expenditure of NSB by GGCM E/S Dalla Chanda Singh Rs 1.271 Million	1.271
42	6	Dy. DEO (W-EE) Shahkot	Non reconciliation of NSB from District accounts office Rs 30.347 Million	30.347
43	7	Dy. DEO (W-EE) Shahkot	Irregular transfer of NSB funds without pre-audit and non preparation of school council/documents worth-Rs 33.464 Million	33.46
44	12	Dy. DEO (W-EE) Shahkot	Non deduction of Income Tax from LPR Rs 377405	0.377
45	13	Dy. DEO (W-EE) Shahkot	Irregular Expenditure on Civil Works amounting Rs 9.456 million	9.45
46	14	Dy. DEO (W-EE) Shahkot	Irregular payment of arrear bills Rs 5.645 Million and recovery of Rs.564500	0.56
47	2	Deputy District Education Officer (M) Nankana Sahib	Non recovery of fine amounting to Rs 139,447	0.139
48	5	Deputy District Education Officer (M) Nankana Sahib	Irregular payment on account of Fixed T.A / D.A Allowance Rs 92,928	0.092
49	6	Deputy District Education Officer (M) Nankana Sahib	Double-payment on account of General Sales Tax - Rs 0.376 Million	0.376
50	7	Deputy District Education Officer (M) Nankana Sahib	Non-deduction of General Sales Tax - Rs 0.140 Million	0.140
51		Deputy District Education Officer (M) Nankana Sahib		
52	11	Deputy District Education Officer (M) Nankana Sahib	Non-Accounted of purchases in permanent asset registers of Rs 0.551 M	0.551
53	12	Deputy District Education Officer (M) Nankana Sahib	Irregular expenditure due to Misclassification amounting to Rs. 20,300	0.020
54	13	Deputy District Education Officer (M) Nankana Sahib	Irregular payment on account of Conveyance Others of Rs 3.123 Million	3.123
55	14	Deputy District Education Officer (M) Nankana Sahib	Irregular payments on account of different Allowance Rs 586,334.	0.586
56	18	Deputy District Education Officer (M) Nankana Sahib	Non deduction of Income Tax on account of-Rs 24,863	0.024
57	19	Deputy District Education Officer (M)	Non maintenance of service books and personal files of the officials	-

Sr No.	PDP No.	Name of Formation	Title of Para	Amount
		Nankana Sahib		
58	3	Dy DEO (W-EE) Nankana Sahib	Non deposit of Income Tax Rs .411 million and GST Rs 1.518 million	0.41
59	5	Dy DEO (W-EE) Nankana Sahib	Loss of Rs. 2.040 million due to extra posting of teachers.	2.040
60	6	Dy DEO (W-EE) Nankana Sahib	NOT MAINTENANCE OF PLANTS & TREE REGISTER WORTH RUPEES 1.526m	1.52
61	7	Dy DEO (W-EE) Nankana Sahib	Irregular expenditure due to non obtaining quotation amounting to Rs 273,621	0.273
62	8	Dy DEO (W-EE) Nankana Sahib	Non Recovery of PayRs .297747	0.297
63	9	Dy DEO (W-EE) Nankana Sahib	Non transparent expenditure due to splitting the job orders amounting to Rs 166,419	0.166
64	12	Dy DEO (W-EE) Nankana Sahib	Non-reconciliation of Expenditure	-
65	13	Dy DEO (W-EE) Nankana Sahib	Irregular Expenditure due to Misclassification–Rs 236,679	0.236
66	14	Dy DEO (W-EE) Nankana Sahib	Non-verification of payment of GST Rs 39639	0.039
67	15	Dy DEO (W-EE) Nankana Sahib	Unauthorized and doubtful payment of Superannuation Rs 1.490 Million	1.490
68	16	Dy DEO (W-EE) Nankana Sahib	Unauthorized payment of Adhoc Allowances – Rs 3248	0.0032
69	17	Dy DEO (W-EE) Nankana Sahib	Less deduction of coneyence allowance Rs .16632	0.016
70	18	Dy DEO (W-EE) Nankana Sahib	Non Verification of Deposits Rs 86184	0.086
71	19	Dy DEO (W-EE) Nankana Sahib	Non conducting of annual physical verification	-
72	3	Dy DEO WEE Sangla Hill	Irregular expenditure on account of Civil Work – Rs 6.410 million	6.410
73	4	Dy DEO WEE Sangla Hill	Irregular expenditure on account of building painting Rs 3.093 million	3.093
74	6	Dy DEO WEE Sangla Hill	Un-authorized and doubtful payment of encashment Rs 2.422 million	2.42
75	7	Dy DEO WEE Sangla Hill	Non deduction of Income Tax at prescribed rates –Rs 1.788 million	1.788
76	8	Dy DEO WEE Sangla Hill	Unauthorized payment for weather shield paint – Rs 1.335 million	1.33
77	9	Dy DEO WEE Sangla Hill	Doubtful expenditure on the repairs of furniture – Rs 1.033 million	1.033
78	13	Dy DEO WEE Sangla	Non-deduction of PST on account of	0.32

Sr No.	PDP No.	Name of Formation	Title of Para	Amount
		Hill	Civil works – Rs 320,487	
79	14	Dy DEO WEE Sangla Hill	Irregular expenditure on account of repair of M&E Rs 269,234	0.269
80	16	Dy DEO WEE Sangla Hill	Irregular expenditure on account of POL - Rs 239,419	0.239
81	18	Dy DEO WEE Sangla Hill	Non-maintenance of trees record	-
82	19	Dy DEO WEE Sangla Hill	Imprudent management of Assets and Liabilities	-

District Education Authority Narowal

Sr. #	Name of Formations	PDP #	Description of Para	Amount (Rs in millions)
	CEO (Education)	01	Irregular payment of Arrears	0.146
		02	Non deduction of income tax payment of arrears Recover thereof	0.007
		05	Unauthorized payment of financial assistance	2.500
		07	Irregular drawl utility bills in the name of DDO	0.709
		08	Non collection of annual inspection fee from private schools	0.123
		12	Non-verification of Registration fee collected from private schools	0.182
		13	Lapse of government funds	118.301
		Dy. DEO (M-EE) Narowal	16	Un-authorized payment of Inspection Allowance
	17		Inadmissible payment of Charge Allowance	0.078
	18		Non deduction of Income tax on Rent of Building	0.018
	22		Un-authorized transfer of employees related funds in DDO's account	3.208
	23		Non-transparent Payment of financial assistance	2.00
	24		Irregular payment of Pay and allowances on double personal numbers	0.084
	Dy. DEO (W-EE) Shakargarh	34	Inadmissible payment of Charge Allowance	0.161
		37	Un-authorized transfer of employees related funds in DDO's account	2.643
		38	Irregular Drawal of pay and	-

Sr. #	Name of Formations	PDP #	Description of Para	Amount (Rs in millions)
			allowances due to incomplete CNIC on SAP	
		39	Inadmissible Nab Allowance Paid to AEO	0.005
		40	Irregular drawl of Science teaching allowances	0.006
	Dy. DEO (M-EE) Shakargarh	25	Inadmissible payment of Charge Allowance	0.059
		27	Non-transparent Payment of financial assistance	3.800
		28	Un-authorized transfer of employees related funds in DDO's account	2.439
		29	Irregular payment of Inadmissible allowances amounting	0.029
		30	Irregular payment of 2010 Adhoc Allowance and overpayment of House Rent Allowance	0.028
		33	Overpayment of Conveyance allowance during leave period	0.061
	Dy. DEO (W-EE) Narowal	41	Non deduction of Income Tax	0.373
		43	Irregular cash payment to contractor & supplier	4.974
		44	Overpayment of General Sales Tax	0.161
		45	Overpayment of Income Tax	0.90
		47	Unauthorized Drawl of inadmissible allowances for	0.045
		48	Irregular cash payment to suppliers and leave encashment	16.523
		49	Unauthorized Drawl of charge Allowance	0.118
1.	GHS Bhajna	51	Irregular drawl of Arrears of pay and allowances due to non availability of whereabouts	0.019
2.		52	Non accountal/ Non Auction of cutted trees of Government assets	0.750
3.		53	Unjustified payment of pay and allowances	0.519
4.		54	Non deduction of income tax from the payment of NSB Expenditure	0.026
5.		55	Over payment of conveyance allowance during leave	0.01
6.		56	Unauthorized drawl of qualification allowances	0.014
7.		57	Non collection of revenue from the	0.033

Sr. #	Name of Formations	PDP #	Description of Para	Amount (Rs in millions)
			auction of owned land deposit	
8.		58	Non conducting annual physical verification and Non obtaining of schedule of payment	-

District Education Authority Okara

Sr. No.	PDP #	Name of Formation	Description	Rs in million
1	01	DEO (SE) Okara	Un-Necessary Creation Liabilities Worth Rupee	1.017
2	02		CASH WITHDRAWAL OF	1.438
3	03		Non verification of record of Income Tax & GST worth Rs 33.703 million on account of NSB releases.	33.703
4	04		Non-reconciliation of Expenditure	30.119
5	05		Non Provision of vouched accounts	0.056
6	06		Irregular / doubtful payment of financial assistance worth	0.4
7	08		Uneconomical Expenditure on repair of Hardware/It equipment	0.121
8	09		Excess expenditure than available budget grant	1.574
9	10		misappropriation	0.085
10	11		Non-utilization of Funds	2.333
11	12		Non utilizations of NSB funds	32.159
12	14		Non conducting of annual physical verification	
13	15		Non- surrenders of saving amounting	0.658
14	16		Not maintenance of tree register.	
15	17		Non disposal of radhi of	0.015
16	18		Expenditure without head wise budget allocation	
17	1		Non utilization of NSB funds amounting Rs 100.219 million DDEO (WEE) Okara	100.219
18	6		purchase goods from persons not registered from Sales Tax department Rs57.557milion	57.557
19	7		Irregular transfer of NSB funds without pre-audit worth-Rs 100.219Million	100.219

Sr. No.	PDP #	Name of Formation	Description	Rs in million
			DDEO (WEE) Okara	
20	8		Purchase of furniture without specifications Rs 20.239million	20.239
21	9		Doubtful execution sanitary and electric fitting Rs3.165million. DDEO (WEE)Depalpur	3.165
22	10		Irregular / doubtful expenditure of development works- Rs 13.560 million.	13.560
23	12		Expenditure without preparation of consumption record of FTF-Rs 5.677 million	5.667
24	13		Unjustified Issuance NSB Budget to schools Rs.100.219million DDEO(WEE) Okara	100.219
25	14		Irregular payment of pay and allowance of Rs2.378 million.	2.378
26	15		Irregular expenditure on repair Rs0.199 million.	0.199
27	16		Irregular purchase of Rs0.225 million of stationary items.	0.225
28	17		Irregular expenditure of POL Rs0.349 million.	0.349
29	18		Unauthorized Payment to DDOs amounting Rs 6.194 Million	6.194
30	19		Irregular payment of qualification allowance amounting	3.420
31	20		Irregular payment of Phd/M Phil. allowance	0.047
32	21		Irregular payment of SSB Rs1.773 million due to non-production of personal files and service books.	1.773
33	22		Irregular payment of arrears of pay and allowance	28.781
34	1		Irregular expenditure on repair Rs149455.DDEO (MEE) Depalpur	0.149
35	2		Irregular purchase of Rs.185900 of stationary items.	0.186
36	3		Non utilization of NSB funds amounting	26.173
37	4		Irregular expenditure due to non-obtaining Sales Tax invoices from suppliers	44.539
38	5		1. Irregular expenditure of POL	0.241

Sr. No.	PDP #	Name of Formation	Description	Rs in million
			Rs0.241 million.DDEO (MEE) Depalpur	
39	6		Irregular Payment of Travelling Allowance amounting to Rs0.734 million.	0.734
40	7		Unauthorized Payment to DDOs amounting Rs9.369 Million	9.369
41	8		Irregular payment of Rs0.955	0.955
42	9		Irregular transfer of NSB funds without pre-audit worth	95.202
43	10		Doubtful payments made in cash/ cash with draws from bank	1.997
44	11		Irregular payment of qualification allowance amounting	3.393
45	12		Irregular expenditure of rent of building amounting	0.220
46	13		Irregular expenditure due to non Provision of vouched accounts	1.390
47	14		Non Recovery of Conveyance Allowance Winter Vacations	1.096
48	15		Irregular expenditure on account of integrated allowance amounting	0.034
49	16		Irregular payment of Phd/M Phil. allowance Rs3.140 million.	3.140
50	17		Expenditure without advertisement at PPRA's Website	0.291
51	18		PDP- 18 Irregular expenditure of	0.063
52	22		Unjustified Issuance NSB Budget to schools	67.395
53	23		Expenditure without prior approval of NSB Committee amounting	0.767
54	24		Irregular expenditure of Rs. 126845	0.127
55	25		Irregular payment of 120000	0.120
56	27		Purchase of furniture without specifications Rs. 1.275million	1.275
57	29		Doubtful execution sanitary and electric fitting Rs 7.757 million.	7.757
58	30		Irregular / doubtful expenditure of development works	58.296
59	31		Expenditure without preparation of School Based Action Plan	58.396
60	32		Expenditure without preparation of consumption record of FTF	6.896

Sr. No.	PDP #	Name of Formation	Description	Rs in million
61	34		Irregular payment of arrears of pay and allowance	4.233
62	35		Irregular payment of qualification allowance	0.092
63	37		Irregular drawl of RS 0.149 million from NSB account	0.149
64	38		Irregular payment of Rs 2.042 million.	2.042
65	40		Irregular expenditure of Rs.0.0459 million.	0.045
66	1		Irregular payment of pay and allowance of (DDEO WEE Depalpur	1.763
67	3		Irregular expenditure on repair	0.073
68	4		PDP-4.Irregular purchase of Rs51687 of stationary items.	0.051
69	6		Non utilization of NSB funds amounting	8.545
70	7		Irregular payment of SSB Rs 9.922 million due to non production of personal files and service books.	9.922
71	8		Irregular expenditure of POL	0.215
72	9		Irregular Payment of Travelling Allowance Rs0.327 million.	0.327
73	10	DDEO (Wee) Depalpur	Unauthorized Payment to DDOs amounting Rs 6.194 Million	6.194
74	11	DDEO (Wee) Depalpur	Irregular transfer of NSB funds without pre-audit worth-Rs 71.965 Million	71.965
75	12		PDP-12 Doubtful payments made in cash/ cash with drawls from bank Rs0.588 million	0.588
76	13		Irregular payment of qualification allowance amounting to Rs2.098 million	2.098
77	14		Irregular expenditure of rent of building amounting to Rs0.105 million.	0.105
78	15		Irregular payment of Phd/M Phil. allowance Rs3.140 million.	3.140
79			Irregular payment of arrears of pay and allowance RS19.496 million.	19.496
80	18		Unjustified Issuance NSB Budget to schools Rs 71.965 million	71.965
81	19		Purchase of furniture without specifications Rs7.802million	7.802

Sr. No.	PDP #	Name of Formation	Description	Rs in million
82	21		Irregular / doubtful expenditure of development works- Rs50.395 million	50.395
83	22		Irregular transfer of NSB funds without pre-audit worth-Rs50.395 Million	50.395
84	23		Expenditure without preparation of School Based Action Plan-Rs50.395 million	50.395
85	24		Expenditure without preparation of consumption record of FTF-Rs5.610 million	5.610
86	27		Irregular payment on account of Charge Allowance Rs2.095	2.095
87	29		Irregular payment of Phd/M Phil. allowance Rs 1.842 million.	1.842
88	31		Irregular payment of Rs0.533 million.	0.533
89	32		Irregular drawal of qualification to ests on ba. qualification recovery amounting rs=92400-00	0.092
90	33		Non deduction conveyance allowance amounting to Rs1.112 million during winter vocation.	1.112
91	5	CEO DEA Okara	Blockage of government money without requirement Rs2.588million	2.588
92	6		Irregular payment of allowances during leave period- Rs475370	0.475
93	10		Absence of whereabouts of deposit work balance amounting Rs 12.589million	12.589
94	11		Non-verification of GST worth Rs.137546	0.137
95	12		Non-obtaining of vouched accounts from building from executing department amounting Rs 854.345 million	854.345
96	13		Non Disbursement of NSB Funds amounting Rs 65.184million	65.184
97	14		Irregular development works of Rs. 744.156million	744.156
98	15		Lapse/ non utilization of budget Rs60.000million	60.00
99	16		Loss due to non collection of registration fee and annual inspection fee from private schools –Rs 5.616 Million	5.616
100	17		Loss due to non collection of annual inspection fee from private schools – Rs 134,500	0.134

Sr. No.	PDP #	Name of Formation	Description	Rs in million
101	01	Dy District Education Officer (M-EE), Okara	Irregular Drawl of fixed TA DA amounting Rs 51,400	0.051
102	02		Irregular Payment of charge allowance Rs 447,984	0.447
103	03		Irregular Drawl of discontinued allowances amounting Rs 61,224	0.061
104	06	Dy District Education Officer (M-EE), Renala	Arrear of pay & allowances drawn without allocation of supplementary grant amounting Rs 11.24 million	11.24
105	07		DDO Payments amounting Rs 10.86 million	10.86
106	09		Non utilization of FTF funds amounting Rs 667,827	0.667
107	10		Irregular Cash Payments amounting Rs 2.72 million	2.72
108	11		Irregular Expenditure on Civil Works amounting Rs 18.88 million	18.88
109	12		Irregular Expenditure amounting Rs 537,402	0.537
110	14		Uneconomical Purchase of Tabs	1.08
111	15		Irregular / doubtful expenditure of development works	1.05
112	16		Irregular purchase of bricks	1.33
113	18		Purchase of furniture without specifications Rs 2.92 million	9.92
114	19		Doubtful expenditure	1.47
115	20		Irregular / Doubtful Expenditure on POL	0.300
116	21		Uneconomical purchase of stationery	0.248
117	22		Irregular Payment of Encashment	6.18
118	23		Irregular Payment of Travelling Allowance	0.441
119	24	Non utilization of NSB funds	20.73	
120	25	Irregular expenditure without post-audit system	72.14	
121	26	Irregular purchase from non-register firms with Sales Tax-Rs 44.63 million	44.63	
122	31	Irregular repair of Transport	0.154	
123	32	Uneconomical printing work	0.049	
124	33	Irregular repairs	0.288	
125	34	Doubtful purchase / consumption of miscellaneous items	0.570	
126	01	Dy District Education Officer (M-EE), Renala	Arrear of pay & allowances drawn without allocation of supplementary grant	5.39
127	03		Irregular Payment of charge allowance	0.406

Sr. No.	PDP #	Name of Formation	Description	Rs in million
128	05	Dy District	DDO Payments	7.52
129	06	Education	Non utilization of FTF funds	0.664
130	07	Officer (M-EE), Renala	Non utilization of NSB funds	10.06
131	08		Irregular purchase of bricks	2.91
132	09		Irregular Cash Payments	2.32
133	10		Irregular Expenditure on Civil Works amounting Rs 36.76 million	36.76
134	11		Doubtful payment of salaries amounting Rs 4.94 million	4.94
135	12		Uneconomical Purchase of Tabs amounting Rs 685,454	0.685
136	14		Non transparent expenditure on paint amounting Rs 1.45 million	1.45
137	15		Doubtful Purchase of uniforms amounting Rs 384,630	0.384
138	17		Doubtful expenditure amounting Rs 1.47 million	1.47
139	18		Irrational expenditure on labour amounting Rs 967,592	0.967
140	19		Purchase of furniture without specifications Rs 341,714	0.341
141	20		Irregular expenditure due to non-advertisement on PPRA's website- Rs 581,137	0.0581
142	21		Irregular Expenditure amounting Rs 287,661	0.287
143	22		Irregular / doubtful expenditure of development works- Rs 2.09 million	2.09
144	23		Irregular expenditure without post-audit system-Rs 29.58 million	29.58
145	24		Irregular purchase from non-register firms with Sales Tax-Rs 19.51 million	19.51
146	26		Expenditure in excess of the allotted budget Rs 29.67 million	29.67
147	28		Doubtful purchase / consumption of miscellaneous items for amounting Rs 0.570 million	0.570
148	29		Irregular / Doubtful Expenditure on POL amounting Rs 0.631 million	0.631
149	30		Uneconomical purchase of stationery amounting Rs 0.518 million	0.518
150	31		Irregular repair of Transport amounting Rs 0.412 million	0.412
151	32		Irregular Payment of Travelling	0.988

Sr. No.	PDP #	Name of Formation	Description	Rs in million
			Allowance Rs 0.988 million	
152	33		Uneconomical printing work amounting Rs 0.173 million	0.173
153	34		Irregular Payment of Financial assistance and Encashment of LPR amounting Rs 16.81 million	16.81
154	35		Irregular repairs	0.766
Total				3337.2881

District Education Authority Rawalpindi

(Rs in million)

S.No	Name of Formation	Para	Para of AIR	Amount
1	DEO (W-EE) Rawalpindi	Irregular payment on account of financial assistance – Rs 9.800 million	02	9.800
2	-do-	Non-availability of approved schedule of establishment by the Finance Department / approved budget statement – Rs 76.091 million	03	
3	CEO (Education authority) Rawalpindi	Irregular award of contract of Rs 0.903 million due to doubtful prequalification of Firms	13	0.903
4	-do-	Wasteful Expenditure of Rs 14.08 million	12	14.08
5	-do-	Irregular revision of cost of IT lab	14	0
6	-do-	Non-achievement of Targets of Literacy Program	19	
7	-do-	Over payment / unjustified payment of Rs 0.282 million	12	0.282
8	-do-	Irregular Expenditure on POL – Rs 161,566	21	0.161
9	-do-	Non reconciliation of receipt Rs4.47 million	24	4.47
10	-do-	Non reconciliation of Expenditure Rs30.799	25	30.799
11	-do-	Un-Authorized delay in Issuance of Registration	22	0
12	CEO(Lit)	Non availability of Store and	20	0.219

			Stock of Closed Centers- Rs 0.219 million		
13	Dy.DEO(EE_W) Gujar Khan		Irregular incurrence of expenditure from NSB without Estimates – Rs 1.089 million	26	
14	-do-		Overpayment on account of pay & allowances of newly appointed staff – Rs 557,691	28	0.557
15	-do-		Overpayment on account of pay & allowances of newly appointed staff – Rs 557,691	28	0.557
16	-do-		Irregular expenditure without specification Rs 0.242	29	0.242
17	-do-		Irregular payment of Rs 0.124 million	31	0.124
18	-do-		Irregular Payment through DDO CHQ Rs 148,531	33	0.148
19	-do-		Doubtful payment without acknowledgment - Rs 1.017 million	34	1.017
20	-do-		Wasteful Expenditure due to Non achievement of Objectives	35	0
21	-do-		Non-utilization of NSB Fund - Rs 3.404 million	36	3.404
22	-do-		Irregular incurrence of expenditure from NSB without Estimates – Rs 2.083 million	37	2.083
23	-do-		Un-authorized drawl of money by DDO instead of vender name Rs 6.060 million	32	6.060
24	Dy.DEO(EE_M) Gujar Khan		Overpayment on account of pay & allowances of newly appointed staff – Rs 880,451	39	0.880
25	-do-		Loss to Govt. due to none adopting of rationalization policy Rs 18.454 million	40	18.454
26	-do-		Irregular expenditure without specification Rs 220,009	41	0.220
27	-do-		Non deduction / deposited of Taxes Rs 2.329 million	42	2.329
28	-do-		Un-authorized drawl of money by DDO instead of vender name Rs 6.805 million	44	6.805
29	-do-		Irregular Payment through DDO CHQ Rs 274,128	45	0.274
30	-do-		Doubtful payment without acknowledgment - Rs 1.368	46	1.368

		million		
31	-do-	Difference in salary / Non salary expenditure Rs 27.029 million and Non reconciliation of expenditure statement.	47	27.029
32	-do-	Difference in expenditure Booked by DAO & Expenditure Statement	48	0.608
33	DEO (Special Education), Rawalpindi	Non-surrendering of Savings – Rs 6,728,276	49	6.728
34	-do-	Un-authorized purchase of items –Rs 262,166	50	0.262
35	-do-	Less deduction of income tax & sales tax – Rs 28,421	51	0.028
36	-do-	Non deduction of liquidated damages – Rs 27,200	52	0.027
37	-do-	Un-reconciled expenditure on repair of buildings –Rs 1,095,006	53	1.095
38	-do-	Doubtful expenditure on repair & lubricants of vehicle– Rs 96,002 and recovery of Rs.7,176	54	0.007
39	-do-	Irregular payment of previous years liability Rs 31,176	58	0.031
40	Government Qandeel School for Blind, Rawalpindi	Unjustified Payment to Contingent Paid Staff-Rs 584,872	63	0.584
41	-do-	Un authorized shifting of head quarter Rs 1,752,393	64	1.752
42	-do-	Doubtful payment of arrears of pay - Rs 288,707	65	0.288
43	-do-	Expenditure without appropriation - Rs 322,039	66	0.322
44	-do-	Irregular expenditure on purchase of tyres without quotations – Rs58,500	67	0.059
45	-do-	Irregular expenditure on POL due to un-approved/excess route –Rs 170,759	68	0.171
46	-do-	Irregular payment of previous years liability Rs 98,112	69	0.098
47	-do-	Non deduction of GPF, BF & GI Rs.74,120	70	0.074
48	-do-	Non-surrendering of Savings – Rs 1,653,620	71	1.653
49	Dy.DEO(EE-W)	Blockage of Government Funds	75	16.438

	Rawalpindi	due to Non surrender of Savings Rs16.438 million		
50	-do-	Overpayment on account of Pay and Allowances-Rs56,069	80	0.056
51	-do-	Non deposit of sales tax and income tax -Rs10,340	81	0.010
52	DEO (SE)	Irregular purchases due to non-intimation of sales tax to revenue department	77	0.666
53	DEO (SE)	Inadmissible payment of charge Allowance	84	0.067
54	-do-	Procurement of computer accessories without mentioning of specification	85	0.077
55	-do-	Procurement of printer in violation of specification	86	0.033
56	-do-	Irregular expenditure on account of Sui Gas Charges	87	0.055
57	-do-	Centralized payment of financial assistance	82	30.300
58	-do-	Irregular drawl	83	0.100
59	Dy.DEO(EE-W)	Un-authorized payment of incentive allowance	93	0.370
60	-do-	Non verification of GST	95	0.059
61	-do-	Irregular payment of inadmissible allowances	96	0.065
62	-do-	Misappropriation on account of Postage	97	0.042
63	-do-	Inadmissible drawl of Charge Allowance	100	0.077
64	GPS Saroba Centre Chakri	Inadmissible advance payment	99	0.670
65	-do-	Purchase without specification	108	0.500
66	Dy.DEO(EE-M), Rawalpindi	Unjustified transfer of funds	103	0.462
67	-do-	Non maintenance of record of TA/DA	104	0.439
68	-do-	FI data not matched with Expenditure statement	105	0.031
69	GPS KotJabbi	Expenditure against fake minutes of School Council	109	0.341
70	Dy DEO WEE, Rawalpindi	Overstaffing in violation of government policy	112	35.10
71	Dy.DEO(EE-W), Rawalpindi	Blockage of government resources	115	4.447
72	-do-	Non-recovery of overpayment made to regularized employees	117	0
73	-do-	Un authentic and un reconciled payments on account of	118	19.693

		pension contribution		
74	-do-	Irregular payment of rent of school buildings without assessment	119	1.554
75	-do-	Irregular payment on account of pay & allowances	120	2.286
76	-do-	Inadmissible drawl of Hill & Other Allowances	122	0.195
77	-do-	Analytical Procedure to Assess Incurrence of Unifromly or Rush of Expednditure-Rs3.004 million	123	3.004

District Education Authority Sargodha

Sr. No.	Name of formation	PDP No	Subject of Para	Nature of Para	Amount (Rs)
1	DEO MEE Sargodha	02	Non recovery of penalty imposed on teaching staff	Irregularity	148,000
2	DEO (M-EE) Sgd	06	Irregular expenditure due to mis-classification	Irregularity	91,652
3	Dy.DEO (M-EE) Shahpur	10	Irregular payment of charge allowance	Irregularity	56,000
4	Dy. DEO (M-EE) Bhalwal	15	Overpayment of conveyance allowance during leave	Weak Internal Controls	64,579
5	Dy.DEO (M-EE) Bhalwal	18	Irregular payment of charge allowance	Irregularity	60,000
6	Dy. DEO (WEE) Sargodha	24	Non Deduction of PST on Services	Weak Internal Controls	305,817
7	Dy. DEO (W-EE) Sargodha	26	Overpayment of conveyance allowance during leave	Weak Internal Controls	342,120
8	Dy. DEO (M-EE) Sargodha	30	Overpayment of conveyance allowance during leave	Weak Internal Controls	155,822
9	Dy. DEO MEE Sargodha	32	Non Deduction of PST on Services	Weak Internal Controls	295,702
10	Dy. DEO (MEE) Sgd	36	Overpayment of inadmissible allowances	Recovery	63,673
11	Dy. DEO (W) Sahiwal	39	Non Deduction of PST on Services	Weak Internal Controls	374,218
12	CEO DEA	65	Overpayment due to non-utilization of available earth	Irregularity	95,813

13	CEO DEA	66	Overpayment due to excess rate	Recovery	173,100
14	CEO DEA	69	Overpayment due to excess over quantity then T.S Estimate	Irregularity	31,340
15	CEO DEA	70	Overpayment due to excess over quantity than TS estimate Rs 477,009	Recovery	477,009
16	CEO DEA	71	Less recovery of cost of bricks	Recovery	254,682
17	CEO DEA	72	Less recovery of cost of bricks	Recovery	88,040
18	CEO DEA	73	Less recovery of cost of bricks	Recovery	123,220
19	CEO DEA	74	Less recovery of cost of bricks	Recovery	244,250
20	CEO DEA	75	Overpayment due to excess rate	Recovery	436,975
21	CEO DEA	78	Non recovery due to use of local sand	Recovery	193,956
22	Dy. DEO (W-EE) Kotmomin	86	No deduction of Conveyance Allowance during leave period	Recovery	25,831
23	Dy. DEO (W-EE) Kotmomin	89	Misclassified Expenditure	Irregularity	74,579
24	Dy. DEO (WEE) Kotmomin	91	Overpayment of inadmissible allowances	Recovery	114,346

District Education Authority Sheikhpura

(Rs in million)

Sr. No.	PDP #	Formation Name	Description	Amount
1	03	CEO District Education Authority SKP	Non obtaining of vouched accounts for NSB Rs 286.768 m	286.768
2	04		Non Disbursement of 4 th quarter NSB Funds Rs 94.331 M	94.331
3	06		Non recovery of absent from duty period amounting to Rs.196,936	0.197
4	07		Non recovery of fine imposed by MEAs Rs.129,000	0.129
5	10		Irregular drawn of arrear bills & Honorarium Rs. 466909	0.467
6	11		Overpayment of HRA, CA and 5% Maintenance Charges of Rs	0.185
7	13		Irregular drawn of Cash Rs 2.135 million	2.135
8	14		Non reconciliation of cash book with bank statement and	1.276
9	15		Unauthorized payments out of pension funds of Rs 11.763	11.763

Sr. No.	PDP #	Formation Name	Description	Amount
			M	
10	16		Irregular Payment of Travelling Allowance Rs 500987	0.501
11	17		Irregular Payment of Pending Liabilities Rs 773.620 Million	773.620
12	01		Non Production of reconciled Expenditure Statements	10.365
13	02		Creating a liability of Rs4.54million	4.54
14	03		Non Creating/ sanctioning the new posts for up graded schools	0
15	04		Non-maintenance of permanent asset record Rs3.293million approx.	3.293
16	07	DDEO (EEW) Ferozewala, Sheikhpura	Expenditure without preparation of School Based Action Plan-	28.804
17	12		Difference in FI data and cash book figures Rs201150	0.201
18	13		Irregular booking and difference in FI data Rs.2,028,661 due to non-maintenance of separate cash book of cost centers of schools	2.029
19	14		Unauthorized payment of inadmissible Allowances – Rs 131,161	0.131
20	01		Expenditure incurred in excess of budget provision of Rs 286,852	0.287
21	02		Non-verification of payment of GST Rs 0.273 M.	0.273
22	03		Irregular Expenditure Rs. 0.954 Million.	0.954
23	07	Govt. Special Education Centre Ferozewala	Irregular payment amounting to Rs10.132 M.	0.132
24	08		Non- surrenders of saving amounting to Rs, 271540/-	0.272
25	09		Extra Expenditure of Rs 407680.	0.408
26	10		Doubtful expenditure on repair of vehicle Rs 119967.	0.120
27	12		Doubtful drawl of POL Rs 853219.	0.853
28	13		Doubtful Purchase of Uniform for children of Rs 398330.	0.398
29	14		Likely misappropriation of Rs 464712.	0.465
30	15		Non conducting of annual physical verification	0
31	01		Loss of Rs 724452 due to double payment of Taxes	0.724
32	05		Loss of Rs. 155,250 due to Purchase on higher rates	0.155
33	07		Non deduction of Conveyanceand Charge Allowance Rs78000.	0.078
34	08		Uneconomical Purchase of Tabs amounting Rs 720,850	0.721
35	12	Deputy District Education Officer (M-EE) Muridke	Non maintenance of plants & tree register Rs. 14.420 million.	14.420
36	13		Irregular expenditure due to non-obtaining quotation of Rs 100,000.	0.100
37	14		Irregular Expenditure due to Misclassification–Rs 98000	0.098
38	15		Unauthorized and doubtful payment of Superannuation Rs 356,310.	0.356
39	16		Loss of Rs in million due to leave the boundary wall incomplete	0
40	18		Non Submission of Vouched Account Rs. 27300.	0.027
41	19		Non-reconciliation of Expenditure.	0

Sr. No.	PDP #	Formation Name	Description	Amount	
42	20		Non conducting of annual physical verification	0	
43	04	Deputy	Non-maintenance of trees record Rs3.924m (approx)	3.924	
44	06	District	Non transfer of the land in the Name of schools	0	
45	07	Education	Shortage of class rooms in schools	0	
46	08	Officer (W-EE) Muridke	Wastage of government resources extra construction of class rooms in schools	0	
47	5	Dy. District Education Officer (M-EE), Sheikhupura	Purchase of furniture without specifications Rs 2.328 million	2.328	
48	9		Unauthorized payment for weather shield paint of Rs 237,976	0.238	
49	10		Uneconomical Purchase of Tabs amounting Rs 427,689	0.428	
50	14		Non transparent expenditure on white wash, distemper and paint	1.873	
51	15		Unauthorized payment of Pay & Allowances beyond 60 years of age	0.340	
52	16		Arrear of pay & allowances drawn without allocation of supplementary grant amounting Rs 37.100 Million	37.100	
53	17		Non Verification of Deposits Rs 134,487	0.134	
54	19		Unauthorized expenditure due to non-advertisement on PPRA's website- Rs 4,00,000	0.400	
55	20		Irregular repair of transport Rs 189,337	0.189	
56	21		DDO Payments amounting Rs 337,468	0.337	
57	22		Unjustified expenditure on POL - Rs 61,683	0.062	
58	07		Dy. District Education Officer (W-EE), Sheikhupura	Purchase of furniture without specifications Rs 2.037 million	2.037
59	08			Uneconomical Purchase of Tabs amounting Rs 802,270	0.802
60	09			Non transparent expenditure on white wash, distemper and paint amounting Rs 1.963 million	1.963
61	14	Non Verification of Deposits Rs 1.159 million		1.159	
62	16	Arrear of pay & allowances drawn without allocation of supplementary grant amounting to Rs 24.309 million		24.309	
63	17	Unauthorized/Doubtful Payments Rs 199,582		0.199	
64	18	Unauthorized expenditure due to non-advertisement on PPRA's website- Rs 158,627		0.159	
65	19	Non transparent expenditure due to splitting the job orders amounting to Rs 162,000		0.162	
66	20	Irregular repair of transport Rs 58450		0.058	

District Education Authority Sialkot

Sr #	Name of formation	PD P No.	Description of Paras	Amount (Rs)
1	CEO Education Sialkot	12	Un-justified expenditure of TA / DA without observing codal formalities	254,510
2		13	Doubtful expenditure on POL	318,294
3		14	Doubtful expenditure on repair of transport	143,742
4		15	Non deduction of B.F, G.P.F and G.I	178,836
5		16	Irregular drawl utility bills in the name of DDO	143,176
6		Dy DEO (W-EE) Pasrur	20	Overpayment of charge allowance
7	21		Irregular expenditure on account of POL	249,972
8	23		<i>Non-deduction of Sales Tax</i>	203,422
9	24		Non-deduction of Income Tax	80,298
10			Unauthorized payment of qualification Allowance	43,200
11	28		Overpayment of charge allowance	57,000
12	29		Overpayment of Social Security Benefit	195,192
13	Dy DEO (W-EE) Sambrial		30	Overpayment of conveyance allowance worth
14	HM Govt. High School Talhara	1 31	Doubtful payment of Arrears of pays & allowances	370,010
15	Dy DEO (W-EE) Daska	32	Irregular payment of Charge allowance and recovery	264,000
16		33	Unjustified drawl of Pay and Allowances without performing duties and payment of charge allowance	324,000
17		35	Non deduction of conveyance allowance during Summer vacation	871,080
18		36	Irregular payment of Salary for extra duty from Non salary budget	468,000
19		37	Unjustified drawl of Allowances	700,322
20			Non-deduction of Income tax	239,725
21		41	Overpayment of pay and allowances	550,000
22		42	Excess drawl of areas of Pay and allowances	162,377
23		43	Unjustified abnormal increment to the employees	146,300

PART-II
Memorandum for Departmental Accounts Committee
Paras Pertaining to Audit Year 2017-18

District Education Authority Attock

Rs in million

Sr No.	Para No.	Name of Formation	Title of Para	Amount
1	3	CEO DEA Attock	Non Reconciliation of Expenditure of SDA	17.675
2	9	CEO DEA Attock	Irregular deduction of Benevolent Fund and Group Insurance.	
3	13	CEO DEA Attock	Non-verification of GST deposit amounting	0.583
4	4	Deaf & Defective Hearing School, Attock	Irregular purchase of Uniform through Purchase committee -	0.294
5	5	Deaf & Defective Hearing School, Attock	Unjustified / Doubtful payment of GST	0.056
6	6	Deaf & Defective Hearing School, Attock	Non reconciliation of non-salary expenditure	1.407
7	4	Dy DEO (W) Attock	Non utilization of funds-	1.40
8	5	Dy.DEO (M) Attock	Irregular payment of leave encashment	0.275
9	6	Dy.DEO (M) Attock	Overpayment on account of Pay and Allowances-	0.037
10	8	Dy.DEO (M) Attock	Non accounting of stores items-	0.24
11	9	Dy.DEO (M) Attock	Non maintenance of cash book-	0.180
12	10	Dy.DEO (M) Attock	Non reconciliation of expenditure	53.131
13	2	Dy DEO M-EE, Pindi Gheb	Non surrendering of savings	17.53
14	4	Dy.DEO (M) Pindi Gheb	Non reconciliation of sanctioned Post and Pay & Allowances	179.273
15	5	Dy.DEO (M) Pindi Gheb	Non reconciliation of	-
16	3	Dy DEO (W) Attock	Non utilization of funds-	5.28
17	8	Dy DEO (W) Attock	Non reconciliation of expenditure receipt and non conducting of physical verification of stores	91.47
18	4	Dy DEO (W)	Non utilization of funds	0.50

Sr No.	Para No.	Name of Formation	Title of Para	Amount
		Hassanabadal		
19	6	Dy DEO (W) Hassanabadal	Irregular expenditure on account of repair of Transport	0.021
20	8	Dy DEO (W) Hassanabadal	Non conducting of annual physical verification	-
21	9	Dy DEO (W) Hassanabadal	Non production of Payroll record.	-
22	5	Dy.DEO (W) Hazro	Non utilization of funds	1.059
23	10	Dy.DEO (W) Hazro	Non production of Payroll record.	-
24	13	Dy.DEO Hazro	Irregular expenditure on account of repair of Transport	0.154
25		Dy.DEO (W) fateh Jhang	Non utilization of saving (Non salary)	0.482
26	8	Dy.DEO (W) fateh Jhang	Non utilization of funds	5.120
27	10	Dy DEO (W) Fateh Jang	Non conducting of annual physical verification	-
28	11	Dy DEO (W) Fateh Jang	Non production of Payroll record	-
29	12	Dy DEO Fateh Jang (W)	Non deduction of income tax on of rent of office building and recovery thereof	0.0087
30	2	Dy DEO Hassan Abdal Attock	Irregular Expenditure on account of POL	0.028
31	1	Dy DEO (M) Fateh Jang	Unjustified expenditure on Photo Copies for	0.462
32	2	Dy DEO (F), Jand	Cash book not maintained -	0.393
33	4	Dy DEO (F), Jand	Non utilization of funds	2.328
34	1	Dy DEO (W EE) Pindi Gheb	Non reconciliation of expenditure and non conducting of physical verification of stores	-
35	2	Dy DEO (F), Pindi Gheb	Unjustified Development expenditure without Form	0.984
36	3	Dy DEO (F), Pindi Gheb	Cash book not maintained -	0.713
37	4	Dy DEO (F), Pindi Gheb	Stock Register not Maintained worth	0.412
38	5	Dy DEO (F), Pindi Gheb	Non utilization of funds	1.575
39	2	GBHSS Hassan Abdal	Non provision of vouchers	0.046
40	2	CEO DEA Attock	Un justified/Irregular drawl of and paid in cash	17.997
41	6	CEO DEA Attock	Non-verification of GST deposits	0.101
42	3	Dy. DEO M-EE,	Non-surrendering of Savings –	15.696

Sr No.	Para No.	Name of Formation	Title of Para	Amount
		Pindi gheb		
43	7	Dy DEO (W) hazro	Expenditure incurred in excess of budget provision for valuing	47.112
44	11	CEO (DEA) Attock	Un-justified payment of Honorarium	0.516
45	16	CEO (DEA) Attock	Un-justified Payment of Honorarium Amounting	0.012
46	1	Dy DEO (F), Jand	Unjustified Development expenditure without Form-6	1.43
47	2	Dy DEO (F), Pindi Gheb	Un authorized drawl of charge allowance	0.743
48	1	Deaf & Defective Hearing School	Un authorized route for pick & drop, expenditure on POL	0.5

District Education Authority Bhakkar

S. No.	Name of formation	PDP No	Subject of Para	Amount (Rs)
1	DEA Bhakkar	6	Non surrendering of Saving	2,190,605
2		8	Un-economical purchase of different items	45,280
3		9	Un-authorized purchase of CCTV Camaras	98,280
4		10	Non Deposit of school registration fee	67,000
5		11	Loss to government due to non recovery of annual inspection fee from private managed education institutions	187,000
6		12	Un-Authentication of deposits of GST	105,435
7		15	Un-economical purchase of furniture items	555,972
8		16	Irregular payment of pending liability	603,448
9		18	Irregular payment on account of inspection allowance	120,000
10		21	Un-authorized purchase on higher rates	8,720
11		23	Irregular expenditure due to non segregation of duties of DDO Cashier etc	2,687,373
12		27	Irregular expenditure due to non segregation of duties of DDO Cashier etc	212,011
13		29	Irregular expenditure due to non segregation of duties of DDO Cashier etc	1,407,264

District Education Authority Chakwal
(Rs. in million)

S.No.	Name of Formation	Title of Para	Para No.	Amount
1	Chief Executive Officer (DEA)	Un-justified payment of Honorarium	1	0.550
2		Irregular Transfer of Funds	2	195.903
3		Irregular Transfer of Funds	4	118.300
4		Un-justified payment of Performance Incentive	3	0.360
5		Non- Surrendering of Savings	12	3.067
6		Unauthorized Expenditure Due to Splitting	13	0495
7		Irregular Payment From Head A0 1270-Others	14	0.027
8		Suspected payment	15	0.456
9		Non-Verification of GST-	16	0.213
10		Non availability of Store and Stock of Closed Centers	18	0.134
11		Irregular drawl of POL	19	0.144
12	Dy DEO (M) Kallar Kahar	Irregular retention	20	14.267
13		Excess allocation of funds	21	2.115
14		Doubtful Expenditure	22	0.078
15		Unjustified payment on purchase of TAB	23	0.145
16		Irregular payment of income tax and GST	24	0.033
17	Dy DEO (M.E.E) Lawa	Irregular expenditure	26	0.122
18		Non accounting of store items	29	0.361
19		Unjustified Development expenditure without Form-6	27	0.615
20	Dy DEO (W.E.E) Lawa	Irregular expenditure	32	0.062
21		Unjustified Development expenditure without Form-6 –	33	0.574
22		Non accounting of store items	35	0.267
23	Dy DEO (M.E.E) Lawa	Non implementation of NSB Guideline due to lack of internal control	41	
24		Irregular auction of old building material	41	0.105
25		Irregular payment on A/c of Rent of School Building	42	0.064
26		Irregular expenditure on purchase of Furniture	43	0.099
27	Dy DEO (W.E.E) Talangang	Irregular payment from A/c-IV	44	35.494
28		Non implementation of NSB Guideline due to lack of internal control	46	-

S.No.	Name of Formation	Title of Para	Para No.	Amount
29	HM GGHS Dhudial	Non-surrendering of Savings	48	10.958
30	DO Secondary Education	Non Surrender of Anticipated Savings	53	0.215
31		Unauthorized Expenditure Due to Splitting	57	0.091
32		Doubtful drawl on account of TA/DA	58	0.149
33		Non verification of GST deposits	59	0.010
34		Un-justified allocation of funds	60	2.059
35		Irregular Expenditure in Excess of Budget		0.025
36		Irregular Payment of Pay And Allowances From Head A01270- Others	54	0.054
37		Dy DEO (W) Kallar Kahar	Unauthorized payment of income tax out of NSB Fund	61
38	Non-maintenance of store and stock		62	0.192
39	Unjustified payment on purchase of TAB		64	0.103
40	Dy DEO (EE- W) C S Shah	Unjustified provision of extra funds in NSB Account	66	1.258
41		Non-surrendering of Savings	67	0.688
42		Irregular expenditure beyond financial competency of School council	68	0.858
43		Non accountal of stock & stores	69	0.245
44		Irregular Expenditure without Concurrence of AEO	70	0.954
45		Likely Misappropriation of Funds due to not maintenance of vouched accounts	71	0.033
46	Dy DEO (W) Chakwal	Non implementation of NSB Guideline due to lack of internal control	72	-
47		Unjustified expenditure on payment of Private teacher out of NSB Fund	74	0.653
48		Irregular drawl of cash	75	0.100
49		Unjustified expenditures	78	0.124
50		Un authorized expenditure due to avoiding quotations	80	0,814
51		Excess expenditures on salary	81	0.415
52	Dy DEO (M) Chakwal	Non implementation of NSB Guideline due to lack of internal control	83	
53		Irregular drawl of cash	86	0.100

S.No.	Name of Formation	Title of Para	Para No.	Amount
54		Unjustified expenditure on payment of Private teacher out of NSB Fund	87	0.697
55		Un authorized expenditure due to avoiding tender	89	0.299
56		Irregular retention of money	91	1.979

District Education Authority Gujranwala

Sr. No	Name of Formation	PD P No	Description of Para	Amount (Rs)
1.	CEO	6	Improper maintenance of Record of expenditure.	-
2.		7	Non-Verification of Challan amounting to Rs. 21750.	21,750
3.	D O (Secondary Education)	1	Non deduction of conveyance allowance	15,595
4.	DEO M Kamonki	1	Non Deduction of Income Tax on leave enchashment.	744,417
5.		2	Irregular payments on account of Charge Allowance	237,135
6.		3	Non-Deduction of Income Tax	1,095,276
7.		4	Undustified drawl of Pay and allowance without performing duties and payment of Charge allowance	11,547,000
8.		5	Irregular payment	1,159,756
9.		6	Recovery on account of award of higher scale and advance increments	210,000
10.		7	Non-accounted of Govt Assets	2,260,000
11.		8	Over payment of pay and allowance	145,000
12.		9	Unjustified Award of pay package from back date Recovery thereof in millions.	-
13.		10	Overpayment due to Non regularization of Pay and allowances of contract staff on award of regular scales Recovery thereof	138,125
14.		11	Unjustified payments of inspection allowance and recovery there of paid during vacation.	190,000
15.	DEO M (Wazirabad)	1	Irregular payment on account of Charge Allowance	299,106
16.		2	Non deduction of Income tax on leave enchashment	261,651

Sr. No	Name of Formation	PD P No	Description of Para	Amount (Rs)
17.		3	Non deduction of conveyance allowance during LFP recovery thereof	39,417
18.		4	Non Deduction of Income Tax	360,556
19.		5	Unjustified drawl of pay and allowance without performing duties	11,547,000
20.		6	Recovery on account of award of higher scale and advance increments	270,000
21.		7	Non-accounted of Govt assets	2,330,000
22.		8	Overpayment of Pay and allowance of	290,000
23.		9	Overpayment of pay and allowance due to wrong fixation	125,000
24.		10	Unjustified Award of pay package from back date recovery thereof in millions.	-
25.		11	Over payment due to Non regularization of Pay and allowances of contract staff on award of regular scales recovery thereof	455,455
26.		12	Unjustified payment of inspection allowance and recovery there of paid during vacation.	190,000
27.		13	Non-Deduction of conveyance allowance during Summer vacation	112,056
28.	DEO M	1	Unjustified Drwal of funds for feeder teachers	143,000
29.	(Nowshe	2	Unjustified drawl of funds	1,220,000
30.	ra	3	Unjustified payments	63,200
31.	Virkan)	4	Unauthorized expenditures on account NSB	735,152
32.		1	Recovery of pay and allowance	162,291
33.		2	Non-recovery of conveyance allowance	883,540
34.	DEO W	3	Non deduction of conveyance allowance and non-verification of challan	234,060
35.	Kamoki	4	Unjustified drawl of funds	1,120,000
36.		5	Unjustified drawl of funds for feeder teachers	531,000
37.		1	Unjustified payment of inspection allowance and recovery there of paid during vacation	70,000
38.		2	Excess drawl of Inspection allowance	32,667
39.	DEO W	3	Doutful deposit of GST & Income tax from NSB	11,788
40.	Gujranw	4	Non-Verification of GST	114,793
41.	ala	5	Doutful payment of GST	17,812
42.		6	Non-Deduction of PST on Service	5,704
43.		7	Embezzlement from NSB funds	40,000
44.		8	Non-Utilization of NSB Funds	4,458,937
45.	DEO WEE	1	Doutful expenditure	283,266
	Gujranw			
	ala			

Sr. No	Name of Formation	PD P No	Description of Para	Amount (Rs)
46.	DEO M Gujranwala	1	Non-deduction of Sales tax & Income tax	216,083
47.		2	Non-deduction of Income Tax	71,768
48.		3	Unauthorized payments on account of weather shield	221,845
49.		4	Irregular cash payment to contractor & supplier	14,241,836
50.		5	Over payment of pay	571,536
51.		6	Overpayment of General Sales Tax	20,514
52.		7	Unauthorized expenditure by school council	6,859,820
53.	DEO F Wazirabad	1	Non-deduction of General Sales Tax	468,204
54.		2	Non-deduction of Income Tax	119,076
55.		3	Un-authorized payments on account of weather shield	705,980
56.		4	Irregular cash payment to contractor & supplier	2,754,141
57.		5	Over payment of General Sales Tax	13,792
58.		6	Un-authorized Expenditures by school council	1,284,569
59.		7	Doutful repair without Advertisement	345,692
60.	GG SK High School V	1	Non-deduction of Income Tax	41,897
61.		2	Non-deduction of sales Tax/PST	25,716
62.		3	Likely Misappropriation	677,777
63.	GHS chak Jagna Gujranwala	1	Non-deduction of GST	7,735
64.		2	Non-maintenance of Stock register	593,567
65.		3	Utilization of NSB funds without defined long term planning	955,843
66.		4	Non-utilization of NSB funds	336,878
67.		5	Likely Misappropriation on purchase of Table Mobile	17,750
68.		6	Physical verification not carried out	
69.	Govt AD model High School Acct V	1	Misappropriation of amount	207,909
70.		2	Non-deduction of conveyance allowance during summer and winter vacations	570,973
71.	Govt Public School Wazirabad	1	Irregular purchase of Furniture	498,069

District Education Authority Gujrat

(Rs in million)

Sr. No.	Name of Formation	PDP No.	Description of Para	Amount
35.	CEO	1	Irregular transfer of funds	104.775
36.		4	Irregular Payment on Account of Pay to Mobilizers	0.857
37.		5	Irregular expenditure without budget provision	1.157
38.		6	Non realization of penalty	0.030
39.		7	Less deduction of Income Tax	0.004
40.	Dy. DEO (EE-M) Gujrat	1	Non deduction of Sales Tax & Income Tax	0.081
41.		2	Irregular cash payment to contractor & supplier	0.345
42.		5	Irregular expenditure by splitting Indents of purchase of chairs	0.10
43.	Dy. DEO (EE-M) Kharian	2	Non Recovery of fine	0.013
44.	Dy. DEO (EE-W) Kharian	3	Non accountal of Government assets	8.76
45.		2	Unjustified drawl of qualification allowance	0.048
46.		3	Unjustified drawl of funds amounting	0.246
47.		6	Non deduction of conveyance allowance	0.149
48.		7	Recovery of pay & allowances	0.072

District Education Authority Hafizabad

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
	HM SLOW LEARNERS	02	Less deduction of income tax	21,758
		03	Unjustified deduction of sales tax of	112,178
		04	Para 04 Unjustified purchase of uniform on exorbitant rates	120,840
		05	Improper maintenance of stock register in respect of uniform	881,080
	DO M-EE Hafizabad 2017	01	Irregular Payment of GST Recovery	57,341
		02	Non Recovery of fine	25,000
		03	Non disbursement of scholarship to the students	57,600
1.	GGHS Sukheki 2017	01	Non refund of loan from FTF of PTCL and electricity bills	42,316
		02	Loss to govt due to unissued text books	80,500
		03	Irregular purchase of energy savers due to non entering in stock register	48,824
		04	Irregular payment of pay	1,900,646

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
		06	Unjustified regularization	2,304,000
	HM Govt. Special Education Centre Hafizabad	02	Non deduction of Sales Tax amounting	388,505
		03	Non recovery of conveyance allowance	40,348
		04	Excess payment	114,242
		05	Unauthorized drawl of qualification allowance	90,000
		06	Excess deduction of Sales Tax Rs50,266-recovery thereof	50,266
	HM Govt. Special Education Centre Hafizabad	01	Non recovery of conveyance allowance	24,510
		02	Recovery of fine	25,000
2.	District Education officer (SE) Hafizabad	01	Non-accountal of stores	270,544
3.		02	Irregular expenditure on repair of vehicle	83,900
4.		03	Non-accountal of expenditure of	65,585
5.	Chief Executive Officer District Education Authority Hafizabad	01	Irregular expenditure on IT Labs	1,595
6.		02	Irregular purchase of furniture	25.55
7.		03	Irregular expenditure on construction of Class room & boundary walls	106.499
8.		04	PDP No.04 Irregular expenditure of POL Rs. 95,059	95,059
9.		08	Irregular appointment of Assistant Education Officers	-
10.		09	Unlawful appointments of 21 Assistant Education Officers	-
11.	Special Education Center, Pindi Bhattian	01	Irregular expenditure on purchase of uniforms	1,006,560
12.		02	Un-lawful payment of on account of purchase of uniforms	239,760
13.		03	Overpayment of GST on purchase of uniforms	19,692
14.		04	Non-deduction of GST on purchase of uniforms	38,340
15.	Govt. Girls Higher Secondary	01	Un-lawful payment of pay & allowances amounting t	157,1720

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
	School, Vanike Tarar			

District Education Authority Jehlum

Sr. No	PDP NO	Formation	Description	Amount (Rs)
1	1	GGHS Langer Pur	Non-Surrender of Savings	691,314
2	2	GGHS Langer Pur	Non Maintenance of Donation Register	0
3	3	GGHS Langer Pur	Irregular payment of pay and Allowances through the head of Other A01270 amounting to Rs-.33,972	33,972
4	5	GGHS Langer Pur	Physical Verification of Stock Not Carried Out	0
5	6	GGHS Langer Pur	Non auction of un-serviceable store article and news paper	0
6	7	GGHS Langer Pur	Internal audit not carried out	0
7	9	GGHS Toor Jehlum	Wasteful Expenditure due to non-functional of IT Lab	0
8	10	GGHS Toor Jehlum	Non Maintenance of Donation Register	0
9	11	GGHS Toor Jehlum	Irregular payment of pay and Allowances through the head of Other A01270 amounting to Rs-.10,068	10,068
10	12	GGHS Toor Jehlum	Physical Verification of Stock Not Carried Out	0
11	13	GGHS Toor Jehlum	Non auction of un-serviceable store article and news paper	0
12	14	GGHS Toor Jehlum	Internal audit not carried out	0
13	15	GHS Jajial	Irregular Expenditure in Excess of Budget Rs 3.285 million	3,285,000
14	16	GHS Jajial	Non-maintenance of cash book - Rs 4.927 million	4,927,000
15	17	GHS Jajial	Less utilization of FTF and NSB Funds – Rs 636,733	636,733
16	18	GHS Jajial	Less-recovery on account of Contract of Canteen – Rs 8,500	8,500
17	19	GHS Jajial	Physical verification not carried out	0
18	20	GHS Jajial	Non-auction of old news papers and	0

			un-serviceable store	
19	23	CEO(Education) Jhelum	Loss to Government due non- decision of application of Registration of schools	0
20	24	CEO(Education) Jhelum	Non-verification of Sales Tax – Rs 524,924	524,924
21	28	CEO(Education) Jhelum	Physical Verification not Carried Out	0
22	29	CEO(Education) Jhelum	Non-auction of un-Serviceable Store Article and News Paper	0
23	30	CEO(Education) Jhelum	Internal Audit not Carried Out	0
24	32	Dy DEO (EE-M) Jhelum	Non accountal of stock & stores – Rs 99,685	99,685
25	34	Dy DEO (EE-M) Jhelum	Likely Misappropriation of Funds due to not maintenance of vouched accounts – Rs 390,629	390,629
26	35	Dy DEO (EE-M) Jhelum	Irregular expenditure on purchase of Furniture – Rs 117,600	117,600
27	36	Dy DEO (EE-M) Jhelum	Doubtful payment of GST Rs 13,670	13,670
28	37	Dy DEO (EE-M) Jhelum	Non-reconciliation of Expenditure of Account-V	0
29	38	Dy DEO (EE-M) Jhelum	Irregular payment pay allowances due to Defective maintenance of service Books	0
30	39	Dy DEO (EE-M) Jhelum	Physical verifications not carried out of Schools	0
31	40	Dy DEO (EE-M) Jhelum	Non-auction of old news papers and un-serviceable store in schools	0
32	41	Dy DEO (EE-M) Jhelum	Non-maintenance of Tree & Plant Register in schools	0
33	43	Dy DEO (M)-Pind Dadan Khan	Non utilization of funds- Rs1.62 million	1,620,000
34	44	Dy DEO (M)-Pind Dadan Khan	Overpayment on account of Pay and Allowances-Rs17,263	17,263
35	45	Dy DEO (M)-Pind Dadan Khan	Overpayment on account of Pay and Allowances-Rs18,483	18,483
36	46	Dy DEO (M)-Pind Dadan Khan	Non deposit of income tax and sales tax-Rs24,673	24,673
37	47	Dy DEO (M)-Pind Dadan Khan	Non accounting of stores items- Rs114,756	114,756
38	50	Dy DEO W-EE, P.D. Khan	Overpayment on account of Pay and Allowances-Rs16,352	16,352
39	51	Dy DEO W-EE, P.D. Khan	Non deposit of income tax and sales tax-Rs45,129	45,129
40	52	Dy DEO W-EE, P.D. Khan	Non accounting of stores items- Rs209,90	209,900
41	55	Dy DEO W-EE,	Non Deduction of income Tax/GS	642,000

		P.D. Khan	amounting to -Rs 0.642 Million	
42	56	Dy DEO W-EE, P.D. Khan	Irregular expenditure amounting to - Rs 0.335 Million	335,000
43	57	Dy DEO W-EE, P.D. Khan	Unjustified Development expenditure without Form-6 – Rs 1.388 Million	1,388,000
44	58	Dy DEO W-EE, P.D. Khan	Non Deduction of income Tax– Rs 0.104 Million	104,000
45	59	Dy DEO W-EE, P.D. Khan	Irregular payment of salary to school staff from non salary Budget NSB-Rs 161,715	161,715
46	61	Dy DEO W-EE, P.D. Khan	Non deduction of Conveyance Allowance during leave period of -Rs 85,207	85,207
47	62	Dy DEO W-EE, P.D. Khan	Overpayment on account of Pay and Allowances Rs 75,588	75,588
48	63	Dy DEO W-EE, P.D. Khan	Non accountal of purchases in asset registers of -Rs 0.210 Million	210,000
49	70	Dy DEO (M-EE) Sohawa	Irregular expenditure amounting to - Rs 0.667 Million	667,000
50	71	Dy DEO (M-EE) Sohawa	Non Deduction of income Tax/GST amounting to -Rs 0.122 Million	122,000
51	71a	Dy DEO (M-EE) Sohawa	Unjustified Development expenditure without Form-6 – Rs 0.207 Million	0,207,000
52	72	Dy DEO (M-EE) Sohawa	Irregular payment of salary to school staff from non salary Budget NSB-Rs 259,000	259,000
53	75	Dy DEO (M-EE) Sohawa	Irregular payment on account of Pay and Allowances to contract employees	0
54	76	Dy DEO (M-EE) Sohawa	Expenditure in Excess of Budget Rs 3.022 million	3,022,000
55	77	Dy DEO (M-EE) Sohawa	Non-Accountal of purchases in asset registers of Rs 49,800.	49,800
56	78	GGHS Kala Dev Jhelum	Irregular retention of –Rs 6.235 Million	6,235,000
57	81	GGHS Kala Dev Jhelum	Physical verification not carried out	0
58	82	GGHS Kala Dev Jhelum	Non-auction of old vehicles and un- serviceable store	0
59	83	GGHS Kala Dev Jhelum	Non maintenance of trees register	0
60	84	Dy DEO (W) Sohawa	Irregular retention of -Rs. 194,503	194,503
61	85	Dy DEO (W) Sohawa	Unauthorized payment of income tax out of NSB Fund Rs.281,910	281,910
62	87	Dy DEO (W) Sohawa	Irregular expenditures on Maintenance and Repair Rs.958,151 , recovery thereof	958,151
63	88	Dy DEO (W)	Unjustified expenditure on payment	158,535

		Sohawa	of Private teacher out of NSB Fund Rs.158,535	
64	89	Dy DEO (W) Sohawa	Irregular expenditures amount to Rs 600,000 on account of CCTV Camera	600,000
65	90	Dy DEO (W) Sohawa	Non utilization of funds Rs 2,810,407	2,810,407
66	91	Dy DEO (W) Sohawa	Irregular expenditure out of NSB Fund Rs 125,722	125,722
67	92	Dy DEO (W) Sohawa	Irregular expenditure amounting to Rs.325,000	325,000
68	93	Dy DEO (W) Sohawa	Non deduction of income tax Rs.2,723	2,723
69	94	Dy DEO (W) Sohawa	Irregular expenditure on account of repair of Transport-Rs43,820	43,820
70	97	Dy DEO (W) Sohawa	Non conducting of annual physical verification	0
71	97	Dy DEO (F), Jhelum,	Un-authorized expenditure on rent of office buildings -Rs.228,000	228,000
72	98	VHC Centre, Jhelum	Unjustified payment on account of POL-Rs.84,770	84,770
73	99	VHC Centre, Jhelum	Irregular Cash payment amounting to Rs 149,160	149,160
74	100	VHC Centre, Jhelum	Irregular Expenditure without budget -Rs.5,107,938	5,107,938
75	101	VHC Centre, Jhelum	Non-surrendering of Savings - Rs.576,116	576,116
76	102	VHC Centre, Jhelum	Internal Audit not Carried Out	0
77	54	Dy DEO (W) EE Sohawa,	Irregular expenditure amounting to - Rs 2.987 Million	2,987,000

District Education Authority Kasur

Rs in million

Sr. No.	PDP #	Formation Name	Description	Amount
1	02	Dy. DEO MEE KRK	Unauthorized expenditure due to non-advertisement on PPRA's website	0.157
2	04		Non reconciliation of expenditure	-
3	01	Dy. DEO MEE	Non achievement of target of children "katchi to grade- 5"	-
4	03		Non verification of General Sales Tax	1.621
5	04	Chunian	Non maintenance of teacher student ratio	-
6	05	Dy. DEO MEE Kasur	Unauthorized expenditure on civil works	11.046
7	07		Irregular payment of Scholarships	1.194
8	08		Unauthorized Payment of Inspection allowance during summer vacation	0.180

Sr. No.	PDP #	Formation Name	Description	Amount
9	01		Unjustified expenditure on Transportation of goods	0.118
10	02		Unauthorized expenditure on civil works	6.425
11	06	Dy. DEO	Non conducting of physical verification of stores	11.625
12	08	WEE	Unjustified Payment of Charge Allowance	0.228
13	03	Pattoki	Unauthorized Payment of Inspection allowance during summer vacation	0.160
14	03	Sp.	Non-conducting of physical verification of stores	0.571
15	04	Education	Over payment of un admissible allowance	0.006
16	06	Center	Non deduction of Income Tax from Pay	0.048
17	07	Chunian	Irregular extension in contract of appointment	0.144
18	05	Sp.	Non production of record	0.848
19	06	Education Center Pattoki	Non deduction of Benevolent Fund & Group Insurance from the salary	-
20	02	Govt. Hearing	Wastage of public money due to payment of salary without any duties	0.297
21	03	school for	Non disbursement of public money	0.175
22	05	hearing impaired	Non-verification of GST invoices	0.163
23	10		Irregular payment on account of training	0.515
24	12	CEO	Non transparent, doubtful and un reconciled expenditure on stipends to students	58.441
25	14	Education	Non disbursement of stipend to students	0.034
26	04	Kasur	Non-credit of receipt in Authority's Fund	2.770
27	01		Irregular Purchase of Furniture	5.7
28	07		Unauthorized transfer of funds as NSB and advance drawl	125.722

District Education Authority Khushab

Company Name	Sr. No.	PDP No	Subject of Para	Amount
DEA Khushab	1	03	Non utilization of NSB funds	2911314
	2	05	Un-Authorized Payment of Adhoc Allowances	851831
	3	09	Irregular purchase of CCTV cameras and recovery of GST	49088
	4	10	Irregular expenditure on repair of vehicle	3507343
	5	11	Doubtful/Fictitious bills of photocopies	6367
	6	17	Non utilization of NSB Grants – Rs995,182	995182
	7	18	Unjustified drawl of qualification allowances Rs140,400	140400
	8	20	Un-justified purchase of uniform and sweets	45162
	9	25	Non utilization of NSB funds	216000
	10	27	Irregular Expenditure on Purchases through	387655

			Splitting	
	11	28	Excess Expenditure	77732
	12	30	Non utilization of NSB funds	4,102,000
	13	31	Non deposit of government receipts into A/C V	136516

District Education Authority Lahore

Rs in million

Sr. No	PDP #	Formation Name	Description	Amount
1	08	Spl. Education Centers	Irregular Payment to contingent paid staff	3.219
2.	13	CEO DEA	Unauthorized and doubtful payments out of account IV due to non-functional of internal Audit authority	-
3	01	DDEO (MEE) Raiwind	Non/unjustified deduction of Income tax	0.077
4	03	-do-	Non Utilization of Farog-e-Taleem Fund	0.489
5	04	-do-	Non Deduction Of Sales Tax	0.069
6	05	-do-	Non-Accountal of Material	1.166
7	06	-do-	Non deduction of conveyance allowance for leave period	0.023
8	07	-do-	Loss Due to Unjustified Payment of Charge Allowance	0.114
9	08	-do-	Unauthorized Expenditure on Pay & Allowances Due to Shifting of Head Quarter	0.215
10	10	-do-	Unauthorized expenditure due to non-advertisement on PPRA's website	0.120
11	11	-do-	Non-Verification of GST Invoices	0.091
12	12	-do-	Un-authorized expenditure due to cash payment	0.120
13	13	-do-	Irregular payment of repair of Furniture & Fixture and Machinery and Equipment	0.049
14	01	DDEO (MEE) Tehsil City Lahore	Non/unjustified deduction of Income tax	0.040
15	03	-do-	Non Utilization of Farog-e-Taleem Fund	1.000
16	04	-do-	Non-Accountal of Material	0.418
17	05	-do-	Unauthorized Expenditure on Pay & Allowances Due to Shifting of Head Quarter	0.333
18	06	-do-	Loss Due to Unjustified Payment of Charge	0.042
19	01	DEO (MEE) Lahore	Unauthorized drawl of charge allowance	0.018
20	02	-do-	Doubtful drawal due to non-accountal of material	0.149

21	03	-do-	Non-reconciliation of expenditure statement	-
22	04	DDEO (WEE) Shalimar Town	Doubtful Expenditure on Civil Works	0.201
23	04	-do-	Non utilization of FTF	1.320
24	05	-do-	Non deduction of income tax	0.366

District Education Authority Mandi Baha-u-Din

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
1	Principal GHSS Makhnanwali	01	Non recovery of conveyance allowance	.013
2	Head	02	Unauthorized expenditure	0.799
3	Mistress	03	Excess payment	0.0130
4	Govt. Special Education Centre Malakwal	04	Non deduction of sales tax	0.0380
5		01	Non maintenance of Stock Register	0.03
6	District Education Officer (M- EE) District Mandi Bahauddin	02	Doubtful Expenditure on Account POL Due to Non Production of log book	0.073
7		03	Doubtful Expenditure on Account Repair of Vehicle Due to Non Production of log book	0.030
8		04	Payment on account of TA/DA	0.0565
9		05	Unauthorized Use of Official Telephone	0.000379
10		06	Physical verification not carried out	-
11				
12	Head Mater Govt. Special Education Centre MB Din	02	Less deduction of income tax	0.0106
13		03	Irregular expenditure on repair of transport	0.180
14		04	Doubtful payment on account of scholarship in cash	0.620
15	Senior Headmistress GGHS Jokalian	01	Non deduction of Income tax on leave encashment	0.881
16		01	Unauthorized Repair	0.0698
17	District Officer (S.E) M.B	02	Unauthorized expenditure on account of POL	0.0875
18		05	Unjustified drawl of funds in cash	0.085
19		06	Unjustified drawl of funds for feeder teacher	0.102

District Education Authority Mianwali

Company Name	Sr. No.	PDP No	Subject of Para	Amount
DEA Mianwali	1	05	Un-authorized Payment of GST on Supplied Amount to Punjab Revenue Authority	95,756
	2	09	Non-Production of Vouched Account of Leave Encashment Payment	2.391
	3	10	Expenditure in Excess of allocated budget and Non-availability of vouched Account	420,391

District Education Authority Nankana Sahib

(Rs in million)

Sr. No.	PDP #	Formation Name	Description	Amount
1	03	DDEO(EEW) NNS	UNAUTHORIZED PAYMENT OF ADHOC ALLOWANCES	0.096
2	05		IRREGULAR PAYMENT ON ACCOUNT OF CHARGE ALLOWANCE	0.027
3	09		IRREGULAR EXPENDITURE WITHOUT REPARATION OF CHART OF CLAFFIFICATION	-
4	10		NON DEDUCTION OF G.S.T	0.238
5	11		UNJUSTIFIED RETENTION OF FTF CASH IN HAND.	-
6	12		NON UTILIZATION OF LAND.	-
7	13		NON VERIFICATION OF SERVICE BOOK.	-
8	14		UNJUSTIFIED PAYMENT TO THE NEWLY RECRUITED AEO'S / TEACHERS.	-
9	15		NON MAINTENANCE OF TRESS REGISTERS	-
10	16		NON-CONDUCTING OF ANNUAL PHYSICAL VERIFICATION	-
11	01	Slow Learner School NNS	Non transparent purchase of uniform for the special students	0.343
12	02		Doubtful Expenditure on Repair of Furniture	0.161
13	03		Non disbursement of public money	0.780
14	04		Non-verification of GST invoices	0.072
15	05		Irregular expenditure on POL without sanctioned strength	0.386
16	06		Purchase of tyres by violating PPRA	0.171

District Education Authority Narowal

Sr. #	Name of Formations	AP #	Description of Para	Amount
9.	CEO (Education)	04	Unauthorized transfer of funds to school councils	824,000
10.		05	Doubtful Payment on Account of Pay to Teachers	7.119
11.		06	Improper Maintenance of Record of Expenditure	8.650
12.		07	Non realization of penalty	41,370
13.	DEO (M-EE) Narowal	01	Less Deduction of Income Tax	4,901
14.		02	Unjustified drawl of allowances	33,063
15.		03	Non deposit of sales tax	11,973
16.	DEO (W-EE) Narowal	01	Irregular payment of allowances during leave period	2,475
17.		02	Irregular purchase of stationery	183,517
18.		03	Irregular expenditure on repair of vehicle	59,926
19.	Dy. DEO (M-EE) Narowal	01	Irregular payment on account of Charge Allowance	218,800
20.		02	Non deduction of conveyance allowance during LFP recovery thereof	66,958
21.		04	Unjustified drawl of Pay and Allowances without performing duties	8.890
22.		05	Recovery on account of award of higher scale and advance increments	270,000
23.		07	Overpayment of pay and allowances	286,450
24.		08	Non deduction of Income tax on leave encashment	198,536
25.		09	Unjustified payment of inspection allowance and recovery due to payment during vacation	891541, 180,000
26.	Dy. DEO (M-EE) Zafarwal	01	Non deduction of conveyance allowance during LFP recovery thereof Rs 40694	40,694
27.		02	Unjustified drawl of Pay and Allowances without performing duties	5.041
28.		03	Non accountal of Government assets due to non maintenance of tree register	1050,000
29.		05	Unjustified Award of Pay package from back date Recovery thereof	525,000
30.		06	Unjustified payment of inspection allowance and recovery due to payment during vacation	200,000, 90,000
31.	Dy. DEO (W-EE) Shakargarh	01	Non deduction of General Sales Tax	136,595
32.		02	Non deduction of Income Tax	52,228
33.		03	Irregular cash payment to contractor & supplier	1643,028
34.		04	Overpayment of General Sales Tax and	386,965

Sr. #	Name of Formations	AP #	Description of Para	Amount
			recovery thereof	
35.		05	Overpayment of Income Tax	233,058
36.		06	Irregular expenditure by splitting Indents	402,646
37.		07	Non Recovery of wrong allowance given to the teachers	43,655
38.	Dy. DEO (M-EE)	01	Unjustified drawl of funds in cash	482,032
39.	Shakargarh	02	None recovery of fine amount	72,000
40.	Dy. DEO (W-EE)	01	Unauthorized expenditure on account NSB	876,619
41.	Zafarwal	02	Unjustified award of contract amounting	312,437
42.		03	Unjustified drawl of NSB funds in cash	4,688
43.	Dy. DEO (W-EE)	01	Irregular expenditure of NSB	1657,920
44.	Narowal	02	Non-utilization of funds	1585,071
45.		03	Non-deduction of Income and sales tax	30,358
46.		04	Overpayment of conveyance allowance	92,247
47.	HM Slow learner	01	Doubtful expenditure on purchase of uniform	466,021
48.	School,	02	Irregular payment of TA/DA	30,000
49.	Narowal	03	Doubtful expenditure on repair of vehicle	30,250
50.		04	Non recovery of conveyance allowance/pay	3,512
51.	Special Education Centre	01	Non recovery of conveyance allowance/pay – Rs 27,266	27,266
52.	Narowal	02	Non deduction of 5% house rent charges & conveyance allowance	24,126
53.		03	Illegal Occupation of Residence	362,052
54.		04	Unauthorized expenditure on purchase of tyres and less deduction of income tax	518064,7771
55.	Special Education Centre,	01	Non verification of sales tax	237,075
56.	Shakargarh	02	Un-due retention of Govt. Money	811,680
57.		03	Irregular expenditure on Uniform	863,179
58.		04	Irregular expenditure on repair of transport-	403,081
59.	Special Education centre,		Un-due retention of Government money in bank	356,530
60.	Zafarwal		Non recovery of pay and allowances	71,910
61.			Excess payment on pay and allowances	12,556

District Education Authority Okara

Sr. No.	PDP #	Name of Formation	Description	Rs in million
1	01	CEO Office	Non verification of pass book	-
2	08		Loss to government worth Recovery thereof	0.83
3			Transfer of development schemes from District Government to C&W Department	-

Sr. No.	PDP #	Name of Formation	Description	Rs in million
			without having adjustment account	
4	01	Special Education (Hi) Okara	irregular drawl of Qualification Allowance & Personal Allowance	0.172
5	02		Irregular Drawn Of Pay & Allowances Without Verification of Academic Record	-
6	04		Non-recovery of Auction fee on account of Canteen	0.125
	03		Non-auction of unserviceable vehicles	-
7	01	Government Gunj Shakar Special Education Centre Okara	Non Recovery of Special C. A Paid during Summer Vacations	0.012
8	02		Irregular expenditure on POL without sanctioned strength	0.434
9	01	Spl. Edu. Center Renala Khurd	Non-Accountal of Material	0.217
10	02		Unauthorized purchase from unregistered firms	0.066
11	01	Dy DEO MEE Depalpur	Unjustified expenditure on Transportation of goods	0.051
12	02		Unauthorized Payment of Inspection allowance during summer vacation	0.51
13	03		Unjustified payment of honorarium to Assistant Education Officers	0.34
14	04		Unauthorized payment of TA/DA	0.069
15	05		Unauthorized payment of DTE allowance	0.612
16	06		Unauthorized payment of SSB	0.108
17	07		Unauthorized payment of House Rent Allowance	0.007
18	03		Dy DEO WEE Okara	Expenditure without advertisement at PPRA's Website
19	04	Non Reconciliation of Income		0.359
20	06	Overpayment Due to Non-deduction of 6% Shrinkage on Earth filling		0.043
21	08	Loss due to Non-deduction of Income Tax at Source		
22	09	Loss of Revenue due to Purchases from Unregistered Firm and without Obtaining Sales Tax Invoices		-
23	10	Non preparation of budget under the Chart of Classification of accounts		-
24	11	Non utilization of SMC funds		-
25	12	Unjustified expenditure of POL and TA/DA		0.181
26	13	Misclassification of expenditure		0.075
27	14	Irregular purchase of different items		0.174

Sr. No.	PDP #	Name of Formation	Description	Rs in million
28	02	Dy DEO	Wasteful Expenditure	0.035
29	03	WEE	Unjustified expenditure of POL and TA/DA	0.213
30	04	Depalpur	Non-production of record	0.099
31	06	Dy DEO MEE Okara	Non preparation of school council / documents	-

District Education Authority Rawalpindi

(Rs in million)

Sr No	Name of office	Title of Para	Para No	Amount
1	Govt. High School Mohra Syedan	Doubtful expenditure due to non-reconciliation	1	2.268
2		Irregular payment pay allowances due to Defective maintenance of service Books	2	2.159
3	Dy DEO (EE-W) Rawalpindi	Non accountal of stock & stores	3	0.153
4		Irregular drawl of pay and allowances of AEO	8	0.161
5		Non-reconciliation of Expenditure of A/c-V	9	135.89
6		Unjustified undisbursed closing balance of cash book	10	0.124
7	Dy DEO (EE-M) Gujar Khan	Non accountal of stock & stores	3	0.360
8		Difference in closing balance of cash book of cost center RV-6603	2	0.081
9		Irregular payment pay allowances due to Defective maintenance of service Books	9	0
10		Wastage of money on construct of room	5	0.230
11		Unjustified and irregular payment of labour charges	6	0.200
12		Unauthorized drawl from NSB account and withheld	7	0.050
13	Dy DEO (M-EE), Murree	Blockage of Government Funds due to Non surrender of Savings	1	26.257
14		Excess over approved budget allocation	2	4.298
15		Overstaffing in violation of government policy	4	0
16		Irregular payment of leave encashment	8	0.521
17		Un authorized appointment during ban	9	0
18		Unauthorised expenditure due to below qualification recruitment	3	0

Sr No	Name of office	Title of Para	Para No	Amount
19		Irregular payment of liabilities	11	0.294
20	Dy DEO M-EE, Taxila	Blockage of government funds due to non surrender of savings	1	55.02
21	Dy DEO W-EE, Murree	Overstaffing in violation of government policy	4	2.88
22		Excess over approved budget allocation	5	0.089
23		Non reconciliation of expenditure & non conducting of physical verification of stores	6	0
24		Irregular payment of rent of office building	9	0.300
25		Irregular expenditure by the schools	11	0
26	Dy DEO (M-EE) Kotli Sattian	Unjustified drawl of money from bank	2	0.095
27		Advance Payment on Erection of Swings of	4	0.052
28		Non-verification of payment of GST	5	0.114
29		Irregular retention of Non-salary budget	6	0.579
30		Expenditure incurred in excess of budget provision for valuing to	7	43.956
31		Unjustified expenditure on account construction of washrooms and release of NSB Fund	12	0.168
32	Dy DEO (W-EE) Kotli Sattian	Irregular drawl in cash of amounting	2	0.286
33		Advance Payment on Erection of Swings of	5	0.088
34		Non-verification of payment of GST	7	0.088
35		Wasteful expenditure on construction work	8	0.049
36	Govt. Qandeel S S blind Rawalpindi	Irregular Payment OF Bills in Cash	1	0.142
37		Unjustified Expenditure on Account of Food	2	0.301
38	Govt Blind School	Non-verification of payment of GST	5	0.021
39	Qandeel Blind school SS	Irregular expenditures on account of scholarship	7	0.133
40	GBHSS Phipherial	Non-surrender of savings	2	3.902
41	Dy DEO W-EE Kahuta	Doubtful consumption of POL	1	0.148
42		Irregular payment on Repair for	2	0.147
43		Non-surrender of savings	1	57.259
44		Irregular payment on Repair for	2	0.158

Sr No	Name of office	Title of Para	Para No	Amount
45	CEO District Education Authority	Expenditure in Excess of Budget	5	306.684
46		Non- Surrendering of Savings	6	3.868
47		Irregular Payment From Head A01270-Others	8	0.027
48		Suspected payment	9	0.052
49	Dy. DEO(M EE) Kalar Syedan	Non reconciliation of expenditure	2	31.997
50		Irregular Payment of Pay And Allowances From Head A01270- Others	3	0.778
51		Irregular payment of salary to school staff from non salary Budget NSB	9	0.064
52		Non verification of deposit of GST	10	0.174
53	Dy DEO W-EE Kallar Sayyedana	Non reconciliation of expenditure	1	41.814
54		Irregular Payment of Pay And Allowances From Head A01270- Others	2	1.22
55		Non verification of deposit of GST	5	0.322
56	Dy DEO (W E E) Gujar Khan	Non reconciliation of expenditure	1	183.94
57		Non verification of deposit of GST	8	0.679

District Education Authority Sargodha

Name of formation	Sr. No.	PDP No	Subject of Para	Amount
DEA Sargodha	1	01	Non recording of expenditure transactions, opening and closing balance in cash book	-
	2	02	Non recording of expenditure transactions, opening and closing balance in cash book	-
	3	03	Non deduction of conveyance allowance Rs.60,000	.060
	4	04	Variance between the cash book and expenditure statement	-
	5	07	Irregular purchase of AC	.267
	6	08	Irregular purchase of stationery items without quotation	.098
	7	09	Non refunded/disbursement of scholarship funds	-
	8	10	Non utilization of NSB funds	.962
	9	12	Un-authorized payment of Financial Assistance	.800
	10	25	Irregular payment to Adult Literacy Centers in one Union Councils	.145
	11	28	Uneconomical expenditure on purchase of	.008

			Water Dispenser on higher rate	
	12	29	Non Deposit of GST in the accounts of FBR	.033
	13	30	Illegal payment on account of Science Teaching Allowance & Charge allowance	.017
	14	31	Irregular drawl of Conveyance Allowance during Leave	.025
	15	33	Expenditure incurred over and above the budget allocation	27.445
	16	34	Unauthorized expenditure	-
	17	35	Overpayment of GST and Income tax	-
	18	36	Overpayment of Social Security Benefit	.850
	19	37	Irregular expenditure	-
	20	38	Unauthorized expenditure on purchase of Tab	.441
	21	39	Non Deduction of income tax and sales tax Rs419,683	.420
	22	41	Non reconciliation of expenditure	-

District Education Authority Sheikhpura

(Rs in million)

Sr. No.	PDP #	Formation Name	Description	Amount
1	01	CEO DEA	Ranking position of District Education Sector against the Expenditure	1,768.384
2	02		Transfer of 214 development schemes from District Government to C&W Department	206.478
3	04		Non Utilization of SDA Funds	121.960
4	03		Non verification of pass book	158.632
5	05		Non utilization of IT Labs fund	49.355
6	07		Non disbursement of internal merit scholarship	10.279
7	09		Non-surrender of savings	87.529
8	13		Non production of Receipt Record	-
9	03	Govt. Special Education Center Ferozewala	Non disbursement of public money	0.564
10	01		Unauthentic distribution of scholarship	0.267
11	04		Irregular expenditure on POL without sanctioned strength	0.882
12	01	Govt. Institute of Slow Learner SKP	Lapse of Funds	1.049
13	03		Non-Verification of GST Invoices	0.058
14	04		Non-Accountal of Material	0.405
15	05		Irregular payment of repair of Machinery and Equipment and Repair of Furniture & Fixture	0.100
16	07		Irregular and defective purchase of Uniform	0.315
17	04	Govt. Spl Education Center Sharqpur shrif	Irregular and defective purchase	0.255
18	02		Irregular expenditure	0.189
19	05		Non-surrender of saving in budget	4.901
20	06		Irregular drawl of Qualification Allowance & Personal Allowance	0.448

Sr. No.	PDP #	Formation Name	Description	Amount
21	04	Special Education Center Muridkey	Irregular expenditure on POL & ROT without sanctioned strength	2.816
22	05		Irregular Purchase of uniform	1.082
23	06		Payment of stipend without opening Bank account	1.705
24	07		Irregular Drawn Of Pay & Allowances Without Verification of Academic Record	

District Education Authority Sialkot

Sr. #	Name of Formation	AP No.	Description of Paras	Amount (Rs in million)
1.	CEO Education	01	Non deduction of sales tax	987647
2.		03	Unauthorized drawl of Allowances	181853
3.		04	Recovery of pay & allowances	71948
4.		05	Unjustified drawl of honoraria of ALC teacher	3.20 million
5.		08	Non deduction of income tax	558770
6.	DO Secondary Education	02	Non deduction of conveyance allowance	9615
7.		03	Irregular expenditure on repair of transport	134766
8.		04	Non-accountal of stores	181613
9.	DO M-EE	01	Irregular expenditure by splitting the indent and without Advertisement on PPRA Website	224,990
10.		02	Irregular expenditure by splitting the indent and without Advertisement on PPRA Website	332852
11.		03	Doubtful expenditure on account of postage stamps	50000
12.		04	Irregular expenditure by splitting the indent and without Advertisement on PPRA Website	139000
13.		05	Advertisement on PPRA Website	215500
14.	Dy DEO M Sialkot	01	Unjustified drawl of conveyance allowance	836998
15.		03	Non deduction of income tax	409,865
16.		04	Non deduction of PST	584425
17.		06	Recovery due non stoppage of increments	24470
18.		07	None recovery of fine	432897
	Dy DEO W Sialkot	02	Non deduction of conveyance allowance during LFP	314987
		03	Unjustified payment of pay and allowances	775000

Sr. #	Name of Formation	AP No.	Description of Paras	Amount (Rs in million)
		04	Unauthorized expenditure on account NSB	278387
		06	Recovery on account of award of higher scale and advance increments	301385
		07	Non recovery of Overpayment	992980
		08	Irregular Purchase of computer TABs	458513
		09	Irregular Drawl of Pay and allowances to the staff absent from duty	-
		10	Unjustified payment of pay and allowances	225000
		11	Irregular payment of pay and allowances due to non fixation of pay through DAO	50195
		13	Unjustified payment of inspection allowance	500000
		14	Inadmissible drawl of Allowances	595367
		15	Non production of Records	-
	Dy DEO M Sambrial	01	Unlawful payment of Extra duty allowance	175161
		02	Irregular repair of vehicle	227070
		03	Irregular purchase of stationery	216450
19.		05	Non deduction of Income Tax	93651
		07	Non recovery of conveyance allowance	192990
		08	Non recovery of conveyance allowance	311760
		10	Unauthorized Repair of vehicle	150571
20.	Dy DEO W Sambrial	11	Unjustified drawl of qualification allowances	151200
21.		12	Unjustified drawl of Extra duty allowances	150000
		13	Non deduction of income tax	131139
22.	Dy DEO M Daska	01	Unjustified drawl of qualification allowances	965467
23.		02	Non deduction of conveyance allowance	96624-
24.	Dy DEO W Daska	03	Non recovery of conveyance allowance	527352
25.	Dy DEO W Pasrur	01	Unjustified payment of inspection allowance recovery there paid during vacation	280,000
26.		02	Inadmissible drawl of Allowances	386581
27.	Dy DEO M Pasrur	01	Unjustified payment of inspection allowance	280000
28.		02	Inadmissible drawl of Allowances	386581
29.	HM Govt Pilot	01	Non Deposited of Canteen Auctioned Amount in Government Treasury	160000
30.	High school	02	Non Verification of Expenditure Statement	20.365 million

Sr. #	Name of Formation	AP No.	Description of Paras	Amount (Rs in million)
31.		03	Loans were not Refunded	
32.		04	Non preparation of bank reconciliation of FTF deposited	378,449
33.		05	Non deduction of income Tax	12000
34.	HM Govt Comprehensive High School	01	Non Recovery of conveyance allowance during winter vacations	108701
35.		03	Irregular expenditure on others	445615
36.		04	Irregular expenditure on purchase of furniture	199486
37.		05	Irregular expenditure on repair of furniture	138950
38.		06	Doubtful Expenditure on repair	170950
39.		HM Govt Muslim High School	01	Non Recovery of conveyance allowance during Winter vacations
40.	02		Irregular Purchase of Furniture	164502
41.	03		Unauthorized/Doubtful expenditure on floor tiles	164550
42.	04		Unauthorized expenditure by splitting the indent	263981
43.	05		Unauthorized expenditure by splitting the indent	145,197
44.	06		Irregular expenditure due to quotation	98931

Annexure-B

S.No.	DEA	Budget	Expenditure	Excess/ (savings)
1	ATTOCK	7,156,378,646	5,910,154,677	(1,246,223,969)
2	BHAKKAR	5,373,888,350	4,763,453,319	(610,435,031)
3	CHAKWAL	6,256,095,134	5,380,235,305	(875,859,829)
4	GUJRANWALA	9,741,904,681	8,102,945,741	(1,638,958,940)
5	GUJRAT	6,916,685,000	6,863,309,270	(53,375,730)
6	HAFIZABAD	3,109,414,316	2,911,673,893	(197,740,423)
7	JHEHLUM	4,445,815,249	3,906,705,151	(539,110,098)
8	KASUR	6,721,129,702	6,679,895,727	(41,233,975)
9	KHUSHAB	4,899,301,991	3,806,174,905	(1,093,127,086)
10	LAHORE	13,818,458,145	12,229,784,750	(1,588,673,395)
11	MANDI BAHAUDDIN	4,875,608,600	4,132,279,986	(743,328,614)
12	MIANWALI	5,996,602,612	4,934,065,940	(1,062,536,672)
13	NANKANA SAHIB	4,335,878,000	4,015,865,680	(320,012,320)
14	NAROWAL	6,198,893,731	5,332,266,232	(866,627,499)
15	OKARA	7,116,006,624	6,857,310,852	(258,695,772)
16	RAWAPINDI	11,568,429,309	10,585,771,049	(982,658,260)
17	SARGODHA	9,905,295,000	9,705,695,389	(199,599,611)
18	SHEKHUPURA	5,907,367,440	5,838,492,279	(68,875,161)
19	SIALKOT	8,865,867,084	9,020,377,854	154,510,770
		133,209,019,614	120,976,457,999	(12,232,561,615)