



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

**AUDIT YEAR 2013-14**

**AUDITOR GENERAL OF PAKISTAN**

# TABLE OF CONTENT

<b>ABBREVIATIONS &amp; ACRONYMS</b> .....	<b>i</b>
<b>PREFACE</b> .....	<b>iii</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>iv</b>
<b>SUMMARY TABLES &amp; CHARTS</b> .....	<b>vii</b>
Table 1: Audit Work Statistics.....	vii
Table 2: Audit Observations Classified by Categories .....	vii
Table 3: Outcome Statistics .....	viii
Table 4: Irregularities Pointed Out.....	ix
<b>CHAPTER-1</b> .....	<b>1</b>
1.1 District Government, Hafizabad.....	1
1.1.1 Introduction of Departments.....	1
1.1.2 Comments on Budget and Accounts (Variance Analysis) .....	1
1.1.3 Brief Comments on the Status of Compliance with PAC/ZAC Directives.....	3
<b>1.2 AUDIT PARAS</b> .....	<b>4</b>
1.2.1 Non-production of Record.....	5
1.2.2 Irregularity / Non-compliance .....	7
1.2.3 Internal Controls Weakness.....	9
<b>ANNEXURES</b> .....	<b>14</b>

## **ABBREVIATIONS & ACRONYMS**

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

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

## **PREFACE**

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

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

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

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

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

**Islamabad**  
**Dated:**

**(Muhammad Akhtar Buland Rana)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit(DGA), District Governments, Punjab (North), Lahore is responsible to carry out the Audit of District Governments, Tehsil / Town Municipal Administrations and Union Administrations of three City District Governments and sixteen District Governments. Its Regional Directorate of Audit, Gujranwala has Audit jurisdiction of District Governments, TMAs and UAs of one City District Government i.e. Gujranwala and five District Governments i.e. Gujrat, Hafizabad, Narowal, Sialkot and Mandi Baha-ud-Din.

The Regional Directorate has a human resource of 17 officers and staff, total 4757 man-days and the annual budget of Rs16.085 million for the financial year 2013-2014. It has been mandated to conduct Financial Attest, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes / projects & receipts. Accordingly, RDA Gujranwala carried out Audit of accounts of District Government, Hafizabad for the financial year 2012-2013.

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

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

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

## **a) Audit Objectives**

Audit was conducted with the objective to ensure that:

1. Money shown as expenditure in the accounts was authorized for the purpose for which it was spent.
2. Expenditure was incurred in conformity with the laws & rules and regulations were framed to regulate the procedure for expending public money.
3. Every item of expenditure was incurred with the approval of the competent authority in the Government for expending the public money.
4. Public money was not wasted.
5. The assessment, collection and accountal of revenue is made in accordance with prescribed laws, rules and regulations.

## **b) Audit Methodology**

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

## **c) Audit of Expenditure and Receipts**

Total expenditure of the District Government Hafizabad for the financial year 2012-2013, was Rs2,564.422 million covering one PAO and 207 formations. Out of this, RDA Gujranwala audited expenditure of Rs1,153.990 million which, in terms of percentage, was 45% of the total expenditure. Regional Director Audit planned and executed audit of thirty (30) formations i.e. 100% achievement against the planned Audit activities.

Total receipts of the District Government Hafizabad for the financial year 2012-2013, were Rs6.393 million. RDA Gujranwala audited receipts of Rs2.877 million which was 45% of total receipts.

## **d) Recoveries at the Instance of Audit**

Recovery of Rs3.504 million was pointed out during audit, out of which an amount of Rs0.374 million was recovered and verified during the year 2013-14, till the time of compilation of report.

## **e) The key Audit findings of the report**

- i. Non-production of record of Rs 27.399 million was noted in one case.<sup>1</sup>
- ii. Irregularity & non-compliance of Rs 10.916 million was noted in one case.<sup>2</sup>
- iii. Weakness of internal controls was noted in four cases involving an amount of Rs 7.598 million.<sup>3</sup>
- iv. Analysis of budget and expenditure of District Government Hafizabad for the financial year 2012-13 revealed the original budget was Rs2,542.834 million, supplementary grant was Rs235.566 million and the final budget was Rs2,778.401 million. Non-development expenditure of Rs2,347.083 million was incurred against the original allocation of Rs2,416.000 million and Development Expenditure of Rs217.339 million was incurred against the original budget allocation of Rs126.834 million resulting in savings of Rs81.112 million and Rs132.866 million respectively. Total expenditure of Rs2,564.422 million was incurred against the final budget of Rs2,778.400 million, resulting in overall savings of Rs213.978 million which, in terms of percentage, was 08%.

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

## **f) Recommendations**

- i. Head of the District Government needs to ensure physical stock taking of fixed and current assets.
- ii. Departments need to comply with the Procurement Rules for economical and rational purchases of goods and services.
- iii. Inquiries need to be held to fix responsibility for losses, theft and wasteful expenditure.
- iv. The PAO needs to make efforts for expediting the realization of various Government receipts.
- v. The PAO needs to take appropriate measures to strengthen internal controls / monitoring system.
- vi. The PAO needs to take appropriate action against the person (s) responsible for non-production of record.
- vii. The PAO needs to rationalize its budget with respect to utilization.

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<sup>1</sup> Para 1.2.1.1

<sup>2</sup> Para 1.2.2.1

<sup>3</sup> Para 1.2.3.1 to 1.2.3.4



## SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics**

(Rs in millions)

Sr. #	Description	No.	Budget
1	Total Entities (PAOs) under Audit Jurisdiction	01	2,564.422
2	Total formations under Audit Jurisdiction	207	2,564.422
3	Total Entities (PAOs) Audited	01	1,153.990
4	Total formations Audited	30	1,153.990
5	Audit & Inspection Reports	30	1,153.990
6	Special Audit Reports	0	0
7	Performance Audit Reports	0	0
8	Other Reports	0	0

\* Figures at serial No.3, 4 & 5 represents expenditure.

**Table 2: Audit Observations Classified by Categories**

(Rs in millions)

Sr.#	Description	Amount Placed under Audit Observation	Para reference
1	Asset management	0	-
2	Financial management	12.315	1.2.21, 1.2.3.3
3	Internal controls	6.199	1.2.3.1, 1.2.3.2, 1.2.3.4
4	Others	27.399	1.2.1.1
<b>TOTAL</b>		<b>45.913</b>	

**Table 3: Outcome Statistics**

(Rs in millions)

Sr. No.	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last year
1	Outlays audited	-	121.276	2.877	1032.72	1,156.867*	1,025.856
2	Amount placed under audit observation / Irregularities of audit	-	6.019	-	39.894	45.913	108.329
3	Recoveries pointed out at the instance of audit	-	0.784	0.041	2.679	3.504	18.727
4	Recoveries accepted / established at the instance of audit	-	0.784	0.041	2.679	3.504	18.727
5	Recoveries realized at the instance of audit	-	0.285	-	0.089	0.374	0.770

\* The amount mentioned against serial No.1 in column of "Total Current Year" is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 1,153.990 million.

**Table 4: Irregularities Pointed Out**

(Rs in millions)

<b>Sr.#</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of Rules and regulations, principle of propriety and probity in public operations	10.916
2	Reported cases of fraud, embezzlement, theft and misuse of public resources	0
3	Accounting Errors (accounting policy departure from NAM <sup>1</sup> , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of Audit opinions on the financial statements	0
4	Quantification of weaknesses of internal control systems	7.598
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money	0
6	Non-production of record	27.399
7	Others, including cases of accidents, negligence etc	0
<b>TOTAL</b>		<b>45.913</b>

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<sup>1</sup> The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan.

# **CHAPTER-1**

## **1.1 District Government, Hafizabad**

### **1.1.1 Introduction of Departments**

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

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

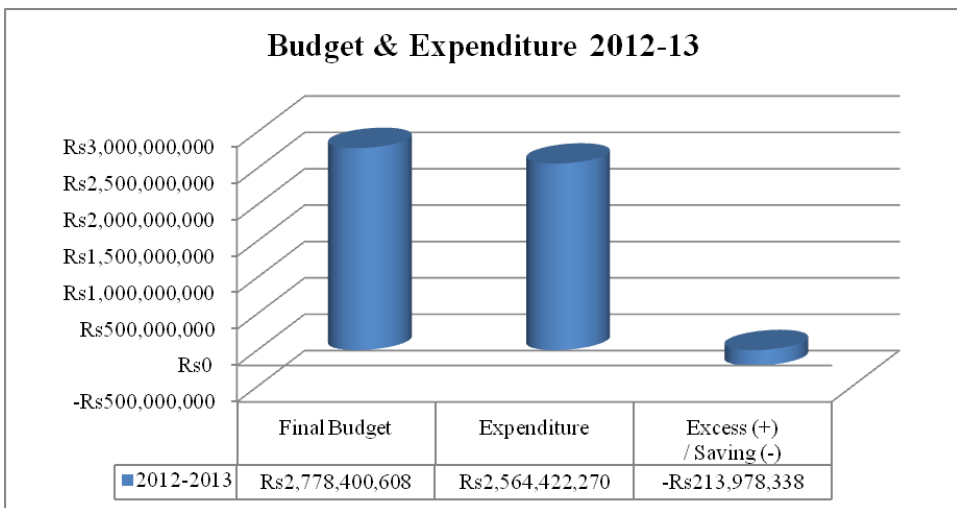
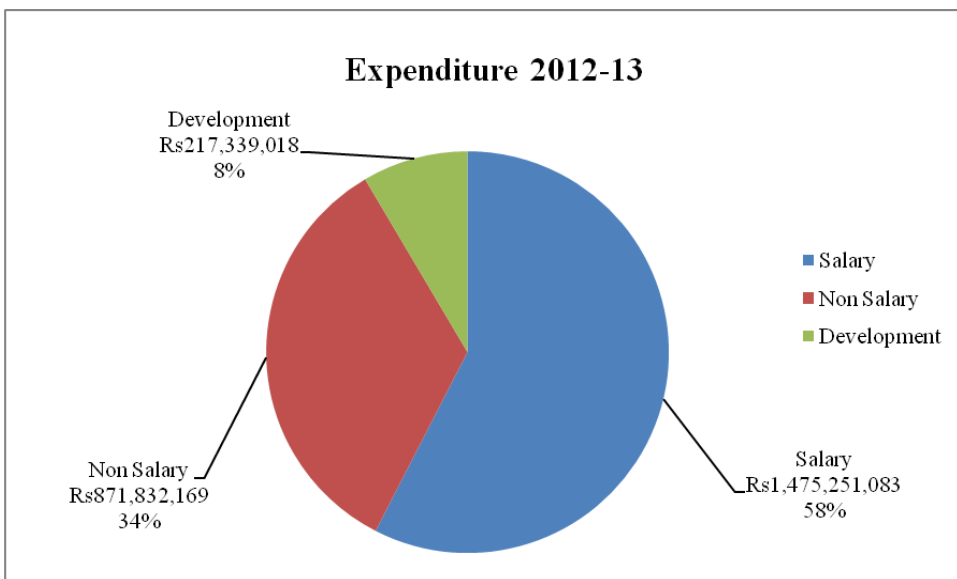
Under Section 29(k) of the PLGO, 2001, Executive District Officer (EDO) acts as Departmental Accounting Officer for his respective group of offices and is responsible to the District Accounts Committee of the Zila Council.

### **1.1.2 Comments on Budget and Accounts (Variance Analysis)**

As per the Appropriation Account 2012-13 of District Government, Hafizabad the original budget was Rs2,542.834 million, supplementary grant was Rs235.566 million and the final budget was Rs2,778.401 million. Against the final budget total expenditure incurred

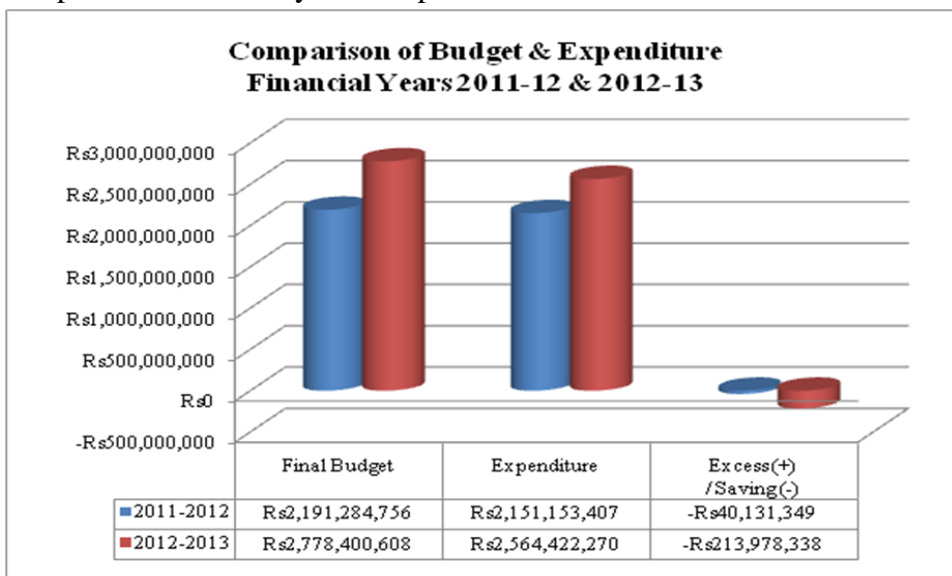
by the District Government during 2012-13 was Rs2,564.422 million as detailed at Annexure-B.

Financial Year 2012-2013	Budget (Rs)	Expenditure (Rs)	(-) Savings (Rs)	%age of Savings
Salary	1,492,070,600	1,475,251,083	-16,819,517	01
Non Salary	936,124,400	871,832,169	-64,292,231	07
Development	350,205,608	217,339,018	-132,866,590	38
<b>Grand Total</b>	<b>2,778,400,608</b>	<b>2,564,422,270</b>	<b>-213,978,338</b>	<b>08</b>



Ineffective financial management resulted in savings expenditure to the tune of Rs213.978 million which in term of percentage was 08% of the final budget. The same was required to be justified by the Principal Accounting Officer.

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



There was 26.79% and 19.21% increase in Budget Allocation and Expenditure respectively as compared with previous year.

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

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

#### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC/ZAC Meetings
1	2002-03	15	Not convened
2	2003-04	16	Not convened
3	2004-05	07	Not convened
4	01/07/2005 to 31/03/2008 Special Audit Report*	62	Not convened
5	2009-10	37	Not convened
6	2010-11	43	Not convened
7	2011-12	18	Not convened
8	2012-13	07	Not convened

\* It is Special Audit Report for the period 01/07/2005 to 31/03/2008 and also the title of Audit Report reflects financial year instead of the audit year which was 2008-2009.

## **1.2 AUDIT PARAS**

## **1.2.1 Non-production of Record**



### 1.2.1.1 Non-Production of Record – Rs27.399 million

According to Section-115(5) & (6) of PLGO, 2001, the Auditor General have the authority to require that any accounts books, papers & 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 and the officials 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.

Heads of offices of below mentioned formations incurred an expenditure of Rs27.399 million during the financial year 2012-13 but vouched accounts of the expenditure were not produced for audit scrutiny in violation of above rule *ibid*.

<b>Name of Formations</b>	<b>Detail of Expenditure</b>	<b>Amount (Rs in million)</b>
DO (Health)	Payment made to PRSP for BHUs' and GRDs for medicine but vouched account for consumption was not provided.	25.00
Deputy DEO (EE-M)	Payments made to Teachers for arrear pay and allowances but neither orders to draw arrear bills nor sanction of incurrence of expenditure were found in record	2.399
<b>TOTAL</b>		<b>27.399</b>

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

Management replied that the record would be produced for audit.

The matter was reported to the DCO / PAO in September, 2013. DAC in its meeting held on 04.10.2013 directed the department to investigate the matter and provide record for audit scrutiny within one month but no compliance was made till the finalization of this report.

Audit stresses fixing of responsibility besides submission of record under intimation to Audit.

[AIR Para No 01 & 05]

## **1.2.2 Irregularity / Non-compliance**

### **1.2.2.1 Doubtful Expenditure – Rs10.916 million**

According to P&D Department's letter No. 1(17) RO (ADP) P&D/2012-Re-app, dated 15-12-2012, the expenditure on provision of toilets may be incurred by the nominated executing agencies and issuance of Admin Approval by competent authority and completion of all other codal / legal/ procedural authorities. According to School Education Department's letter No. SO (ADP) MISC-422/423/2012, dated 16-2-2013, EDO Education is responsible to arrange certificates to the effect that funds were transferred / utilized by the schools. Further As per procurement guidelines for school councils, EDO (Education) and DO (Secondary Education) were responsible for transparent purchase of furniture by each school.

EDO Education paid / transferred a sum of Rs10.916 million, Rs4.620 million for provision of toilet block in seventy one (71) schools and Rs6.296 million for purchase of furniture in nine (9) schools, payment was held doubtful because there was no criteria for selection of schools, demand for construction of toilets and purchase of furniture was not available, selection of members for school council, passed resolutions, rough cost estimates, vouchers, cash books, stock registers, acknowledgments, quality inspection reports, detail of residual balance was not found on record.

Audit holds that due to serious violation and non-compliance of rules, unjustified and doubtful payment amounting to Rs10.916 million was made.

The matter was reported to the DCO / PAO in September, 2013. DAC in its meeting held on 04.10.2013 directed the department to investigate the matter but no compliance was made till the finalization of this report.

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

[AIR Para No 04 & 06]

### **1.2.3 Internal Controls Weakness**

### 1.2.3.1 Unauthorized Payment of HRA, HSRA and CA - Rs2.581 million

According to Rule-7 of Treasury Rules, conveyance allowance is not admissible during leave period. Further, according to Finance Division O.M. No.(1)-imp.1/77, dated 28<sup>th</sup> April 1977, conveyance allowance would not be admissible in cases where office and residential buildings are located within the same boundary wall even if the residential building are far away from the office building.

Heads of offices of the following formations did not recover an amount of Rs2.581 million during the financial year 2012-13. The conveyance allowance was paid to employees who were on leave or residing in office premises and health sector reform allowance was also paid during leave period. Similarly, unauthorized payment of house rent allowance was made to employees who were residing in government accommodation.

Audit holds that due to weak internal controls and negligence of management, in-admissible allowances were paid to employees. This resulted in unauthorized payment amounting to Rs2.581 million. Detail is as under:

Sr. #	Name of Office	Detail of non deduction / overpayment	Amount (Rs)	Remarks
1	EDO (Health)	Non-deduction of CA & HSRA during leave period	868,872	Annexure-C
2	MS DHQ Hospital	Conveyance allowance of staff residing in hospital flats	284,160	
3	MS DHQ Hospital	HRA of staff residing in hospital	43,632	
4	MS THQ Hospital, Pindi Bhattian	Non-deduction of CA & HSRA during leave period	47,073	
5	D.O (Health)	Conveyance allowance of staff residing in hospital in designated residences	924,000	
6	D.O (Health)	HRA of staff residing in hospital in designated residences	218,400	
7	Dy. DEO, W-EE, Hafizabad	Non-deduction of CA & HSRA during leave period of winter vacation	194,971	
<b>TOTAL</b>			<b>2,581,108</b>	-

Management replied that matter will be investigated and recovery will be affected.

The matter was reported to the DCO / PAO in September, 2013. DAC in its meeting held on 04.10.2013 directed the department to affect the recovery. No compliance was shown to Audit till finalization of this report.

Audit stresses recovery of amount besides fixing of responsibility against the person (s) responsible for payment under intimation to Audit.

[AIR Para No.08, 10, 11, 06, 03, 05 & 02]

### **1.2.3.2 Irregular Payment of Salary and Contingency – Rs2.401 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.

EDO (Education, Literacy wing) made payment amounting to Rs2.401 million to teachers of Non Formal Basic Education (NFBE) Centers, payment was held irregular and doubtful because there was no record regarding attendance and inspection of schools. Literacy Mobilizes did not visit a single NFBE Centre during 2012-13. NFBE students attendance registers were neither maintained nor produced to Audit for verification. In this scenario, the chances of ghost schools could not be eliminated.

Audit holds that due to weak internal control of management, unjustified and doubtful payment of Rs2.401 million was made which needs to be investigated.

The matter was reported to the DCO / PAO in September, 2013. DAC in its meeting held on 04.10.2013 directed the department to investigate the matter, but no compliance was made till the finalization of this report.

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

[AIR Para No 02]

### **1.2.3.3 Unauthorized Payment to contractor – Rs1.399 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.

DO (Buildings), Hafizabad made payment amounting to Rs1.399 million to government contractor on account of ploughing of Dhaka fine grass in connection with the scheme “Establishment of Recreational Parks in Hafizabad” the payment was made without assessment of forest

department and approval of austerity committee, this resulted in unauthorized payment to contractor.

Audit holds that due to weak internal control of management, unjustified and doubtful payment amounting Rs1.399 million

The matter was reported to the DCO / PAO in September, 2013. DAC in its meeting held on 04.10.2013 directed the department to investigate the matter, but no compliance was made till the finalization of this report.

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

[AIR Para No 06]

#### **1.2.3.4 Overpayment to Employees due to Undue Increment - Rs1.217 million**

According to the Government of Punjab Notification No S.O.(SE-III)2-16/2007, dated 19-10-2009, all contract employees were regularized w.e.f the date of notification. Further, according to national pay scales of Government of Pakistan, annual increment is payable to employees if their service period is six month or more on 30<sup>th</sup> November.

Dy. DEO (W-EE), Hafizabad made overpayment of Rs1.876 million due to payment of undue increment on 01-12-2009 to contract employees regularized on 19-10-2009. In compliance with the notification of competent authority, pay of officials were fixed at initial stage of pay scales on 01-12-2009. Their duty periods as regular employees were less than six months and were not enough to earn annual increment but these officials drew annual increment which resulted in overpayment of Rs1.876 million, out of this Rs658,606 were recovered by the management and remaining amount of Rs1.217 million was still recoverable as at Annexure-D.

Audit holds that due to weak internal control of management undue increment was awarded to staff which tantamount to overpayment of Rs1.217 million.

Management replied that the recovery would be made.

The matter was reported to the DCO / PAO in September, 2013. DAC in its meeting held on 04.10.2013 directed the department to investigate the matter and recover the balance amount of Rs1.217 million

within two months but no compliance was made till the finalization of this report.

Audit stresses fixing of responsibility against the person (s) at fault, besides recovery of overpayment under intimation to Audit.

[AIR Para No 01]



## **ANNEXURES**

## Annexure-A

### MFDAC PARAS

Sr. #	Name of Formation	AP No.	Description of Para	Nature of Para	Amount (Rs)
1.	DCO	4	Magisterial Fines -Doubtful Deposits in to Govt. Treasury	Non compliance of Rules	992,000
2.	EDO Health	6	Unauthorized payment of stipend/retention	Internal controls weakness	562,602
3.		7	Unauthorized drawl of POL	Internal controls weakness	37,658
4.	MS DHQ Hospital	2	Irregular purchase of gas worth	Non compliance of Rules	369,300
5.		3	Doubtful expenditure on repair of transformer	Internal controls weakness	91,700
6.		4	Irregular purchase of Shopping Bags	Non compliance of Rules	193,213
7.		7	Non-deposit of hospital receipt	Internal controls weakness	193,210
8.		8	Irregular purchase of surgical Items	Non compliance of Rules	72,050
9.		9	Over-payment of GST	Internal controls weakness	128,721
10.	HM, Institute for slow learners	1	Irregular payment of sales tax Rs 104,546	Non compliance of Rules	104,546
11.	RHC, Jalalpur Bhattian	2	Over-payment of GST	Internal controls weakness	14,395
12.		3	Irregular purchase due to non deposit of Performance guarantee	Non compliance of Rules	1,392,559
13.		4	Irregular purchase of medicine	Non compliance of Rules	49,600
14.	EDO Education	5	Doubtful expenditure on I.T lab	Non compliance of Rules	970,000
15.	Dy. DEO M EE Hafizabad	2	Non-maintenance/production of service books	Internal controls weakness	-
16.		7	Payment drawn without pay fixation	Internal controls weakness	16.932 M
17.		8	Unauthorized payment	Non compliance of Rules	10.435 M
18.	DO (SE) Hafizabad	3	Undue retention of Govt. money	Non compliance of Rules	701,062
19.	D.O Labour	4	Loss to government due to non-deduction of income tax	Internal controls weakness	22,950
20.	DO Agriculture	2	Irregular expenditure on stationery	Non compliance of Rules	49,947
21.	DO Road	1	Non Credit of Lapse Security to Government Revenue	Internal controls weakness	487,304
22.		3	Unjustified Payment to Contractor	Non compliance of Rules	1.737 M
23.		5	Non-imposition of penalty	Internal controls weakness	231,420

<b>Sr. #</b>	<b>Name of Formation</b>	<b>AP No.</b>	<b>Description of Para</b>	<b>Nature of Para</b>	<b>Amount (Rs)</b>
24.	DO Building	3	Non imposition of penalty – recovery thereof	Internal controls weakness	65,500
25.	RHC, Vanikay Tarar	2	Over-payment of GST and Income tax	Internal controls weakness	37,615
26.		3	Irregular purchase due to non deposit of Performance guarantee	Internal controls weakness	89,243
27.		5	Doubtful payment of T.A/D.A	Internal controls weakness	37,367
28.	DD.O. Agriculture Hafizabad	2	Irregular payment on account of POL charges	Internal controls weakness	249,419
29.	RHC, Kassoki	4	Doubtful Consumption of medicines	Internal controls weakness	150,000 (Aprox).
30.	EDO F&P	4	Doubtful Expenditure on repair of furniture	Non compliance of Rules	40,000
31.	HM Special Edu, Center Pindi Bhattian	1	Irregular payment of sales tax	Non compliance of Rules	128,434

## Annexure-B

### Summary of Appropriation Accounts by Grants District Government Hafizabad for the financial year 2012-2013

Grant No.	Name of Grant	Original Grant (Rs)	Supplementary Grant (Rs)	Final Grant (Rs)	Actual Expenditures (Rs)	(+) Excess (-) Savings (Rs)	% age savings / excess
2	Land Revenue	-	0	0	12,661	12,661	127
3	Provincial Excise	4,737,000	320,000	5,057,000	4,701,783	-355,217	7
5	Forest	5,564,000	0	5,564,000	6,179,293	615,293	-11
7	Charges on A/c of M.V Act	2,317,000	0	2,317,000	2,129,825	-187,175	8
8	Other Taxes & Duties	3,333,000	355,000	3,688,000	1,712,615	-1,975,385	54
10	General Administration	81,689,000	0	81,689,000	63,090,158	-18,598,842	23
15	Education	1,726,606,000	0	1,726,606,000	1,649,901,359	-76,704,641	4
16	Health	402,911,000	0	402,911,000	419,600,746	16,689,746	-4
17	Public Health	2,927,000	7,000	2,934,000	2,769,260	-164,740	6
18	Agriculture	54,698,000	0	54,698,000	51,899,725	-2,798,275	5
19	Fisheries	1,765,000	828,000	2,593,000	2,831,176	238,176	-9
20	Veterinary	37,977,000	9,528,000	47,505,000	55,878,492	8,373,492	-18
21	Co-operative	12,191,000	0	12,191,000	11,085,359	-1,105,641	9
22	Industries	2,078,000	135,000	2,213,000	2,324,130	111,130	-5
23	Misc. Departments	2,188,000	0	2,188,000	2,538,114	350,114	-16
24	Civil Works	21,118,000	0	21,118,000	19,812,018	-1,305,982	6
25	Communications	34,009,000	0	34,009,000	29,656,920	-4,352,080	13
31	Miscellaneous	14,945,000	0	14,945,000	14,688,741	-256,259	2
32	Civil Defence	4,947,000	1,022,000	5,969,000	6,270,877	301,877	-5
<b>Total Non-Development</b>		<b>2,416,000,000</b>	<b>12,195,000</b>	<b>2,428,195,000</b>	<b>2,347,083,252</b>	<b>-81,111,748</b>	<b>18</b>
36	Development	76,644,488	114,035,921	190,680,409	137,806,190	-52,874,219	28
41	Roads & Bridges	0	5,800,000	5,800,000	2,637,617	-3,162,383	55
42	Government Buildings	50,190,000	103,535,199	153,725,199	76,895,211	-76,829,988	50
<b>Total Development:</b>		<b>126,834,488</b>	<b>223,371,120</b>	<b>350,205,608</b>	<b>217,339,018</b>	<b>-132,866,590</b>	<b>38</b>
<b>Grand Total</b>		<b>2,542,834,488</b>	<b>235,566,120</b>	<b>2,778,400,608</b>	<b>2,564,422,270</b>	<b>-213,978,338</b>	<b>8</b>

(Source: Appropriation Accounts for the financial year 2012-2013)

**Unauthorized Payment of HRA, HSRA and CA - Rs2.581 million**

<b>Table-A</b>						
Sr. #	Name & Designation	Period of Leave			Conveyance Allow. (Rs)	HSRA (Rs)
		From	To	Days		
1	Ammara Amber, LHV	11-07-2012	20-07-2012	10	900	383
2	Zahida Javed, Doctor	29-07-2012	27-08-2012	30	5,000	12,000
3	Zahida Parveen, HLN	20-07-2012	16-10-2012	89	15,000	5,454
4	Nusrat Naheed, LHV	11-07-2012	25-07-2012	15	1,360	574
5	Imrazia Shaheen, CN	19-04-2012	17-07-2012	90	15,000	5,454
6	Azmat Ali, Dispenser	11-07-2012	25-08-2012	45	4,079	1,723
7	Shama Umar, CN	01-11-201	30-11-2012	30	5,000	1,818
8	Shabnam Kausar	---	---	15	2,500	909
9	Zobia Anwar, Doctor	26-08-2012	02-09-2012	07	1,166	2,800
10	Azhar Iqbal ,(M.O) THQ	18-08-2012	28-08-2012	11	1,660	0
11	Asghar Ali , (SMO) THQ	17-08-2012	27-08-2012	11	1,660	0
12	Tariq Mehmood, Surgeon	17-08-2012	27-08-2012	10	1,660	1,660
13	Elizabeth Shafi	01-09-2012	29-11-2012	90	15,000	5,454
14	Kashif, MO	04-09-2012	07-09-2012	04	664	1,600
15	Najma Parveen, CN	09-08-2012	18-08-2012	10	1,666	0
16	Pitras Masih	15-09-2012	15-10-2012	31	1,660	4,000
17	Tasawar Hussain, Dispatcher	21-07-2012	27-07-2012	07	630	266
18	Shabbir Hussain ,NQ	01-08-2012	30-08-2012	30	1,700	0
19	Naheed Akhtar, CN	23-07-2012	06-08-2012	15	2,500	0
20	M. Saqib, Dispenser	06-08-2012	06-09-2012	30	238	427

<b>Table-A</b>						
<b>Sr. #</b>	<b>Name &amp; Designation</b>	<b>Period of Leave</b>			<b>Conveyance Allow. (Rs)</b>	<b>HSRA (Rs)</b>
		<b>From</b>	<b>To</b>	<b>Days</b>		
21	Tasawar Ahmed, Dispenser	01-08-2012	07-08-2012	07	266	630
22	Ziaullah, Dispenser	10-08-2012	19-08-2012	10	900	380
23	Azmat Ali, Dispenser	09-08-2012	19-08-2012	10	900	380
24	Abid Hussain, Dispenser	09-08-2012	19-08-2012	10	900	0
25	Asghar Ali, NQ	09-08-2012	19-08-2012	10	566	0
26	Saima M Hussain, CN	01-10-2012	30-10-2012	30	5,000	1,818
27	Maria Tasawar, LHV (MNCH)	01-09-2012	14-09-2012	14	1,360	574
28	Ammara Amber, LHV	20-09-2012	25-10-2012	36	3,240	1,368
29	Ghulam Abbas Sherazi, Dis/JT	25-09-2012	23-01-2013	120	10,800	4,560
30	Khursheed Ahmad, SH & NS	20-09-2012	09-10-2012	20	3,320	1,212
31	Farhat Sultana, LHV	24-09-2012	07-10-2012	14	2,500	909
32	Razia Javaid, CN	10-10-2012	07-01-2013	90	15,000	0
33	Rabeha Rani C.N	10-10-2012	07-01-2013	90	15,000	0
34	Nahida Naseen, LHV	13-10-2012	26-11-2012	45	4,050	0
35	M. Rashid, Dental Tech:	02-10-2012	01-11-2012	31	2,720	0
36	M. Younus, CDC	12-10-2012	19-10-2012	08	429	238
37	Farhat Sultana, LHV	01-11-2012	15-12-2012	45	1,360	1,350
38	Muhammad Ali, SH & NS	02-11-2012	17-11-2012	16	3,320	1,212
39	Zulfikar Ali, Dispenser	23-10-2012	03-12-2012	42	3,600	1,520
40	Zainab Mashadi, Pharm:	15-10-2012	25-10-2012	11	1,660	0
41	M. Rashid, Dental Surge	02-11-2012	03-12-2012	32	2,720	0
42	Syed Shabbir, NQ	01-11-2012	10-11-2012	10	560	0
43	Samoul John	01-11-	24-11-	24	1,344	0

<b>Table-A</b>						
<b>Sr. #</b>	<b>Name &amp; Designatio</b>	<b>Period of Leave</b>			<b>Conveyance Allow. (Rs)</b>	<b>HSRA (Rs)</b>
		<b>From</b>	<b>To</b>	<b>Days</b>		
		2012	2012			
44	Muhammad Mansha	14-11-2012	26-12-2012	43	1,080	456
45	Rukhsana Nasreen	10-11-2012	09-12-2012	30	5,000	1,818
46	Zainab Mushahdi	02-11-2012	30-01-2013	90	15,000	0
47	M. Nisal, Dispenser	05-11-2012	04-12-2012	30	2,720	1,149
48	Sarfraz Ahmad	12-11-2012	26-12-2012	45	3,420	1,444
49	Majeeda Iqbal, Clerk	01-03-2013	20-03-2013	20	1,226	0
50	Sadaf Khan, CN	22-03-2013	19-06-2013	89	15,000	0
51	Dr. Mehtab, Pediatrian	13-12-2012	21-01-2013	40	6,640	6,640
52	Dr. Zahid Javed, SMO	26-11-2012	02-12-2012	07	1,162	2,800
53	Dr. Naeem Sheraz, H. Door	03-12-2012	03-02-2013	63	5,670	3,317
54	Farkhanda Jabeen, LHV	11-12-2012	08-03-2013	88	7,920	3,344
55	Dr. Zahid Javaid, SMO	21-12-2012	---	180	29,880	72,000
56	Riaz Javed, SMO	13-12-2012	28-12-2012	16	1,360	456
57	Rooma Riaz, CN	10-12-2012	24-12-2012	15	2,500	0
58	Ehsanullah , Dispenser	14-12-2012	31-12-2012	18	1,360	570
59	Tanseela Shehzadi, CN	16-12-2012	13-03-2013	88	14,608	5,332
60	Dr. Nazir Ahmad, SDS	02-01-2013	26-01-2013	25	4,150	0
61	Ghazala Naureen	17-12-2012	16-03-2013	90	15,000	5,454
62	Ghulam Fatima	11-01-2013	09-02-2013	30	1,840	0
63	M. Arshad, Dispenser	11-01-2013	24-01-2013	15	1,360	570
64	Tehmina Iqbal , CN	11-01-2013	09-02-2013	30	5,000	0
65	Shakeela Bibi, CN	17-02-2012	16-03-2013	90	15,000	0

<b>Table-A</b>						
<b>Sr. #</b>	<b>Name &amp; Designatio</b>	<b>Period of Leave</b>			<b>Conveyance Allow. (Rs)</b>	<b>HSRA (Rs)</b>
		<b>From</b>	<b>To</b>	<b>Days</b>		
66	Rooma Riaz, CN	29-12-2012	27-03-2013	90	15,000	0
67	M. Rashid, Dental Tech;	05-01-2013	02-02-2013	30	2,720	0
68	Abbas ,Dispenser	26-01-2013	02-03-2013	36	2,207	1,224
69	Fouzia Bashir, CN	31-12-2013	28-02-2013	60	10,000	0
70	Batool Kaosar, CN	06-02-2013	07-03-2013	30	5,000	0
71	Shakeela	06-02-2013	17-03-2013	40	6,640	2,424
72	Tayyaba, CN	01-03-2013	29-05-2013	90	15,000	5,454
73	Tayyaba Bashir, CN	03-10-2011	27-10-2011	25	3,984	0
74	Razeha Rani, CN	03-02-2013	03-03-2013	20	3,320	0
75	Amir Sultan, Lab Tech:	01-03-2013	30-03-2013	30	2,720	1,149
76	Farhat Sultana, LHV	01-03-2013	24-05-2013	88	7,920	3,370
77	Tasneem Akhtar, CN	01-03-2013	28-08-2013	90	15,000	0
78	Majeeda Iqbal	---	---	20	1,226	0
79	Sadaf Khan, CN	22-03-2013	19-06-2013	90	15,000	0
80	Nusrat Begum	15-03-2013	13-06-2013	90	15,000	5454
81	Fehmida Kaosar, CN	02-03-2013	31-05-2013	90	15,000	5,454
82	Fouzia Bashir, CN	01-03-2013	30-03-2013	30	5,000	0
83	Tasneem Akhtar, Jr. CN	18-01-2013	28-01-2013	11	1,660	0
84	Fouzia Mehmood, CN	01-03-2013	29-06-2013	90	15,000	0
85	M. Ahsan , APM	---	---	40	6,640	0
86	Ghulam, Dustier	---	---	20	1,464	576
87	Zainab	---	---	25	4,150	0
88	Rakhsana	---	---	45	4,079	0
89	Khadija-tul-Kubra, SH & NS	25-03-2013	03-05-2013	40	6,640	2,400
90	Balqees, CN	01-04-	20-04-	20	5,000	0



<b>Table-A</b>						
<b>Sr. #</b>	<b>Name &amp; Designatio</b>	<b>Period of Leave</b>			<b>Conveyance Allow. (Rs)</b>	<b>HSRA (Rs)</b>
		<b>From</b>	<b>To</b>	<b>Days</b>		
		2013	2013			
91	Waseem Abbas	05-04-2013	11-04-2013	20	1,813	0
92	Amjad Hafeez, Dispenser	23-04-2013	23-05-2013	07	630	266
93	Muqaddas Rani	14-02-2013	28-02-2013	15	2,500	909
94	Dr. Aslam, HMO	13-05-2013	09-08-2013	89	15,000	0
95	Shahid Latif, Dispenser	29-04-2013	05-05-2013	07	427	238
96	Dr. Rehan Azhar	---	---	22	3,652	0
97	Ajmal Hafeez, VT	---	---	07	630	266
98	Shahid Latif, Dispenser	---	---	07	630	266
99	Ghulam Abbas	---	---	120	10,800	4,500
100	Shahid Latif	---	---	30	1,840	1,029
101	Iftikhar Ahmad	---	---	20	3,320	1,200
102	Umm-e-Kaloom, CN	---	---	30	5,000	0
103	M. Afzal , CDC	---	---	90	5,530	3,447
104	Dr. Iftikhar Ahmad, MO	08-06-2013	24-06-2013	07	1,162	2,800
105	Gulshan Rehana, CN	20-06-2013	17-09-2013	90	15,000	5,454
106	Ali Imran	20-06-2013	28-02-2014	254	14,772	0
107	Fakhar-ul-Islam, Ch: Tech;	24-06-2013	20-09-2013	89	15,000	5,454
108	M. Younas Kamal, Ch: Tech;	24-04-2013	20-09-2013	89	15,000	5,454
109	M. Bashir, Dispenser	24-06-2013	22-09-2013	60	10,000	3,786
110	Kaloom Awal	21-06-2013	05-07-2013	15	2,500	0
111	Sadia Nawaz, LHV	17-06-2013	14-09-2013	90	8,160	3,420
112	Khalid Hussain, Dispenser	22-06-2013	25-06-2013	07	427	238
<b>TOTAL</b>					<b>636,617</b>	<b>232,255</b>
<b>Grand Total (CA + HSRA)</b>					<b>868,872</b>	

<b>Table-B</b>				
<b>Name</b>	<b>Designation</b>	<b>BS</b>	<b>Conveyance Allowance P.M</b>	<b>Amount (Rs)</b>
Ali Aman	Projectionist	09	1840	22,080
Dr. Inayat Ullah	Dermatologist	18	5000	60,000
Sumera Ijaz	Charge Nurse	16	5000	60,000
Ata Ullah	Dialysis Tech	12	2720	32,640
Akmal Hafeez	Dental Tech	12	2720	32,640
Ahsan Ullah	Disp	09	1840	22,080
Muhammad Azmat Ali	OT Asstt	09	1840	22,080
Sajad Ali	Reader Session Court	14	2720	32,640
<b>TOTAL</b>				<b>284,160</b>

<b>Table-C</b>				
<b>Name</b>	<b>Designation</b>	<b>BS</b>	<b>House Rent Allowance P.M</b>	<b>Amount (Rs)</b>
Najma Parveen	Charge Nurse	16	1818	21,816
Zunaira Bashir	Charge Nurse	16	1818	21,816
<b>TOTAL</b>				<b>43,632</b>

<b>Table-D</b>						
<b>Name of Officials</b>	<b>Designation</b>	<b>Leave days</b>	<b>Total Days</b>	<b>HSRA Monthly</b>	<b>Monthly C.A</b>	<b>Recovery (Rs)</b>
Naheed Akhter	Charge Nurse	23-07-12 to 06-08-12	15	-	2,480	1,240
Dr Asghar Ali Hanjra	S.M.O	18-08-12 to 31-08-12	14	5,000	-	2,333
Dr Azhar Iqbal	C.M.O	17-08-12 to 27-08-12	11	-	5,000	1,833
Zianub Mashadi	Pharmacist	02-11-12 to 30-01-13	90	-	5,000	15,000
Dr Mehboob Ahmed	Child Specialist	13-12-12 to 21-01-13	40	15,000	5,000	26,667
<b>TOTAL</b>						<b>47,073</b>

<b>Table-E</b>				
<b>Detail</b>	<b>No Of Employees</b>	<b>Rate of C.A</b>	<b>Period July-12 to June-13</b>	<b>Amount (Rs)</b>
Chowkidar	19	1000	12 Months @ 1000 X 19	228,000
Naib Qasid	22	1000	12 Months @ 1000 X 22	264,000
Mid Wife	18	1000	12 Months @ 1000 X 18	216,000
Sanitary Worker	18	1000	12 Months @ 1000 X 18	216,000
<b>TOTAL</b>				<b>924,000</b>

<b>Table-F</b>				
<b>Name of Employee</b>	<b>Designation</b>	<b>Monthly Rate</b>	<b>Period (July,12 to June,13)</b>	<b>Amount (Rs)</b>
Mohammad Anjad	Chowkidar	910	12 Months @ 910 X 12	10,920
Mohammad Rafique	-do-	910	-do-	10,920
Mohammad Munwar	-do-	910	-do-	10,920
Mohammad Amin	-do-	910	-do-	10,920
Mohammad Ayub	-do-	910	-do-	10,920
Mohammad Inayat	-do-	910	-do-	10,920
Mohammad Aslam	-do-	910	-do-	10,920
Ahmed Ali	-do-	910	-do-	10,920
Khursheda Anjum	Midwife/Dai	910	-do-	10,920
Safia Bibi	-do-	910	-do-	10,920
Naheed Akhter	-do-	910	-do-	10,920
Mehraan Bibi	-do-	910	-do-	10,920
Naseem Akhter	-do-	910	-do-	10,920
Jannat Bibi	-do-	910	-do-	10,920
Azra Perveen	-do-	910	-do-	10,920
Safdar Masih	Sanitary Worker	910	-do-	10,920
Nelsin Masih	-do-	910	-do-	10,920
Natwani	-do-	910	-do-	10,920
Jastan Badar	-do-	910	-do-	10,920
Alam yaar	-do-	910	-do-	10,920
<b>TOTAL</b>				<b>218,400</b>

<b>Table-G</b>					
<b>Sr. #</b>	<b>Employee scales</b>	<b>Monthly rate</b>	<b>No of Employees</b>	<b>Amount Per year for 8 days</b>	<b>Amount (Rs)</b>
	1	2	3	4 = 2x8/31	5 = 5x2
1	BPS 9	1150	310	297	92070
2	BPS11-15	1700	179	439	78581
3	BPS 16	2480	38	640	24320
<b>TOTAL</b>					<b>194,971</b>

**Grand Total (Table-A to G) = Rs2,581,108**

**Annexure-D**

Para 1.2.3.4

**Overpayment to Employees due to Undue Increment-Rs1.217 million**

<b>Description</b>	<b>Basic pay (01-12-09 to 30-11- 11)</b>	<b>Basic pay (01-12-11 to 31- 08-13)</b>	<b>50% allowance on increment (01-07-10 to 31- 08-13)</b>	<b>Total (Rs)</b>
Per Month	230	380	115	0
No of months	24	21	38	0
Total Amount	5520	7980	4370	17870
No. of teachers	-	-	-	105
Overpayment Rs17,870 x 105				1,876,350
Amount recovered and verified in DAC				658,606
<b>Recoverable amount</b>				<b>1,217,744</b>