



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT GOVERNMENT
NANKANA SAHIB**

AUDIT YEAR 2014-15

AUDITOR GENERAL OF PAKISTAN

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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 Headquarter
EDO	Executive District Officer
FD	Finance Department
F&P	Finance and Planning
HRA	House Rent Allowance
IPSAS	International Public Sector Accounting Standards
MFDAC	Memorandum for Departmental Accounts Committee
MS	Medical Superintendent
MRS	Market Rate Schedule
NAM	New Accounting Model
OFWM	On-Farm Water Management
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PDG & TMA	Punjab District Governments & Tehsil Municipal Administration
PFR	Punjab Financial Rules
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority

PWD	Public Works Department
RHC	Rural Health Center
SAP	System Application Product
SMO	Senior Medical Officer
TA	Travelling Allowance
THQ	Tehsil Headquarter
TMA	Tehsil Municipal Administration
TS	Technical Sanction
W&S	Works and Services
WUA	Water Users Association

PREFACE

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

The report is based on audit of the accounts of various offices of the District Government, Nankana Sahib for the financial year 2013-14. The Directorate General of Audit District Governments, Punjab (North), Lahore, conducted audit during 2014-15 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs1.00 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where 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 the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 to cause it to be laid before the Provincial Assembly of Punjab.

Islamabad
Dated:

(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, Lahore has audit jurisdiction of District Governments, TMAs and UAs of one City District Government i.e. Lahore and four District Governments i.e. Kasur, Sheikhpura, Okara and Nankana Sahib.

The Regional Directorate has a human resource of 20 officers and staff, total 5706 man-days and the annual budget of Rs27.061 million for the financial year 2014-15. It has mandate to conduct Financial Attest, Regularity Audit, Audit of Sanctions and Compliance with Authority & Performance Audit of entire expenditure including programmes / projects & receipts. Accordingly, RDA Lahore carried out Audit of accounts of District Government, Nankana Sahib for the financial year 2013-14.

The District Government, Nankana Sahib conducts its operations under Punjab Local Government Ordinance, 2001. It comprises one Principal Accounting Officer (PAO) i.e. the District Coordination Officer (DCO) covering six groups of offices i.e. Agriculture, Community Development, Education, Finance & Planning, Health 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, Nankana Sahib was carried out with the view to ascertaining that the expenditure was incurred with proper authorization, in conformity with laws / rules / regulations, economical procurement of assets and hiring of services etc.

Audit of receipts was conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules, there was no leakage of revenue and revenue did not remain outside Government Account/Local Fund.

a. Scope of Audit

Out of total auditable expenditure of Rs 3,594.592 million of the District Government, Nankana Sahib for the financial year 2013-14 covering one PAO and 205 formations, the Directorate General Audit, audited an expenditure of Rs 994.624 million which, in terms of percentage, was 27.67% of auditable expenditure. The Directorate General Audit planned and executed audit of 40 formations i.e. 100% achievement against the planned audit activities.

Total receipts of the District Government Nankana Sahib for the financial year 2013-14, were Rs 3.330 million, whereas, Directorate General Audit, audited receipts of Rs 2.331 million which was 70% of total receipts.

b. Recoveries at the instance of audit

Recovery of Rs 27.340 million was pointed out, out of which recovery of Rs 0.823 million was effected during the year 2014-15 at the time of compilation of report. Out of total recoveries Rs 27.340 million was not in the notice of the executive before audit.

c. Audit Methodology

The audit year 2014-15 witnessed intensive application of desk audit techniques in this directorate. This was facilitated by access to live SAP/R3 data, internet facility, and availability of permanent files. Desk review helped auditors in understanding the systems, procedures, and environment, and the audited entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

d. Audit Impact

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

e. Comments on Internal Control and Internal Audit Department

Internal control mechanism of District Government Nankana Sahib was not found satisfactory during audit. Many instances of weak

Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds against the entitlement of employees. Negligence on the part of District Government authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001 empowers Nazim of each District Government to appoint an Internal Auditor but the same was not appointed in District Government Nankana Sahib.

f. The key Audit Findings of the Report

- i. Non-production of record Rs 9.848 million was noted in one case.¹
- ii. Unauthorized / irregular payment of Rs 11.431 million was noted in two cases.²
- iii. Recovery of Rs 27.340 million was pointed out in four cases.³

Audit paras for the audit year 2014-15 involving procedural violations including internal control weaknesses, unsound asset management and irregularities not considered worth reporting are included in MFDAC (Annex-A).

g. Recommendations

Head of the District Government needs:

- i. To comply with the Public Procurement Rules for economical and rational purchases of goods and services.
- ii. To held Inquiries to fix responsibility for non-recovery of overpayment, unauthorized and irregular expenditure.
- iii. To make efforts for expediting the realization of various Government receipts.
- iv. To take appropriate action for non-production of record.

¹ Para 1.2.1.1

² Para 1.2.2.1 & 1.2.2.3

³ Para 1.2.2.2, 1.2.2.4, 1.2.2.5 & 1.2.3.1

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

Rs in million

Sr. No.	Description	No.	Budget
1	Total Entities (PAOs) in Audit Jurisdiction	1	3,797.467
2	Total Formations in Audit Jurisdiction	205	3,797.467
3	Total Entities (PAOs) Audited	1	1,710.248
4	Total Formations Audited	40	1,710.248
5	Audit & Inspection Reports	40	1,710.248
6	Special Audit Reports	Nil	Nil
7	Performance Audit Reports	Nil	Nil
8	Other Reports	Nil	Nil

Table 2: Audit observation regarding Financial Management

Rs in million

Sr. No.	Description	Amount Placed Under Audit Observation
1	Unsound asset management	-
2	Weak financial management	27.340
3	Weak internal controls relating to financial management	11.431
4	Others	9.848
Total		48.619

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	35.621	434.660	3.33	524.343	*997.954	699.776
2	Amount Placed under Audit Observation/ Irregularities of Audit	-	7.359	16.670	24.590	48.619	139.922
3	Recoveries Pointed Out at the instance of Audit	-	7.359	16.670	3.311	27.340	6.968
4	Recoveries Accepted/ Established at the instance of Audit	-	-	-	3.311	3.311	4.548
5	Recoveries Realized at the instance of Audit	-	-	0.091	0.732	0.823	0.315

* 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 Rs994.624 million

Table 4: Table of Irregularities Pointed Out

Rs in million

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	11.431
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-
3	Accounting errors (accounting policy departure from IPSAS, misclassification, overstatement 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 control systems	-
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriation of public money.	27.340
6	Non-production of record.	9.848
7	Others, including cases of accidents, negligence etc.	-
Total		48.619

Table 5 Cost-Benefit

		Rs in million
Sr. No	Description	Amount
1	Outlays Audited (Items1 of Table 3)	997.954
2	Expenditure on Audit	2.706
3	Recoveries realized at the instance of Audit	0.823
4	Cost Benefit Ratio	1:0.304

CHAPTER 1

1.1 District Government, Nankana Sahib

1.1.1 Introduction of Departments

As per Punjab Local Government Ordinance 2001, the activities of District Government are managed under the administrative control of a DCO who acts as a PAO assisted by EDOs distributing the work among the officers, branches and / or sections of each District Office. Following is the list of Departments which manage the activities of District Government:

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

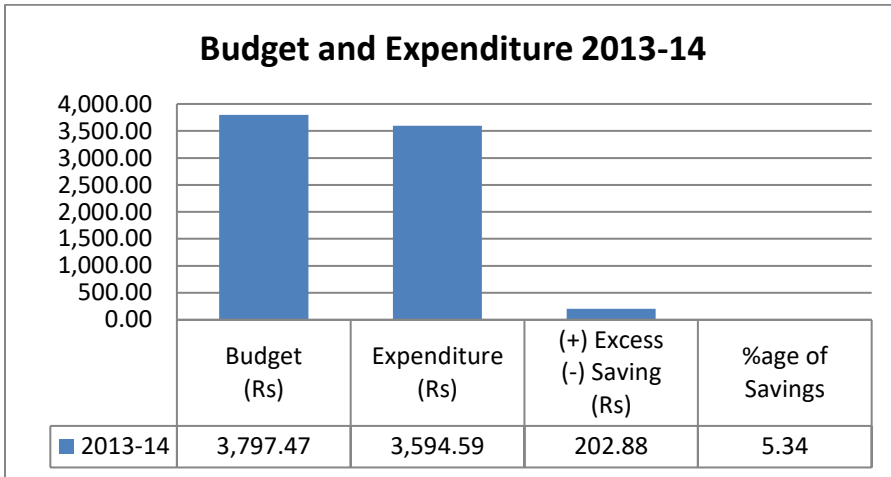
1.1.2 Comments on Budget & Accounts (Variance Analysis)

During financial year 2013-14 budgetary allocation (inclusive salary, non-salary and development) for District Government Sargodha was Rs 3,797.47 million whereas the expenditure incurred (inclusive salary, non-salary and development) during financial year was Rs 3,594.59 million, showing a saving of Rs 202.88 million for the period, which in terms of percentage was 5.34% of final budget as detailed below:

Rs in million

FY 2013-14	Budget	Expenditure	Savings	%age Savings
Salary	2,920.88	2,722.48	198.40	6.79
Non-salary	596.89	556.35	40.54	6.79
Development	434.95	315.76	119.19	27.40
Total	3,952.72	3,594.59	358.13	9.06
Surrender/ withdrawn	155.25	0.00	155.25	
Net total	3,797.47	3,594.59	202.88	5.34

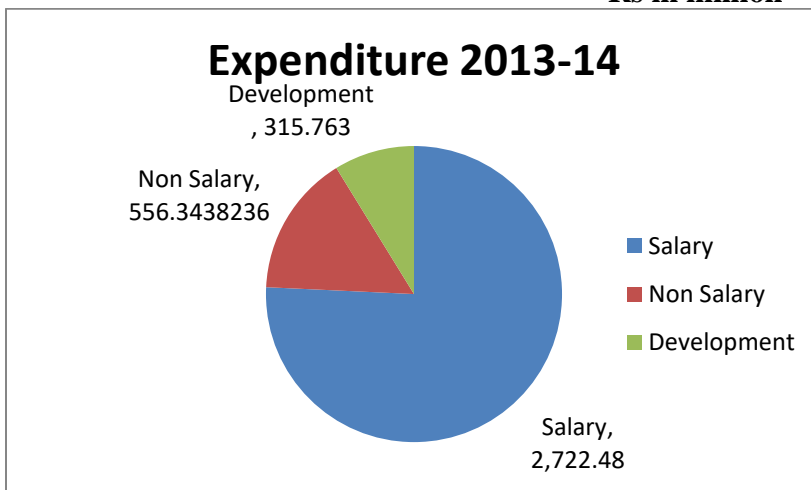
Rs in million



As per Appropriation Account 2013-14 of District Government Nankana Sahib, original budget was Rs 3,903.980 million, supplementary grant was Rs 48.742 million whereas Rs 155.256 million were surrendered/ withdrawn and the final budget was Rs 3,797.47 million. Against the final budget, total expenditure incurred by the District Government during 2013-14 was Rs 3,594.59 million as detailed at Annex-B.

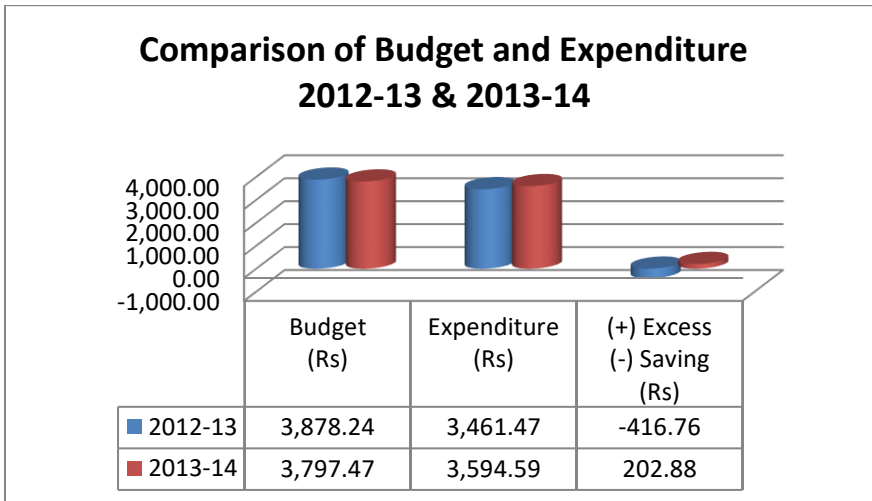
The Salary, Non-salary and Development Expenditure comprised 75%, 15% and 11% of the total expenditure, respectively.

Rs in million



The comparative analysis of the budget and expenditure of current and previous financial years showed that there was 2% decrease in budget allocation and 4% increase in expenditure.

Rs in million



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

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

1.1.4 Brief Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	01/07/2005 to 31/03/2008 Special Audit Report*	110	Not convened
2	2009-10	23	Not convened
3	2010-11	39	Not convened
4	2011-12	28	Not convened
5	2012-13	16	Not convened
6	2013-14	12	Not convened

* It is Special Audit Report for the period 01/07/2004 to 31/03/2008 and also the title of the audit report reflects the financial year instead of the audit year which was 2008-09.

1.2 AUDIT PARAS

1.2.1 Non Production of Record

1.2.2.1 Non Production of Record – Rs 9.848 million

Section-115(5) & (6) of PLGO, 2001 stipulate, inter alia, that auditee organization shall provide record for audit inspection and comply with request for information in as complete a form as possible and with all reasonable expedition.

Management of the following formations did not produce auditable record of Rs 9.848 million as mentioned against each formation for audit scrutiny.

Formation Name	Description	Amount (Rs in million)
DO Roads	Refund of Rs 1.275 million was made to Executive Engineer 4 th Provincial Building Division Lahore as unspent balance on account of construction of mettle roads of Judicial Complex Shahkot but relevant record was not provided	1.275
EDO Health	Record relating to Drug inspectors of Nnk	0
EDO (CD)	Payment to Huda CCB but record was not produced	2.169
Dy. DEO (MEE), Nnk	Record of Non-salary Budget of 38 schools	6.404
	Total	9.848

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

In the absence of record, authenticity, validity and accuracy of expenditure worth Rs 9.848 million could not be verified.

Management replied that the compliance would be shown at the time of next audit.

The matter was reported to the DCO / PAO in January 2015. DAC in its meeting held in January 2015 directed the department to produce the record. No compliance was shown till finalization of this report.

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

[AIR Para No.3,5&3]

1.2.2 Irregularities / Non-compliance

1.2.2.1 Purchase of Machinery and Equipment without Concurrence of Austerity Committee – Rs 8.023 million

As per Government of Punjab, Finance Department letter No. FD.SO(GOODS)44-4/2011 dated 6th August 2013, procurement of machinery & equipment and furniture & fixture shall not be allowed except with the prior concurrence of the Austerity Committee constituted for the purpose.

Scrutiny of record of purchase of IT Equipment's i.e computers from A Biz International, of EDO (Education) revealed that an amount of Rs 8.023 million was drawn from treasury during 2013-14 without concurrence of Austerity Committee.

Audit is of the view that expenditure incurred without concurrence of austerity committee was due to defective financial discipline. This resulted in irregular purchase without concurrence of austerity committee of Rs 8.023 million.

The matter was reported to the DCO in January 2015. DAC in its meeting held in January 2015 directed the departments to get the expenditure regularized but no compliance was shown till the finalization of this report.

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

[AIR Para No.2]

1.2.2.2 Overpayment due to Non-deduction of Mortar – Rs 5.731 million

According to Sr. 1 of Chapter "Mortar" of Market Rate Schedule, 0.25 cubic meter of wet material (cement, sand) was required for construction of one cubic meter brick masonry. Further, 1.6225 bags of cement per cubic meter for brick masonry was required. Moreover, 0.225 cubic meter of sand per cubic meter for brick masonry was required.

During audit of DO (OFWM) for the financial year 2013-14, it was noticed that:

- A. A sum of Rs 5.005 million was paid for 500 bricks instead of 375 bricks for construction of per cubic meter water course without deduction of 0.25 cubic meter of wet material. This resulted in excess measurement of bricks and overpayment of Rs 5.005 million (Annex - C).

- B. A sum of Rs 0.579 million was paid for 1.89 bags of cement instead of 1.6225 bags for construction of per cubic meter water course. This resulted in excess measurement of cement of bags and overpayment of Rs 0.579 million (Annex-D).
- C. A sum of Rs 0.147 million was paid for 0.290 cubic meter of sand instead of 0.225 cubic meter for construction of per cubic meter water course. This resulted in excess measurement of sand of cubic meters and overpayment of Rs 0.147 million (Annex-E).

Audit is of the view that overpayment was made due to non-compliance of instructions of the Finance Department, which resulted in overpayment on account of bricks, cement and sand, thus causing a loss of Rs 5.731 million to the public exchequer.

The matter was reported to the DCO in January 2015. In DAC meeting held in January 2015, the department replied that there was a provision for consumption of bricks @ 500, of cement @ 1.890 bags and of sand @ 0.290 cubic meter per cubic meter brick masonry, in the PC-I. DAC directed to obtain the clarification of the matter from the Finance Department. No compliance of DAC directives was shown till finalization of this report.

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

[AIR Para No.1,2&3]

1.2.2.3 Purchases without Advertisement at PPRA Website – Rs 3.706 million

According to Rule 12(1) of Punjab Procurement Rules, 2009 procurements over one hundred thousand rupees shall be advertised on the PPRA website in the manner and format specified by PPRA from time to time.

Management of the following formations incurred Rs 3.706 million on procurement of medicines during the financial year 2013-14. The expenditure was incurred without advertisement on PPRA's website.

Sr. No.	Formation Name	Description of purchase	Amount (Rs in million)
1	DO Livestock	Repair of transport	0.128
2	DO Planning	Stationery	0.334
3	Dy. DEO (MEE) Sangla Hill	Purchase of furniture	2.316

Sr. No.	Formation Name	Description of purchase	Amount (Rs in million)
4	RHC Rehanwala	Repair of transport	0.279
5	Special Education Centre Sangla Hill	Purchase of uniform	0.649
Total			3.706

Audit is of the view that incurring expenditure without advertisement on PPRA website was due to defective financial discipline and non-compliance of Punjab Procurement Rules. This resulted in irregular purchase without open tender of Rs 3.706 million.

The matter was reported to the DCO in January 2015. DAC in its meeting held in January 2015 directed the departments to get the expenditure regularized but no compliance was shown till the finalization of this report.

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

[AIR Para No.2,3,3,4&5]

1.2.2.4 Unauthorized Drawl of Pay and Allowances – Rs 3.311 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.

Officers and officials of different formations drew Pay, Conveyance Allowance, House Rent Allowance, Dress Allowance etc. beyond their admissibility, resulting in overpayment of Rs 3.311 million (Annex-F).

Audit is of the view that pay and allowances were drawn inadmissibly due to defective financial discipline and weak internal controls. This resulted in overpayment of Rs 3.311 million to the officers / officials.

Management of the formations replied that amount was recovered from the concerned officers/officials after scrutiny of the record.

The matter was reported to the DCO / PAO in January 2015. DAC in its meeting held in January 2015, directed the department for recovery but no compliance was shown till the finalization of this report.

Audit recommends fixing responsibility for overpayment besides making recovery under intimation to Audit.

1.2.2.5 Non-deduction of Dismantled Material - Rs 1.628 million

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.

DO Roads did not deduct / credit the value of dismantled bricks from the payments to contractors under different development projects executed during 2013-14.

Audit is of the view that non-deduction of dismantled material's value was due to poor financial controls, resulting in loss of Rs 1.628 million to the Government exchequer.

The matter was reported to the DCO in January 2015. DO (Roads) did not attend the DAC meeting held in January 2015. DCO even did not bother to take action against the DDO who remained absent from DAC meeting.

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

[AIR Para No.1]

1.2.3 Performance

1.2.3.1 Less Realization of Receipts than Targets – Rs 16.667 million

According to Rule 13 (i & ii) read with Rule 16 of the PDG & TMA Budget Rules 2003, the collecting officer shall prepare the estimates of receipts diligently and accurately and in relation to revised estimates, he shall take into consideration the actual receipts of the first eight months and head of office shall finalize and consolidate the figures.

District Government Nankana Sahib collected Rs 3.33 million on account of different receipts against the targeted figure of Rs 20.000 million. This resulted in less realization of receipts worth Rs 16.667 million

Audit was of the view that less collection of receipts was made due to inefficient financial management and poor performance.

Less realization resulted in loss of revenue to the government.

The matter was reported to the DCO in January 2015. DAC in its meeting held in January 2015 directed the department to probe the matter. No compliance was made till finalization of this report.

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

[AIR Para No.1]

ANNEXES

Part-I
Current audit year 2014-15 Memorandum for Departmental
Accounts Committee

Sr #	Name of Formation	Description	Nature	Amount (Rs in million)
1	EDO Health	Irregular expenditure by low performance of Health Department	Irregularity	9.89
2		Unjustified expenditure on pending liabilities	Irregularity	0.150
3	DO Health	Unauthorized expenditure on Salaries due to shifting of Headquarter	Irregularity	0.783
4		Excess Expenditure than budget allocation	Irregularity	0.357
5		Non deduction of Sales Tax	Irregularity	0.046
6	DO Roads	Non accounting of M/hole covers	Irregularity	0.420
7		Avoidable expenditure on survey	Irregularity	0.516
8		Unauthorized expenditure on compaction of Natural Surface	Irregularity	3.429
9		Non surrendering of anticipated savings	Irregularity	0.949
10		Non realization of Professional Tax	Recovery	0.055
11		Non recovery due to non reduction of MS Deformed Bars rats	Recovery	0.283
12		Less deduction of Income Tax	Recovery	0.310
13		Wasteful expenditure on M&R of Bridge at Ravi river situated at Syed wala	Irregularity	1.095
14		Excess expenditure than budget allocation	Irregularity	2.815
15		Irregular expenditure on POL by misclassification of Head of account	Irregularity	0.179
16	DO Buildings	Excess payment for MS Deformed Bars	Recovery	0.201
17		Excess utilization of Development Contingencies by more than 2%	Recovery	0.255
18		Overpayment to contractor due to difference of rates Rs0.130 million and excess payment for extra mileage for tuff tiles - Rs0.031	Recovery	0.161
19		Overpayment to contractor due to difference of rates	Recovery	0.014
20	DCO	Non recovery of election expenses	Recovery	0.808

Sr #	Name of Formation	Description	Nature	Amount (Rs in million)
21		Non recovery of electricity bills from AC Nankana Office	Recovery	0.500
22		Unauthorized expenditure due to misclassification	Irregularity	0.167
23	DHQ Hospital	Non auction of unserviceable stores	Recovery	0.250
24	THQ Hospital	Irregular lapse of funds	Irregularity	0.724
25	Sangla Hill	Unjustified expenditure on pending liabilities without preparing liability register	Irregularity	5.140
26	THQ Hospital Shahkot	Unauthorized expenditure on salaries due to shifting of headquarter	Irregularity	0.510
27		Lapse of funds	Irregularity	1.360
28		Excess expenditure over budget allocation	Irregularity	0.271
29		Non allocation of available accommodations	Irregularity	
30	EDO F&P	Non collection of pension contribution of erstwhile Zila	Irregularity	1.108
31	EDO CD	Unauthorized payment to Contingent Paid Staff	Irregularity	0.071
32		Unauthorized expenditure for rent of building	Irregularity	0.468
33	EDO Agri	Irregular payment for repair of vehicle	Irregularity	0.127
34	DO MEE Nkn	Excess expenditure over budget allocation	Irregularity	0.169
35		Non deduction of Income Tax	Recovery	0.020
36		Unauthorized expenditure of arrears of salaries	Irregularity	0.054
37	DEO Sec. Education	Lapse of Funds	Irregularity	0.105
38		Non preparation of telephone and trunk calls register	Irregularity	0.070
39		Non reconciliation of expenditure	Irregularity	9.25
40		Irregular expenditure on POL	Irregularity	0.263
41	DO Livestock	Non utilization of development budget	Irregularity	6.821
42		Doubtful consumption of anmol wanda	Irregularity	0.561
43		Non verification of deposits	Irregularity	0.153
44		Lapse of Funds	Irregularity	1.820
45		Non accounting of material	Irregularity	0.184
46	DO	Lapse of Funds	Irregularity	0.057

Sr #	Name of Formation	Description	Nature	Amount (Rs in million)
47	Planning	Non-verification of GST	Irregularity	0.169
48		Purchase of stationery beyond delegated powers	Irregularity	0.334
49	DO DRTA	Non collection of renewal fee	Recovery	0.043
50	DO Excise &Taxation	Non recovery of Govt receipts for agricultural land measuring	Recovery	0.125
51		Non verification of receipts	Irregularity	-
52	DO Forest	Non accounting of material in stock register	Irregularity	0.151
53		Non verification of GST	Irregularity	0.016
54		Wasteful / avoidable expenditure on rent of building	Irregularity	0.130
55		Non surrendering of anticipated	Irregularity	0.170
56	Dy DO Agri Ext. Nkn	Doubtful consumption of POL	Irregularity	0.127
57		Irregular expenditure on repair of vehicle	Irregularity	0.034
58	Dy DEO MEE Shahkot	Non utilization of NSB Grants	Irregularity	0.845
59		Non utilization of Farogh-e-Taleem Fund	Irregularity	0.319
60		Non deduction of income tax	Recovery	0.020
61		Non accounting of material in stock register	Irregularity	0.576
62	Dy DO Agri Nkn	Loss due to non auction of unserviceable vehicles	Recovery	0.100
63	Dy DEO MEE Nkn	Irregular expenditure by non deduction of GST	Irregularity	0.330
64	RHC Rehanwala	Irregular expenditure without quotations	Irregularity	0.279
65		Non surrendering of anticipated savings	Irregularity	1.829
66		Excess expenditure over budget allocation	Irregularity	1.615
67	RHC Syedwala	Excess expenditure than budget allocation	Irregularity	0.598
68		Non surrendering of anticipated	Irregularity	0.315
69	Special Education Center Nkn	Overpayment on account of POL by non taking of long route mileage	Recovery	0.301
70	DEO WEE Nkn	Wasteful / avoidable expenditure on rent of building	Irregularity	0.055
71		Excess than budget allocation	Irregularity	0.330
72	Education Center	Irregular expenditure on GST	Irregularity	0.021
73	Shahkot	Excess payment of transfer grant	Recovery	0.034

Sr #	Name of Formation	Description	Nature	Amount (Rs in million)
74	RHC Warburton	Overpayment of Non practicing allowance	Recovery	0.124
75		Unauthorized payment of salaries during absent period	Recovery	0.061
76	Special Education Center Sangla	Unauthorized expenditure without sanctioned posts	Irregularity	1.477

Part-II
[Para 1.1.3]

**Memorandum for Departmental Accounts Committee Paras
pertaining to Previous Audit Year 2013-14**

Sr. No.	Formation Name	Description	Nature of Observation	Amount (Rs in million)
1	DCO	Non Verification of GST Invoices	Irregularity	0.088
2	Nankana Sahib	Non recovery of Election Expenses	Recovery	0.821
3	DO Health	Irregular Payment due to Irregular Appointment of Contract Staff	Irregularity	0.622
4		Excess expenditure incurred over and budget allocation	Irregularity	0.421
5	DO Sports	Doubtful consumption of POL	Irregularity	0.233
6		Loss to Government Due To Non-Deduction Of Income Tax	Recovery	0.035
7	RHC Syed Wala	Lapsed of Funds	Irregularity	0.098
8	THQ Hospital Shahkot	Excess expenditure incurred over and budget allocation	Irregularity	0.465
9		Loss valuing to lacks of Rupees due to non-allotment of available accommodation	Irregularity	-
10		Avoidable Expenditure on account of Transportation of Medicines	Irregularity	0.050
11	DO OFWM	Overpayment for cement	Recovery	0.279
12		Overpayment for sand	Recovery	0.075
13	DO Roads	Overpayment for RCC by non reduction of rates	Recovery	0.144
14	RHC Warburton	Loss due to non disposal of near to expiry medicines	Irregularity	0.448
15		Unauthorized occupation of SMO residence by Ex-SMO	Irregularity	0.316
16	EDO	Unauthorized payment of integrated	Recovery	0.010

Sr. No.	Formation Name	Description	Nature of Observation	Amount (Rs in million)
	(Health)	allowance		
17	DHQ	Loss due to auction of canteen below reserve price	Recovery	0.136
18	Hospital	In effective use of Government Funds	Irregularity	0.195
19	DO (Forest)	Unauthorized payment of rent of building	Irregularity	0.120
20		Excess expenditure over budget allocation	Irregularity	0.152
21	DO (Livestock)	Unauthorized Payment on account of Purchase of Medicine	Irregularity	0.199
22		Loss due to Less Collection of AI Targets	Recovery	0.706
23		Less deposit of government receipts	Recovery	0.090
24	Government	Unauthorized payment of salary	Irregularity	0.428
25	Special Education	Unauthorized drawal of personal allowance against the SSB	Irregularity	0.177
26	Centre Sangla Hill	Unauthorized expenditure due to misclassification	Irregularity	0.035
27	RHC Bucheki	Unauthorized payment of pay and allowance	Irregularity	0.151
28	DO Buildings	Irregular payment	Irregularity	0.804
29	DO Civil Defence	Irregular expenditure	Irregularity	0.236
30		Non Payment / Verification of General Sales Tax	Irregularity	0.014
31	EDO (Agri.)	Non surrendering of anticipated saving	Irregularity	4.016
32	Government Special Education Centre	Expenditure in excess of budget allocation	Irregularity	0.763
33		Unauthorized expenditure of POL	Irregularity	0.608
34		Unjustified Distribution of Scholarship	Irregularity	0.352
35		Shahkot	Unauthorized Expenditure due to Misclassification	Irregularity

**Summary of Appropriation Accounts by Grants
District Government, Nankana Sahib
For the financial year 2013-14**

(Amount in Rs)

Grant No.	Name of Grant	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Savings
Non-Development						
3	Provincial Excise.	3,615,000	0	3,615,000	3,342,306	272,694
5	Forests.	15,092,000	3,526,000	18,618,000	18,450,961	167,039
7	Charges on A/c of M. V. Act.	2,000,000	0	2,000,000	1,700,934	299,066
8	Other Taxes & Duties	3,058,000	0	3,058,000	2,578,346	479,654
10	General Administration	100,381,000	0	100,381,000	61,808,064	38,572,936
15	Education	2,462,027,199	0	2,462,027,199	2,339,735,299	122,291,900
16	Health Services	536,457,000	31,399,659	567,856,659	559,815,023	8,041,636
17	Public Health	2,557,000	569,000	3,126,000	2,917,600	208,400
18	Agriculture	73,579,000	0	73,579,000	70,735,715	2,843,285
19	Fisheries	2,969,000	0	2,969,000	2,744,584	224,416
20	Veterinary	131,047,000	0	131,047,000	79,911,524	51,135,476
21	Co-operative	21,282,000	0	21,282,000	19,073,646	2,208,354
22	Industries	3,427,000	376,000	3,803,000	3,673,762	129,238
23	Miscellaneous Departments	4,663,000	0	4,663,000	4,028,379	634,621
24	Civil Works	29,848,000	11,418,420	41,266,420	31,583,069	9,683,351
25	Communications	57,868,800	214,048	58,082,848	57,109,080	973,768
31	Miscellaneous	13,482,000	584,422	14,066,422	13,706,206	360,216
32	Civil Decence	5,968,000	361,000	6,329,000	5,913,814	415,186
	Total non-development	3,469,320,999	48,448,549	3,517,769,548	3,278,828,312	238,941,236
Development						
36	Development.	379,460,702	3,318	379,464,020	286,897,658	92,566,362
41	Roads & Bridges	24,793,707	0	24,793,707	10,846,628	13,947,079
42	Govt: Buildings	30,405,500	290,500	30,696,000	18,019,080	12,676,920
	Total development	434,659,909	293,818	434,953,727	315,763,366	119,190,361
	Grand Total	3,903,980,908	48,742,367	3,952,723,275	3,594,591,678	358,131,597
	Surrender/withdrawal			(155,255,886)		(155,255,886)
	Net Total	3,903,980,908	48,742,367	3,797,467,389	3,594,591,678	202,875,711

Annex-C

(1.2.2.2)

Sr. No .	W/C No.	Volume Measured (m3)	Bricks Paid @ 500/m³	Bricks Admissible (375/m³)	Excess Bricks paid	Rate (Rs)	Overpayment (Rs)
1	138504/R	409.05	204,500	153,394	51,106	6,854	350,280
2	8157-L	523.55	261,000	196,331	64,669	7,671	496,066
3	8870-L	410.01	205,000	153,754	51,246	7,681	393,646
4	15260-L	476.81	238,000	178,804	59,196	7,643	452,409
5	28700-TL	676.38	338,000	253,643	84,358	7,548	636,730
6	25515-R	347.74	173,000	130,403	42,598	7,600	323,741
7	16125-R	460.48	230,000	172,680	57,320	7,535	431,894
8	4564-R	419.43	209,000	157,286	51,714	7,670	396,644
9	39745-R	634.95	317,000	238,106	78,894	7,850	619,316
10	16000-L	218.20	109,000	81,824	27,176	7,142	194,100
11	27660-L	201.39	100,000	75,521	24,479	7,684	188,102
12	56872-L	233.92	116,900	87,720	29,180	7,451	217,427
13	124946-R	231.72	115,860	86,895	28,965	5,919	171,441
14	116380-R	154.18	77,000	57,818	19,183	6,921	132,756
Total		5,398	2,694,260	2,024,178	670,082		5,004,552

Annex-D
(1.2.2.2)

S.No.	W/C No.	Volume Measured (m3)	Cement used (Bags)	Admissible cement (Bags)	Excess Cement (Bags)	Rate (Rs/ bag)	Overpayment (Rs)
1	138504/R	409.05	756	664	92	506	46,724
2	8157-L	523.55	960	849	111	524	57,889
3	8870-L	410.01	745	665	80	524	41,827
4	15260-L	476.81	880	774	106	531	56,512
5	28700-TL	676.38	1,240	1,097	143	520	74,138
6	25515-R	347.74	635	564	71	527	37,297
7	16125-R	460.48	840	747	93	529	49,169
8	4564-R	419.43	760	681	79	531	42,185
9	39745-R	634.95	1,160	1,030	130	535	69,440
10	16000-L	218.20	400	354	46	531	24,431
11	27660-L	201.39	365	327	38	528	20,198
12	56872-L	233.92	425	380	45	528	24,027
13	124946-R	231.72	417	376	41	469	19,230
14	116380-R	154.18	280	250	30	525	15,670
Total		5,398	9,863	8,758	1,105		578,737

Annex-E

(1.2.2.2)

Sr. No.	W/C No.	Volume Measured (m3)	Sand Used (m³)	Admissible Sand (m3)	Excess Sand used	Rate (Rs)	Overpayment (Rs)
1	138504/R	409.05	106.00	92.04	13.96	743	10,373
2	8157-L	523.55	136.00	117.80	18.20	832	15,143
3	8870-L	410.01	106.00	92.25	13.75	832	11,438
4	15260-L	476.81	123.00	107.28	15.72	832	13,077
5	28700-TL	676.38	175.00	152.19	22.81	832	18,982
6	25515-R	347.74	90.00	78.24	11.76	832	9,783
7	16125-R	460.48	119.50	103.61	15.89	832	13,222
8	4564-R	419.43	109.00	94.37	14.63	773	11,315
9	39745-R	634.95	165.00	142.86	22.14	830	18,373
10	16000-L	218.20	56.00	49.09	6.91	781	5,395
11	27660-L	201.39	52.00	45.31	6.69	832	5,564
12	56872-L	233.92	60.00	52.63	7.37	832	6,130
13	124946-R	231.72	60.00	52.14	7.86	620	4,878
14	116380-R	154.18	40.00	34.69	5.31	765	4,059
Total		5,398	1,398	1,215	183		147,732

Annex-F

(1.2.2.4)

Sr. No.	Name of Formations	Allowance Nomenclature	Description of overpayment	Amount (Rs in million)
1	Dy. DO (Agr) Ext Sangla Hill	Conveyance Allowance	Officers / Officials drew conveyance allowance despite residence allotted within the premises of the office	0.178
2	Dy. DO (Agr) Ext Sangla Hill	5% of basic pay	5% of basic pay was not deducted despite allotment of residences to the employees	0.034
3	DO Livestock	5% of basic pay	5% of basic pay was not deducted despite allotment of residences to the employees	0.094
4	DO Livestock	Conveyance Allowance	An Official drew conveyance allowance despite residence allotted within the premises of the office	0.042
5	EDO Health	Conveyance Allowance	Officials drew conveyance allowance during leave period	0.050
6	DCO	5% of basic pay	5% of basic pay was not deducted despite allotment of residences to the employees	0.342
7	DHQ	Conveyance Allowance	Officials drew conveyance allowance despite residence allotted within the premises of the office	0.450
8	Dy. DEO (MEE), Nnk	Conveyance Allowance	Officials/ officers drew conveyance allowance during leave period	0.311
9	EDO Education	Conveyance Allowance	Officials/ officers drew conveyance	0.046

Sr. No.	Name of Formations	Allowance Nomenclature	Description of overpayment	Amount (Rs in million)
			allowance during leave period	
10	Special Education Centre Shahkot	Conveyance Allowance	Teachers drew conveyance allowance during summer vacation	0.074
11	THQ Shahkot	Conveyance Allowance, Mess allowance, Dress allowance	Officials/ officers drew conveyance, mess & dress allowances during leave period	0.292
12	THQ Shah kot	5% of basic pay	5% of basic pay was not deducted despite allotment of residences to the employees	0.189
13	THQ Sangla Hill	Conveyance Allowance	Officials drew conveyance allowance despite residence allotted within the premises of the Hospital	0.640
14	THQ Sangla Hill	5% of basic pay	5% of basic pay was not deducted despite allotment of residences to the employees	0.243
15	THQ Sangla Hill	Conveyance Allowance, Mess allowance, Dress allowance	Officials/ officers drew conveyance, mess & dress allowances during leave period	0.264
16	THQ Sangla Hill	Conveyance Allowance, House Rent allowance,	Officials drew conveyance and House Rent allowances despite residence allotted within the premises of the Hospital	0.062
Total				3.311