



**AUDIT REPORT**  
**ON**  
**THE ACCOUNTS OF**  
**17 DISTRICT HEALTH AUTHORITIES**  
**OF PUNJAB (SOUTH)**  
**AUDIT YEAR 2019-20**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

AG	Accountant General
AAG	Assistant Accountant General
AGPR	Accountant General Pakistan Revenues
APMO	Assistant Principal Medical Officer
APPM	Accounting Policies and Procedures Manual
BERC	Biomedical Equipment Resource Center
BHU	Basic Health Unit
BMS	Biometric system
BPS	Basic Pay Scale
CA	Conveyance allowance
CEO	Chief Executive Officer
CM	Chief Minister
COS	Cost of Other Stores
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DDO	Drawing and Disbursing Officer
DFI	Development Financial Institutions
DG	Director General
DGA	Directorate General Audit
DHA	District Health Authority
DHDC	District Health Development Centre
DHO	District Health Officer
DHO (PS)	District Health Officer (Preventive Services)
DHQ	District Headquarter
DO	District Officer
DTL	Drug Testing Laboratory
ECG	Electric Cardio Graph
EMO	Emergency Medical Officer
EOL	Extra Ordinary Leave
EPI	Expanded Programme on Immunization
FABS	Financial Accounting and Budgeting System
FAP	Foreign Aided Project
FBR	Federal Board of Revenue
FD	Finance Department

FESCO	Faisalabad Electric Supply Company
FIF	Falah-e-Insaniat Foundation
FP	Family Planning
FPCL	Faisalabad Parking Company Limited
FTA	Fixed Travelling Allowance
FTN	Free Tax Number
GGH	Government General Hospital
GL	General Ledger
GP	Group Provident
GRD	Government Rural Dispensary
GSHF	Government Servant Housing Foundation
GST	General Sales Tax
HC	Health Council
HRA	House rent allowance
HSRA	Health Sector Reforms Allowance
IDAP I	Infrastructure Development Authority Punjab
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IRMNCH	Integrated Reproductive Maternal and Newborn Child Health Program
JUD	Jamat ud Dawa
KVA	Kilo Volt Ampere
LD	Liquidity Damages
LHW	Lady Health Workers
LP	Local Purchase
M&R	Maintenance and Repair
MAP	Manual of Accounting Principles
MCH	Mother and Child Healthcare
MFDAC	Memorandum for Departmental Accounts Committee
MLC	Medico Legal Charges
MO	Medical officer
MRS	Market Rate System
MS	Medical Superintendent
MSD	Medicine Store Depot
NAM	New Accounting Model
NIT	Notice Inviting Tender

NPA	Non Practicing Allowance
NTN	National Tax Number
OPD	Outdoor Patient Department
P&SHCD	Primary and Secondary Health Care Department
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCA	Practice compensatory allowance
PEEDA	Punjab Employees Efficiency and Disciplinary Act
PFR	Punjab Financial Rules
PHC	Primary Health Care
PHFMC	Punjab Health Facilities Management Company
PLGA	Punjab Local Government Act
PLGO	Punjab Local Government Ordinance
PMIS	Prescription Management Information System
PMU	Project Management Unit
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
PSTS	Punjab Sales Tax on Services
QMS	Quality Management System
RCC	Reinforced Cement Concrete
RDA	Regional Directorate of Audit
RHC	Rural Health Center
SBD	Standard Bidding Document
SHC	Secondary Health Care
SMO	Senior Medical Officer
SOP	Standard Operating Procedure
SSB	Social security benefit
STRN	Sales Tax Registration Number
T.B	Tuberculosis
TA/DA	Traveling Allowance/Daily Allowance
THQ	Tehsil Headquarter
TSE	Technically Sanctioned Estimates
WAPDA	Water and Power Development Authority
WMO	Women Medical Officer



## PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 8 & 12 of the Auditor General's (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 and the accounts of any authority or body established by or under the control of the Federation or a Province. Accordingly, the audit of District Health Authority is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of 17 District Health Authorities of the Punjab for the Financial Year 2018-19. The Directorate General of Audit, District Governments, Punjab (South), Multan, conducted audit during Audit Year 2019-20 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 Rs 1 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 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. **Sectoral analysis has been added in this report covering strategic review and overall perspective of audit results.**

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The report has been finalized in the light of the written responses of management wherever conveyed.

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 read with Section 108 of the Punjab Local Government Act, 2013, for causing it to be laid before the Provincial Assembly.

Islamabad  
Dated:

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit, District Governments, Punjab (South), Multan is responsible for carrying out the audit of Local Governments comprising, Municipal Corporations, Municipal Committees, District Councils, Union Councils, District Health and Health Authorities of 17 Districts of Punjab (South) namely Bahawalnagar, Bahawalpur, Chiniot, Dera Ghazi Khan, Faisalabad, Jhang, Khanewal, Layyah, Lodhran, Multan, Muzaffargarh, Pakpattan, Rahim Yar Khan, Rajanpur, Sahiwal, Toba Tek Singh & Vehari and eight companies of the Department of Local Government and Community Development i.e. 05 Cattle Market Management Companies and 03 Waste Management Companies.

The Directorate General Audit has a human resource of 87 officers and staff, constituting 25,404 mandays and annual budget of Rs 143.421 million for the Financial Year 2019-20. Director General Audit, District Governments Punjab (South) carried out audit of the accounts of 17 District Health Authorities for the Financial Year 2018-19.

District Health Authorities were established w.e.f. 01.01.2017 and conduct operations under Punjab Local Government Act, 2013. The Chief Executive Officer (CEO) is the Principal Accounting Officer (PAO) of the District Health Authority and carries out functions of the Health through group of offices as notified in Punjab Local Government Act (PLGA), 2013. According to the Act, the District Health Fund comprises District Local Fund and Public Account. Due to delay of electoral process Chairmen were not elected, therefore the Annual Budget Statements were authorized by the Deputy Commissioner in each district, who was appointed as Administrator by the Government of the Punjab.

### **Audit Objectives**

Audit was conducted with the objectives 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 framed to regulate the procedure for expending of public money.

3. Every item of expenditure was incurred with the approval of the competent authority in the Government.
4. Public money was not wasted.
5. The assessment, collection and account of revenue was made in accordance with the prescribed laws, rules and regulations and accounted for in the books of accounts of the District Health Authorities.

**a) Scope of Audit**

This office is mandated to conduct audit of 369 formations working under the Chief Executive Officers of 17 District Health Authorities (DHAs). Total expenditure and receipt of these formations were Rs 36,246.839 million and Rs 195.573 million respectively for the financial year 2018-19.

Audit coverage relating to expenditure for the current audit year comprises 114 formations of 17 District Health Authorities having total expenditure of Rs 20,539.626 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 56.67% of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 114 formations of 17 District Health Authorities having total receipt of Rs. 48.090 million for the financial year 2018-19. In terms of percentage, the audit coverage for receipt is 24.59% of auditable receipt.

This audit report also includes audit observations resulting from the audit of:

1. Expenditure of Rs. 29,279.811 million and receipt of Rs. 55.975 million for the financial year 2017-18 pertaining to 87 formations of 17 District Health Authorities.
2. Expenditure of Rs. 17,797.965 million and receipt of Rs. 34.329 million pertaining to previous financial years.

In addition to this compliance audit report, DG Audit District Governments Punjab (South) Multan conducted 34 Financial Attest Audits, 01 Performance Audit and 01 Special Study. Reports of these audits are being published separately.

**b) Recoveries at the Instance of Audit**

As a result of audit, a recovery of Rs 1,216.539 million was pointed out in this report. Recovery effected during January to December 2019 was Rs. 55.467 million which was verified by Audit.

**c) Audit Methodology**

Audit was carried out against the standards of financial governance provided under various provisions of the Punjab Local Government Act, 2013, PFR Vol-I, II, Delegation of Financial Powers and other relevant laws, which govern the propriety of utilization of the financial resources of the District Health Authority in accordance with the regularity framework provided by the relevant laws. On the spot examination and verification of record was also carried out in accordance with the applicable laws / rules and according to the INTOSAI auditing standards.

The selection of the audit formations was made keeping in view the significance and risk assessment, samples were selected after prioritizing risk areas by determining significance and risk associated with identified key controls.

**d) Audit Impact**

A number of improvements in record maintenance and procedures have been initiated by the authority concerned; however, audit impact in shape of change in rules is not be materialized as the provincial Public Accounts Committee has not discussed any Audit Report.

**e) Comments on Internal Control and Internal Audit Department**

Internal control mechanism of District Health Authorities of Faisalabad Region 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 unauthorized withdrawal of public funds against the entitlement of the employees, non-maintenance of assets register etc. Negligence on the part of District Health Authorities may be captioned as one of the important reasons for weak Internal Controls.

**f) The Key Audit Findings of the Report**

- i. Non-Production of Record worth Rs 419.850 million was reported in 14 cases<sup>1</sup>.
- ii. Fraud and Misappropriations involving an amount of Rs 96.640 million were reported in seven cases<sup>2</sup>
- iii. Irregularities amounting to Rs 28,601.001 million were noticed in 377 cases<sup>3</sup>.
- iv. Value for Money and Service Delivery Issues involving Rs 889.360 million were noticed in 55 cases<sup>4</sup>
- v. Other issues involving an amount of Rs 3,810.704 million were noticed in 130 cases<sup>5</sup>.

Audit paras involving procedural violations including internal control weaknesses and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum of Departmental Accounts Committee (MFDAC) **Annexure-A**.

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<sup>1</sup>Para No. 1.2.5.1.1, 2.2.5.1.1, 3.2.5.1.1, 4.2.5.1.1, 5.2.5.1.1, 6.2.5.1.1, 7.2.5.2.1, 8.2.5.1.1, 9.2.5.1.1, 10.2.5.1.1, 13.2.5.1.1, 14.2.5.1.1, 15.2.5.1.1, 16.2.5.1.1

<sup>2</sup>Para No. 1.2.5.2.1, 8.2.5.2.1 to 8.2.5.2.3, 10.2.5.2.1 to 10.2.5.2.2, 11.2.5.1.1

<sup>3</sup>Para No. 1.2.5.3.1 to 1.2.5.3.28, 2.2.5.2.1 to 2.2.5.2.13, 3.2.5.2.1 to 3.2.5.2.9, 4.2.5.2.1 to 4.2.5.2.14, 5.2.5.2.1 to 5.2.5.2.25, 6.2.5.2.1 to 6.2.5.2.19, 7.2.5.2.1 to 7.2.5.2.19, 8.2.5.3.1 to 8.2.5.3.18, 9.2.5.2.1 to 9.2.5.2.25, 9.2.5.3.1 to 9.2.5.3.10, 10.2.5.3.1 to 10.2.5.3.23, 11.2.5.2.1 to 11.2.5.2.15, 12.2.5.1.1 to 12.2.5.1.28, 13.2.5.2.1 to 13.2.5.2.30, 14.2.5.2.1 to 14.2.5.2.29, 15.2.5.2.1 to 15.2.5.2.19, 16.2.5.2.1 to 16.2.5.2.20, 17.2.5.1.1 to 17.2.5.1.33

<sup>4</sup>Para No. 2.2.5.3.1 to 2.2.5.3.4, 3.2.5.3.1 to 3.2.5.3.7, 7.2.5.3.1 to 7.2.5.3.4, 9.2.5.4.1 to 9.2.5.4.10, 10.2.5.4.1 to 10.2.5.4.5, 11.2.5.3.1 to 11.2.5.3.5, 12.2.5.2.1, 13.2.5.3.1 to 13.2.5.3.2, 14.2.5.3.1 to 14.2.5.3.3, 15.2.5.3.1 to 15.2.5.3.2, 17.2.5.2.1

<sup>5</sup>Para No. 1.2.5.4.1 to 1.2.5.4.12, 2.2.5.4.1 to 2.2.5.4.10, 3.2.5.4.1 to 3.2.5.4.9, 8.2.5.4.1 to 8.2.5.4.13, 10.2.5.5.1 to 10.2.5.5.12, 11.2.5.4.1 to 11.2.5.4.16, 12.2.5.3.1 to 12.2.5.3.5, 13.2.5.4.1 to 13.2.5.4.12, 14.2.5.4.1 to 14.2.5.4.11, 15.2.5.4.1 to 15.2.5.4.11, 16.2.5.3.1 to 16.2.5.3.6, 17.2.5.3.1 to 17.2.5.3.12

**g) Recommendations**

PAOs of District Health Authorities are required to:

- i. Produce auditable record and take action against the persons responsible for non-production of record.
- ii. Hold Inquiries and fixing responsibility for fraud, misappropriation, losses and wasteful expenditure.
- iii. Maintain necessary auditable record and take action against the persons responsible for non-maintenance of record.
- iv. Comply with the Punjab Procurement Rules for economical and rational purchases of goods and services.
- v. Make efforts for expediting the realization of various Government receipts.
- vi. Ensure establishment of internal control system and proper implementation of the monitoring system.
- vii. Rationalize budget with respect to utilization.

Audit paras involving procedural violations including internal control weaknesses and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum of Departmental Accounts Committee (MFDAC) **Annexure-A**.

## Introduction

District Health Authorities were established on 01.01.2017 under Punjab Local Government Act 2013. DHA 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.

CEO is the Principal Accounting Officer of the District Health Authority and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DEA Group of Offices is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Administration.

DHAs manage following primary and secondary health care facilities and institutes in 17 districts falling within in the audit jurisdiction of Director General Audit, District Governments Punjab (South) viz Bahawalnagar, Bahawalpur, Chiniot, Dera Ghazi Khan, Faisalabad, Jhang, Khanewal, Layyah, Lodhran, Multan, Muzaffargarh, Pakpattan, Rahim Yar Khan, Rajanpur, Sahiwal, Toba Tek Singh and Vehari.

Description	No. of Health facility/ Institute
Basic Health Units	1227
Government Rural Dispensary	461
Rural Dispensaries	41
Civil Dispensaries	2
MCH Centres	48
Rural Health Centre	166
Tehsil Head Quarter Hospitals	48
District Head Quarter Hospitals	12
District Health Development Centre	17
District Health Officer	27
Nursing School	9
Paramedical School	1
Blood transfusion services	2
Govt. Tibbia College	4
Deputy District Health Officer	30
IRMNCH & Nutrition Program	7
Other health facilities	1

## Sectoral Analysis

### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CEOs (DHA) of 17 districts of Punjab South during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	48,611.888	42,165.794	-6,446.094	-13%
Non-salary	11,981.241	6,835.830	-5,145.411	-43%
Development	2,561.796	963.738	-1,598.058	-62%
<b>Sub Total</b>	<b>63,154.925</b>	<b>49,965.362</b>	<b>-13,189.563</b>	<b>-21%</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 3,967.897 million was provided for purchase of medicines against which only Rs 2,469.342 million was utilized resulting in lapse of Rs 1,498.555 million (38%).
- An amount of 145.478 million was provided for procurement of life saving medical supplies against which an amount of Rs 129.069 million was utilized resulting in lapse of Rs 16.399 million (11%).
- An amount of Rs 465.276 million was provided for procurement of machinery and equipment against which an amount of Rs 133.426 million was utilized resulting in lapse of Rs 331.850 million (71%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 13,189.563 million lapsed due to inefficient management.



## **Analysis of Appropriation Accounts and Financial Statements (Certification Audit 2019-20)**

The Appropriation Accounts and Financial Statements of DHAs for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authorities, as at 30<sup>th</sup> June 2019.

During Certification Audit of DHAs for the Audit Year 2019-20, it was noticed that the figures reported in the Financial Statements were either understated or overstated. The cash closing balances with State Bank of Pakistan and Financial Statements remained un-reconciled till close of the financial year. Pay and allowances were overpaid due to non fixation of pay. HR related allowances were paid which were not admissible to the employees.

The following issues surfaced during Certification Audit of 17 District Health Authorities.

- Non-reconciliation of figures of payments, receipts and cash balance as per the Appropriation Accounts, Financial Statements and Bank Statements - Rs 274.771 million
- **Difference in budget figures as per financial statement, appropriation accounts and SAP data** - Rs 749.881 million
- Unjustified inverse balance of cash and receivables - Rs 10.652 million
- Non Maintenance of Statement of Fixed Assets and non reporting of Fixed Assets - Rs 48.850 million
- Irregular deposit of District Health Authorities receipts into Provincial Government Account-I instead of DHA Account VI – Rs 18.525 million
- Expenditure of Rs 77.394 million, incurred on procurement of fixed assets under GL Accounts A09, A05270 & A12 by DHAs was not included in statement of Capital Expenditure and Asset side of Balance Sheet.

These issues were discussed in the audit closing meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab.

## ii. Analysis of Targets and Achievements

Sectoral analysis of 17 DHAs were made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No.	Indicators	Target 2018-19	Achievement 2018-19	Remarks
1	Outdoor Patients	48,888,225	51,246,634	Achieved
2	Indoor (Bed Occupancy) THQ / DHQ	715,858	1,128,690	Achieved
3	Surgery (OPD)/(Indoor)	108,184	161,986	Achieved
4	Cardiology	154,229	186,673	Achieved
5	Diagnostic Services (Laboratory, Radiology)	3,268,345	6,945,517	Achieved
6	Family Planning Activities	1,218,628	1,305,374	Achieved
7	Peads	1,838,295	2,234,184	Achieved
8	Surgery	311,271	340,175	Achieved
9	T.B Chest Treatment	38,162	125,121	Achieved
10	Free Medicine to Patients	3,868,478	18,426,847	Not Achieved
11	EPI Vaccination	2,958,723	3,015,568	Achieved
12	Sanctioned Posts (Doctors/Specialists)	6,185	5,080	Not Achieved
13	Gazetted Staff/ Technical Staff	12,939	12,120	Not Achieved
14	Other Staff	15,817	18,704	Not Achieved

\*Source: Data received from CEOs (DHA)

## iii. Serious Financial Irregularities and Findings (Compliance)

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 458.781 million was reported in 14 cases.
- ii. Fraud and Misappropriations involving an amount of Rs 96.640 million were reported in seven cases
- iii. Irregularities amounting to Rs 28,849.737 million were noticed in 369 cases.

- iv. Value for Money and Service Delivery Issues involving Rs 906.808 million were noticed in 58 cases
- v. Other issues involving an amount of Rs 3,806.890 million were noticed in 135 cases.

#### **iv. Service Delivery Issues (Performance)**

In view of the above target achievement table, it is evident that due to shortage of working strength of employees against sanction post the service delivery was badly affected. Moreover, it is also evident that most of the DHAs did not report actual targets, which leads to improper delivery of services in the area of outdoor patients service, indoor patients services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

#### **v. Expectation Analysis and Remedial Measures**

##### **District Health Authorities**

CEOs (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

##### **Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary health care facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.

- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

# 1. District Health Authority Bahawalnagar

## CHAPTER 1

### Public Financial Management Issues

Regional Directorate of Audit, District Governments Bahawalpur conducts Financial Attest Audit of the District Accounts Office Bahawalnagar on annual basis.

### Sectoral Analysis

#### i. Analysis of Financial Resources

Financial resources as given below were made available to CEO DHA during 2018-19 to achieve the targets as assigned to PAO by the Government of Punjab.

**(Rupees in million)**

2018-19	Budget	Actual	Excess (+)	% (Lapse)
			/ Lapse (-)	
Salary	3,286.058	2,573.686	-712.372	-21.68%
Non-Salary	1,760.007	377.379	-1,382.628	-78.56%
Development	142.489	21.687	-120.802	-84.78%
Total	5,188.554	2,972.752	-2,215.802	-42.71%

**\*Source: Appropriation Accounts 2018-19**

- An amount of Rs 255.217 was provided for purchase of medicine against which only Rs 223.011 million was utilized resulting in lapse of Rs 32.205 million (12%). Furthermore, funds of death grants could not be utilized resulting in lapse of funds as well.
- An amount of Rs 59.822 million was provided for revenue component in DHAs (Upgradation of DHQ Hospital Bahawalnagar) against which no amount was utilized resulting in laps of Rs 59.822 million (100%)
- An amount of Rs 21.440 million was provided for Establishment of Orthopedic ward at THQ Hospital Chishtian against which no amount was utilized resulting in laps of Rs 21.440 million (100%).

## **Analysis of Appropriation Accounts and Financial Statements (Certification Audit 2019-20)**

During Certification Audit of DHA Bahawalnagar for the Audit Year 2019-20, it was noticed that cash closing balances in the monthly SBD (State Bank Deposits) statement, Financial Statements and local bank branch statement remained un-reconciled till closing of the financial year. Furthermore, there were differences on account of payments and receipts between Financial Statements and Bank Statement. Difference was also noticed between public account payments and receipts of Financial Statements and FI data.

The Appropriation Accounts and Financial Statements of DHA Bahawalnagar for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authority, Bahawalnagar as on 30th June 2019.

The following issues were surfaced during Certification Audit of District Health Authority Bahawalnagar.

- Un-Reconciled Difference between payments and receipts of Financial Statement and Bank Statement Rs 10.704 million
- Difference of Rs 723.027 million between Appropriation Account and SAP Data
- Un-reconciled difference between public account payments and receipts of Financial Statement and FI data – Rs 1.958 million

### **ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Bahawalnagar was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Management Information Unit). The objectives were to improve health facilities at each health unit, improved environment and facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No	Sub-Indicators	Target 2018-19	Achievement 2018-19	Remarks
1	OPD	4560548	4124862	Targets not achieved
2	Indoor	0	143375	No stipulated targets were set
3	Surgery	0	OPD 59646 Indoor 11,816	No stipulated targets were set
4	Cardiology	0	OPD 46658 Indoor 5,349	No stipulated targets were set
5	Diagnostic Services (Laboratory & Radiology)	0	-	No stipulated targets were set
	Total Lab Investigations	0	617272	No stipulated targets were set
	Total X-Rays	0	87857	No stipulated targets were set
	Total Ultra Sonographics	0	85312	No stipulated targets were set
	Total CT Scans	0	1321	No stipulated targets were set
	Total ECGs	0	19280	No stipulated targets were set
6	Total FP Visits	486458	310626	Targets not achieved
7	Peads		OPD 167907 Indoor 25,422	No stipulated targets were set
8	Surgery		-	No stipulated targets were set
	Operations under GA		3445	No stipulated targets were set
	Operations under spinal anesthesia		1339	No stipulated targets were set
	Operations under LA		11410	No stipulated targets were set
	Other Operations		3148	No stipulated targets were set
9	TB/Chest Suspects		7195	No stipulated targets were set
10	Free Medicine to Patient		4124862	No stipulated targets were set
11	EPI Vaccination		-	
	Children received 3rd Pentavalent Vacc.	96649	70046	Targets not achieved
	Children received 1st measles vaccine	96649	71553	Targets not achieved
	Children received 2nd measles vaccine	96649	68259	Targets not achieved
	Pregnant women received TT-2 vaccine	106493	59718	Targets not achieved
12	Sanctioned Post (Doctors/Specialist)	787	378	Targets not achieved
13	Gazetted Staff/Technical Staff	2182	1622	Targets not achieved
14	Other Staff	2891	2677	Targets not achieved
	Other Target		-	

\*Source: Data received from CEO (DHA) Bahawalnagar

#### **iv. Serious Financial Irregularities and Findings**

- Misappropriation/fraud amounting to Rs 2.458 million was noticed in 01 case.
- Non Production of record of expenditure amounting to Rs 68.827 million was noticed in 01 case.
- Violation of rules/irregularities amounting to Rs 2,958.465 million were pointed out in 28 cases
- Others matters amounting to Rs 85.387 million were observed in 12 cases

#### **v. Service Delivery Issues**

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service and EPI vaccination as intended in the indicators during 2018-19.

#### **vi. Expectation Analysis and remedial Measures**

#### **District Health Authority**

CEO DHA failed to prepare authentic budget as per needs as budget was not optimally utilized. Various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose. Furthermore, no targets were set for various indicators against which no analysis was made.

#### **Suggestion/Remedial Measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- Taking remedial actions for removal of shortage of doctors, medical facilities in various health facilities particularly in primary health care facilities.
- Ensuring availability of Doctor's at health facilities.



- Ensuring utilization of funds for development and non-development components and improving the health.
- Ensuring utilization of funds of death grants and payment to the families of deceased government employees well in time.
- Taking actions for recruitment of all deficient staff including doctors in the health institutions for better provision of health services.
- Fixing responsibility on the concerned for all irregularities.

Following observations were surfaced during the audit of financial year 2018-19.

## 1.1.1 AUDIT PARAS

### 1.1.1.1 Difference between Financial and Bank Statements – Rs 10.704 million

**Risk Categorization: High**

**Criteria**

According to paras 2.2.2.9 & 6.3.4.2 of APPM, the District Accounts Offices are responsible for the accounting functions of the districts and every DAO shall prepare a monthly reconciliation statement for expenditure and receipts.

**Observation:**

During the course of Certification Audit of District Accounts Office Bahawalnagar for the year 2018-19 a difference of Rs 10.703 million was noticed between the bank and financial statements of District Health Authority (DHA) Bahawalnagar under the head receipts and payments as detailed below:

(Amount in rupees)

Government	Description	As per Statement of Cash Receipts and Payments i.e. Financial Statement for the year 2018-19 (Page No 1)	As per SBD statement for the year 2018-19	Difference
Health	Receipts	3,063,840,000	3,059,453,379	4,386,621
	Payments	2,972,752,000	2,966,435,034	6,316,966
<b>Total</b>		<b>6,036,592,000</b>	<b>6,025,888,413</b>	<b>10,703,587</b>

**Implications:**

- No clear picture of data of Financial statement
- Incorrect calculation and reporting in Financial Statement
- Chances of errors and frauds could not be ruled out

**Management response:**

DAO replied that as per Accounting System, the gross expenditure of all payments are booked on the SAP and cheques are issued regarding net payments, after making the deductions of necessary adjustments in the relevant accounts. Bank makes

payment of the cheques issued by this office accordingly. Therefore, payments shown by the bank and this office for the same period are always different with continuous process.

***Recommendations:***

Bank statements be reconciled and accurate balances be reported in the financial statements.

**1.1.1.2 Difference between Appropriation Account and SAP Data – Rs 723.027 million**

***Risk Categorization: Moderate***

***Criteria***

According to Para 6 (e)(j)(k)(l) of Punjab District Authorities (Budget) Rules, 2017 Budget and Accounts Officer is responsible to communicate grants, through SAP-R/3, to drawing and disbursing officers and institutions of the District Authority; to monitor the receipts and expenditure of the District Authority and institutions and to maintain schedule of establishment of the District Authority, offices and institutions.

***Observation***

District Accounts Officer Bahawalnagar did not monitor the budget and expenditure of DHA during 2018-19. Audit observed that no proper reconciliation of figures was made as the budget as well as the expenditure as reflected in SAP R/3 system and Appropriation Accounts of DHA did not match each other. Necessary detail is given below:

**(Rupees in million)**

<b>Particulars</b>	<b>As per Appropriation Accounts</b>	<b>As per SAP System Data (BER)</b>	<b>Difference</b>
Original Allocation	4,331.785	4,471.785	140.000
Supplementary Grant	856.769	544.020	312.749
Revised Budget / Final Grant	5,188.554	5,015.804	172.750
Actual Expenditure	2,972.752	2,875.224	97.528
<b>Total</b>			<b>723.027</b>

### ***Implications***

- No clear picture of data reported in appropriation account
- Incorrect preparation of appropriation account without consulting SAP data
- Authenticity of actual data could not be assessed
- Wrong report of data/misleading information

### ***Management response:***

DAO replied that Original Budget in Appropriation Account is Rs. 4,471,785 and the same is reported in SAP data. However, the District Health Authority could not punch supplementary / revised budget in SAP system due to which reconciliation was not possible.

### ***Recommendations:***

Audit recommends reconciliation of figures besides correction/revision of accounts.

### **1.1.1.3 Difference between Financial Statement (Public Account Receipt & Payment) and FI Data – Rs 1.958 million**

#### ***Risk Categorization: High***

#### ***Criteria***

According to Section 6.5.3.1 of the Accounting Policies and Procedures Manual (APPM), the delegated officer in the Account Section of the DAO/AG/AGPR shall reconcile the daily balances of receipts and expenditures with its own records (Sub Ledger/General Ledger), including the daily balances as reported on the daily bank scrolls.

#### ***Observation:***

During the course of Certification Audit of District Accounts Office Bahawalnagar for the year 2018-19, difference of Rs1.958 million was noticed between FI data and financial statements of District Health Authority (DHA) Bahawalnagar, under the head of “Public Account Receipts” as detailed in table below:

(Amount in rupees)

Government	Description	Data as per Financial Statement for the year 2018-19 (Page No 11)	As per FI data	Difference
Health	Trust & other public account-Receipts	5,035,923,000	5,033,965,000	-1,958,000
<b>Total</b>		<b>5,035,923,000</b>	<b>5,033,965,000</b>	<b>-1,958,000</b>

***Implications***

- No clear picture of data of Financial Statement
- Incorrect calculation and reporting in Financial Statement
- Chances of errors and frauds could not be ruled out

***Management response:***

DAO replied that difference of Rs 1.958 million is of GL/Account (F02) which is also part of trust and other public accounts.

***Recommendations:***

Bank statements be reconciled and accurate balances be reported in the financial statements.

Following observations were surfaced during compliance audit of financial year 2018-19.

**1.1.1.4 Misclassification of expenditure – Rs 12.815 million**

According to Para 12 (1) (5) of the Local Government Account Manual 2003, the expenditure shall be classified into account heads relating to nature of item.

Following 04 DDOs under administrative control of District Health Authority Bahawalnagar incurred expenditure of Rs 12.815 million during 2018-19 by misclassification as detailed below:

(Rupees in million)

Sr. No.	DDOs	Charged Object Head	Relevant Object Head	Amount
1	MS DHQ Bahawalnagar	A05270-Others	A03- & A09	9.176
2	DO Health BWN	A05270-Others	A03- & A09	1.925
3	MS THQ hospital FTS	A03927	A03970	0.689
4	SMO RHC Madrissa	A03942	A03970	1.025
<b>Total</b>				<b>12.815</b>

Due to weak financial management the expenditure was charged to irrelevant head of accounts.

Charging expenditure in irrelevant account heads resulted in irregular expenditure amounting to Rs 12.815 million.

The matter was reported to CEO and DDOs concerned in September, 2019. DDOs replied that all purchases were made from relevant heads and as per requirements. Reply of the department was not tenable as all purchases were made from the inappropriate heads of accounts.

DAC in its meeting held in November, 2019, directed to get the matter regularized from competent authority within one month. No further progress was intimated till finalization of this Report.

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

[AIR Para 12, 35, 23 & 15]

## CHAPTER 2

### DHA Bahawalnagar

#### 1.2.1 Introduction

District Health Authority, Bahawalnagar was established on 01.01.2017 under Punjab Local Government Act 2013. DHA, Bahawalnagar 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 or be sued in its name.

CEO is the Principal Accounting Officer of the District Health Authority and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DHA Group of Offices is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Administration.

(Rupees in million)

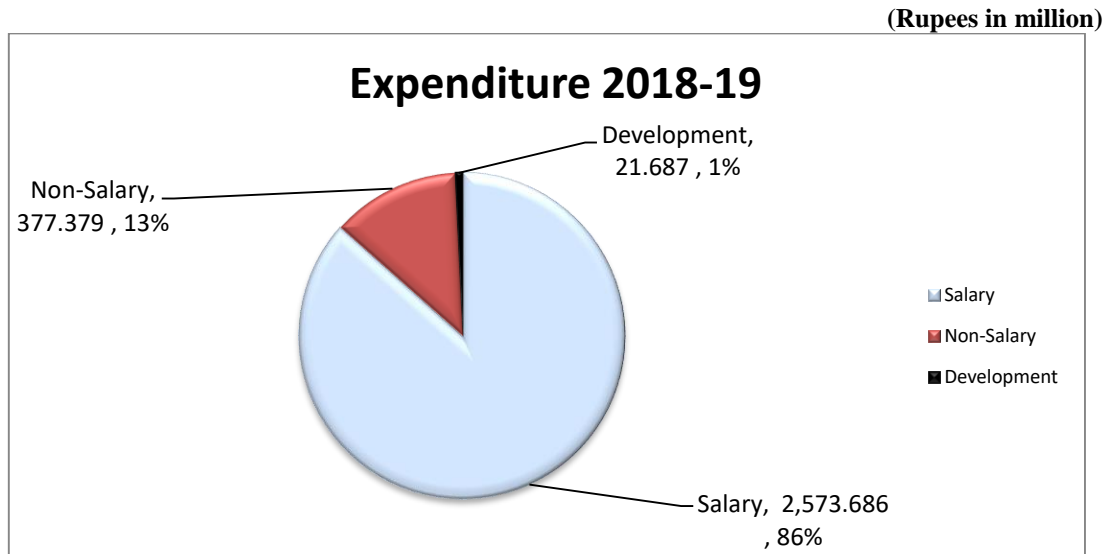
Sr. No.	Description	Total Number	Audited	Expenditure audited F.Y 2018-19	Revenue / Receipts audited F.Y 2018-19
1	Formations	18	07	688.517	-
2	Assignments Accounts	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	01	01	688.517	-
4	Foreign Aided Projects (FAP)	-	-	-	-

## 1.2.2 Comments on Budget and Accounts (Variance Analysis)

The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

2018-19	Budget	Actual	Excess (+)	% (Lapse)
			/ Lapse (-)	
Salary	3,286.058	2,573.686	-712.372	-21.68%
Non-Salary	1,760.007	377.379	-1,382.628	-78.56%
Development	142.489	21.687	-120.802	-84.78%
<b>Total</b>	<b>5,188.554</b>	<b>2,972.752</b>	<b>-2,215.802</b>	<b>-42.71%</b>
Receipts	0	0		

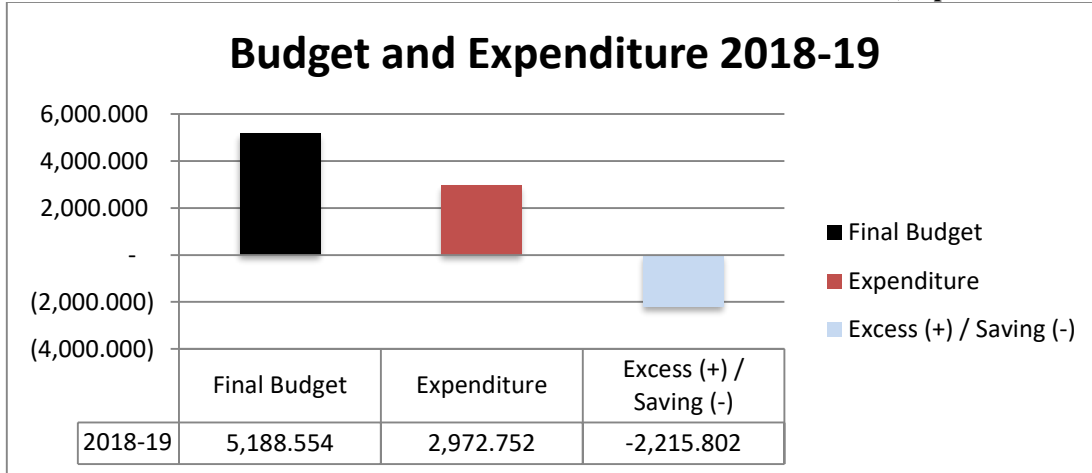


As per the Appropriation Accounts for the Financial Year 2018-19 of the District Health Authority, Bahawalnagar, total final budget (Development & Non-Development) was Rs 5,188.554 million. Against the final budget, total expenditure of Rs 2,972.752 million was incurred by the District Health Authority during Financial



Year 2018-19. Savings of Rs 2,215.802 million came to the notice of Audit due to non-utilization of budget available for salary, non salary and development activities. No plausible explanation was provided by the PAO and management of the District Health Authority. (Annexure–B)

(Rupees in million)



### 1.2.3 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2017-18

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 Annexure– A.

#### Classified Summary of Audit Observations

Audit observations amounting to Rs 3,115.137 million were raised as a result of this audit. Recovery of Rs 73.747 million was pointed during audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Classification</b>	<b>Amount (Rs.)<sup>4</sup></b>
1	Non Production of record	68.827
2	Reported cases of fraud, embezzlement and misappropriation	2.458
3	Irregularities	-
3(a)	HR/Employees related irregularities	2,385.238
3(b)	Procurement related irregularities	573.227
3(c)	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	85.387

#### **1.2.4 Brief Comments on the Status of Compliance with PAC Directives**

The Audit Reports pertaining to the following years were submitted to the Governor of the Punjab for causing it to be laid before the Provincial Assembly. PAC has not been constituted for Audit Reports of District Health Authorities so far.

#### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	9	PAC not constituted
2	2018-19	48	PAC not constituted

## 1.2.5 AUDIT PARAS

### 1.2.5.1 Non Production of Record

#### 1.2.5.1.1 Non Production of record – Rs 68.827 million

According to Clause 14 (1) (a) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect accounts of any office, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”. Furthermore, according to Section 108 (2) of the Punjab Local Government Act 2013, “The Auditor-General shall audit the accounts of a local government in such form and manner as may be deemed appropriate”.

Chief Executive Officer, DHA Bahawalnagar and other four (04) DDOs working under the jurisdiction of CEO (DHA) did not produce record involving Rs 68.827 million for the Financial Year 2018-19 for audit scrutiny despite repeated written and verbal requests. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Description of record not provided</b>	<b>Amount</b>
1	MS, DHQ Hospital BWN	Vouched account of Pay & allowances through adjustments	20.847
		Log Books, vouched Accounts of POL	3.265
		Budget Control Register, Cash Book, Tender sale register	41.483
2	CEO (DHA) BWN	Fee record	-
		Head wise Budget, pending cases of encashment	-
3	SMO RHC Madrissa	tender record, stock register etc.	-
4	MS THQ Hospital FTS	Record regarding disbursement of cash	3.232
<b>Total</b>			<b>68.827</b>

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non production of record created doubts regarding legitimacy of expenditure of Rs 68.827 million.

The matter was reported to CEO and DDOs concerned in September, 2019. All the DDOs replied that record was available and would be provided during record verifications. Replies of DDOs were not tenable as no record was produced during record verification.

DAC in its meeting held in November, 2019 directed for production of record besides initiating action against the concerned within a month. No further progress was intimated till finalization of this Report.

Audit recommends that desired record be produced for verification at the earliest and necessary action be initiated against the person(s) at fault.

[AIR Para No: 54, 38, 41, 13, 30, 35 & 31]

## 1.2.5.2 Fraud / Misappropriation

### 1.2.5.2.1 Misappropriation in usage of LPG and excess payment than OGRA prices – Rs 2.458 million

According to Rule 2.33 of Punjab Financial Rules Vol-1, 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. Moreover, as per clause 3.4.5 of LPG Policy 2016, LPG prices will be regulated with a maximum price at all levels of supply chain. However, producers, marketing companies and distributors may sell below the maximum price determined from time to time.

MS DHQ hospital Bahawalnagar misappropriated funds of Rs 2.458 million on purchase of LPG for incinerator during 2018-19. The record showed that the incinerator incharge reported 37,602 kg of burnt waste while as per reports of infectious waste collector company total burnt waste was 13,072 kg. In this way office showed excess quantity of burnt waste resulting in misappropriation of Rs 1.696 million. Moreover, excess payment of Rs 761,715 was made to Abdullah Traders due to payment at excess rate of LPG as compared to OGRA rates. Detail is given below:

(Amount in rupees)

Sr. No.	Month	Qty. of Waste Reported By Incinerator Incharge	Total Running Hours	Average Qty. of Waste Burning per Hour	Qty. waste reported by the Infectious Waste Company	Avg. Running Hour to be	Excess Hours
1	Jul-18	5800.98	225	25.78213	3078.99	119.4234	105.5766009
2	Aug-18	5840.442	219	26.66868	3102.37	116.3301	102.6699294
3	Sep-18	7714	287	26.87805	2344.63	87.23215	199.7678494
4	Oct-18	8675.96	337	25.74469	2560.07	99.44071	237.5592937
5	Nov-18	9570.96	377.5	25.35354	1985.82	78.32517	299.174832
		<b>37602.342</b>	<b>1445.5</b>	<b>130.4271</b>	<b>13071.88</b>	<b>500.7515</b>	<b>944.7485054</b>
6	Average Usage of LPG (kg) per Hour						10
7	Total Excess Usage of LPG						9447.485054
8	Average Rate on Basis of payment made						179.57

9	Misappropriated Amount							<b>1,696,485</b>
10	Amount paid in excess of OGRA Rates							761,715
<b>Total Amount</b>								<b>2,458,200</b>

Detail of rate paid in excess of OGRA rates is given below:

(Amount in rupees)

Bill No.	Date	Amount	Item Name	QTY	Rate Charged	OGRA Rate	Diff	Excess Amount
7650	05.06.18	460,800	LPG Gas cylinder	64	7,200	5,138	2,062	131,968
7860	05.07.18	319,500	LPG Gas cylinder	45	7,100	5,265	1,835	82,575
8010	07.08.18	405,000	LPG Gas cylinder	54	7,500	5,570	1,930	104,220
8250	10.09.18	382,200	LPG commercial cylinder	52	7,350	5,743	1,607	83,579
8398	01.10.18	552,000	LPG commercial cylinder	69	8,000	5,956	2,044	141,064
8591	01.11.18	648,000	LPG commercial cylinder	80	8,100	5,371	2,729	218,310
<b>Total</b>								<b>761,715</b>

Due to malafied intention, excess quantity of LPG was claimed and payment was made in excess of OGRA rates.

Claiming of excess quantities of waste than actual and non-observing of OGRA rates resulted in loss of Rs 2.458 million.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that LPG was purchased as per market committee rates. Reply was not tenable as payment was not made according to OGRA rates. Further, excess consumption of LPG was not replied by the DDO.

DAC in its meeting held in November, 2019, directed to hold fact finding inquiry at CEO level to probe the matter and produce report within one month. No progress was intimated till finalization of this Report.

Audit recommends recovery of misappropriated and excess amount besides fixing responsibility on the person(s) at fault.

[AIR Para: 2]

### **1.2.5.3 Irregularities**

#### **1.2.5.3.1 Non-utilization of funds – Rs 2,215.800 million**

According to Rule 61 of the Punjab District Authorities (Budget) Rules 2017, the excess and surrender statements would be prepared by the DDOs and the same would be submitted alongwith reasons to the concerned authorities. The Budget and Accounts Officer would consolidate and submit the same to the authority with recommendations for approval of revised budget.

Deputy Director Budget & Accounts of CEO (DHA) BWN did not consolidate the excess and surrender statements and did not submit revised budget to the authority due to which budget to the tune of Rs 2,215.80 million remained unutilized during 2018-19 and the same was not surrendered in time. This non-utilization of the funds indicated poor budgeting on the part of the Deputy Director Budget and Accounts.

Due to financial indiscipline poor budgeting was made and savings were not surrendered.

Poor budgeting and non-surrendering of savings resulted into blockage of funds.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that no budget remained unutilized by District Health Authority and as per rule the budget was prepared on the basis of sanction posts which were presumed to be filled later on. Reply was not tenable as revised budget was not prepared and got approved from the competent authority before close of financial year on the basis of excess and surrender statements submitted by the DDOs.

DAC in its meeting held in November, 2019, directed to provide record after detailed working. No progress was intimated till finalization of this Report.

Audit recommends corrective measures in future and appropriate actions for such poor budgeting against the person (s) at fault.

[AIR Para: 24]

### 1.2.5.3.2 Unauthorized utilization of budget of medicines of DHQ and THQs– Rs 255.217 million

According to Government of the Punjab, Finance Department letter No. FD(W&M)22-1/2018-19/DHA 2022 dated 30.11.2018, separate budget was allocated for each CEO (DHA), DHQ and THQ hospitals of the Punjab for purchase of bulk medicines.

CEO (DHA) utilized budget of DHQ and THQs hospital released for purchase of medicines amounting to Rs 255.217 million during 2018-19. Finance Department released separate budget of medicines (bulk) for DHQ and THQ hospitals but all the funds were utilized at CEO level instead of releasing the same to concerned health facility. Detail is given below:

(Rupees in million)		
Sr. No.	Name of Health Facility	Funds released
1	MS DHQ Hospital Bahawalnagar	100.139
2	CEO Health (for RHCs)	92.274
2	MS THQ Hospital Chishtian	14.981
3	MS THQ Hospital Fortabbas	15.438
4	MS THQ Hospital Haroonabad	16.543
5	MS THQ Hospital Minchinabad	15.842
<b>Total</b>		<b>255.217</b>

Due to financial indiscipline funds of medicines of DHQ and THQ hospitals were used by CEO (DHA) instead of releasing to concerned hospitals.

Non distribution of funds at prescribed level and consumption of same at CEO level resulted in violation of instructions.

The matter was reported to CEO concerned in September, 2019. The management replied that all the procurement of medicines was made at CEO level strictly in accordance with Punjab Procurement Rules. Reply was not tenable as corrigendum regarding purchase of medicines at CEO level was obtained after completion of purchase process.

DAC in its meeting held during November 2019, directed to seek clarification from the Finance Department as whether CEO had to utilize the funds himself or otherwise. No further progress was intimated till finalization of this Report.



Audit recommends regularization of the matter besides appropriate actions against the person(s) at fault.

[AIR Para: 01]

### 1.2.5.3.3 Irregular expenditure due to non-compliance of PPRA Rules – Rs 87.507 million

According to Rule 9 of the Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Various DDOs working under the administration of CEO (DHA) BWN purchased different items valuing Rs 87.507 million during 2018-19 without advertisement. The procurement was neither advertised on the PPRA's website nor in any national newspapers. The DDOs incurred expenditure by splitting the bills through quotations to avoid tendering process. Detail is given below:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS DHQ Hospital	Different items	52.608
		Stationary/ printing items	2.178
		Purchase of masks	1.744
		Purchase of X-Rays	8.899
		Curtain and Blind papers	1.224
2	DHO Bahawalnagar	stationary/ printing items	1.815
		Medicines, COS, Others & B&C	9.194
3	CEO (DHA)	stationary/ printing items	0.878
4	MS THQ hospital FTS	stationary, plastic bags, ECG Roles & medicines	5.480
5	SMO RHC Madrissa	stationary/ printing items	2.234
6	MS THQ hospital MND	stationary/ printing items, X-Rays	1.253
<b>Total</b>			<b>87.507</b>

Due to weak financial management, purchases were made without advertisement and fair competition.

Purchases without advertisement and fair competition resulted in violation of rules.

The matter was reported to CEO and DDOs concerned in September, 2019. CEO (DHA), MS DHQ hospital BWN and RHC Madrissa replied that PPRA was not possible as budget was released on quarterly basis. DHO and MS THQ FTS replied that all the purchases were made after fulfillment of codal formalities. Replies of the departments were not tenable as despite having sufficient budget procurement was not made as per PPRA rules. MS THQ MND neither submitted reply nor attended DAC meeting.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No further progress was intimated till finalization of this Report.

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

[AIR Paras:40,43,34,36,27,15,17,19,19,11&20]

#### **1.2.5.3.4 Irregular drawl of arrears without additional budget – Rs 62.153 million**

According to Rule 2.27 of the Punjab Financial Rules Vol-1, no payments may be made on account of increases to pay until the additional expenditure hereby caused has been provided for in the budget estimates and duly sanctioned.

Seven (07) DDOs under administrative control of CEO, DHA Bahawalnagar allowed payment of Rs 62.153 million on account of arrears of pay & pending liability of medicines without obtaining additional budget in violation of above rule. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS,DHQ Hospital BWN	Arrears without additional budget	7.339
		Pending Liabilities	28.806
2	DHO BWN	Arrears without additional budget	12.636
3	MS,THQ Hospital FTS	Arrears of pay & pending liability of medicines	6.194
4	SMO RHC Madrissa	Arrears of pay & pending liability of medicines	1.246

Sr. No.	DDOs	Particulars	Amount
5	MS, THQ Hospital MND	Payment of pending liabilities	1.195
6		Payment of pending liabilities	3.005
7	SMO RHC Maroot	Arrear of Pay and Allowances	1.732
<b>Total</b>			<b>62.153</b>

Due to weak financial controls, arrear bills were cleared without obtaining additional budget.

Clearance of arrear bills without availability of additional budget resulted in violation of rules.

The matter was reported to CEO and DDOs concerned in September, 2019. All DDOs replied that additional budget for arrears was not taken due to availability of sufficient budget in relevant heads. The replies of the departments were not tenable as additional budget was not taken for pending liabilities.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No further progress was intimated till finalization of this Report.

Audit recommends regularization of the expenditure from competent authority and appropriate actions against the person(s) at fault.

[AIR Para: 17,14,6,22,13,19, 21 & 23]

#### **1.2.5.3.5 Irregular expenditure on pay and allowances due to shifting of headquarter – Rs 56.012 million**

According to Government of the Punjab, Finance Department letter No. FD.SR.IV-8-1/76 (Prov) dated 16.03.1988, shifting of headquarter of a civil servant can only be allowed for a period not exceeding three months. If the incumbent of the post is working other than his place of posting it means that there is no need of such post. Finance Department may be approached for creation of post at required station by abolishing the corresponding post.

Three DDOs working under the administrative control of CEO (DHA) BWN made payment of Rs 56.012 million to one hundred thirty three (133) employees on account of pay and allowances without performing services. These employees were working on general duties other than their original place of posting for the period beyond three months, without approval of the Finance Department. Detail is given below:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>DDOs</b>	<b>No. of employees</b>	<b>F Year</b>	<b>Amount</b>
1	DHO BWN	127	2018-19	49.496
2	MS THQ Hospital MND	1	2018-19	2.085
		5	2018-19	4.431
<b>Total</b>		<b>133</b>		<b>56.012</b>

Due to weak administrative controls, salaries were paid to employees without performing duties at their original place of posting.

Payment of salaries to employees posted on general duties resulted in irregular expenditure of Rs 56.012 million.

The matter was reported to CEO and DDOs concerned in September, 2019. DHO replied that general duties of all the officials were cancelled but no record was produced during record verification. MS THQ MND neither submitted reply nor attended DAC meeting.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No further progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure and posting of incumbents at their original place of posting besides fixing responsibility on the person(s) at fault.

[AIR Para 33, 5 & 17]

### 1.2.5.3.6 Irregular payment to suppliers in cash instead of cheques – Rs 42.340 million

According to Rule 4.49 of STR (a) Payments of Rs. 10,000.00 and above to contractors and suppliers shall not be made in cash by the Drawing and Disbursing Officers. At places where pre-audit is conducted and pre-audit cheques are issued, the Drawing and Disbursing Officer shall make an endorsement on the bill requiring a separate crossed cheque in his favour. The Accountant-General, Punjab shall then issue a crossed cheque in favour of Drawing and Disbursing Officer who will collect it either personally or through his authorized agent. The Drawing and Disbursing Officer will then endorse the cheque in favour of the contractor/ supplier and deliver it to him on proper identification and obtain his acknowledgement.

Three (03) DDOs working under the administrative control of CEO (DHA) Bahawalnagar incurred expenditure of Rs 42.340 million during 2018-19 on purchase of various items irregularly. The record showed that DDOs made payments to suppliers in cash instead of direct payment through vendor's accounts as per prescribed rule. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Period</b>	<b>Total amount</b>
1	DHO BWN	2018-19	35.649
2	MS THQ Hospital FTS	2018-19	5.109
3	SMO RHC Marot	2014-19	1.582
<b>Total</b>			<b>42.340</b>

Due to financial indiscipline payments were made in cash instead of crossed cheques.

Cash payments instead of crossed cheques resulted in irregular payments of Rs 42.340 million.

The matter was reported to CEO and DDOs concerned in September, 2019. DHO replied that payments were made through acquaintance role after taking their signatures/ thumb impressions on receiving. SMO RHC Maroot replied that payment in cash was made as per rule. MS THQ (FTS) replied that payments to contingent paid staff were made due to non having bank accounts. Replies of DDOs were not

tenable as payments in cash were unjustified keeping in view directions of the Finance Department.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No further progress was intimated till finalization of this Report.

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

[AIR Para No: 25, 30 &19]

#### **1.2.5.3.7 Award of contract without receiving of samples – Rs 33.314 million**

According to opening letter dated 03.12.2018 issued by the CEO (DHA) clause 5 (i) Committee will get signed the samples by the purchase committee members”.

CEO (DHA) Bahawalnagar awarded contract to various firms on account of drugs/ non drug items and made purchases of Rs 33.314 million without collection of samples. As per physical inspection of the sample stock, no samples of items were found as well as store keeper also submitted a report regarding non submission of samples. Detail of expenditure is given in **Annexure-C/DHA BWN**.

Due to negligence, contracts were awarded without collection and analysis of samples.

Award of contracts without collection and analysis of samples resulted in violation of terms of bid documents

The matter was reported to the PAO in September, 2019. The management replied that firms requested verbally to Chairman of the Purchase committee at the time of opening of technical bids that the sample of X-Ray Films & Chemicals & Laboratory Items would be shown at the time of issuance of the supply. Reply was not tenable as all the purchases were made without sample collection and analysis.

DAC in its meeting held in November, 2019, directed to hold fact finding inquiry at CEO (DHA) level and produce report within one month. No further progress was intimated till finalization of this Report.

Audit recommends regularization of the matter besides appropriate actions against the person(s) at fault.

[AIR Para: 10]

#### **1.2.5.3.8 Irregular release of budget – Rs 28.378 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to Rule 2.33 of Punjab Financial Rules Vol-1, 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.

CEO (DHA) Bahawalnagar released funds of Rs 28.378 million directly in the name of vendors on account of various non salaries object codes without provision in rules instead of releasing budget in the name of DDO concerned. Detail is given **Annexure-D/DHA BWN**.

Due to weak financial and managerial controls, public money was spent in violation of canons of financial propriety.

Spending of public money in violation of canons of financial property resulted in irregular expenditure of Rs 28.378 million.

The matter was reported to CEO concerned in September, 2019. Management of CEO (DHA) replied that funds were issued on the request of DDO who set priority of the payment. Reply was not tenable as funds were released in the name of vendors instead of DDO concerned.

DAC in its meeting held in November, 2019, directed to get the irregularity condoned from the competent authority. No further progress was intimated till finalization of this Report.

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

[AIR Para: 3]

### **1.2.5.3.9 Irregular expenditure on procurement of LP medicine –Rs 24.502 million**

According to Government of the Punjab, Health Department letter No.SO(P-I)H/3-64/2008 dated 12.09.2013, local purchase of only those drugs should be made which are included in formularies and minimum level of doctor recommending the Local Purchase should be Senior Registrar, Assistant Professor, Consultant and Senior Medical Officer/Senior Woman Medical Officer. The non-availability of prescribed medicines or its alternates within the hospital generates justification of Local Purchase; therefore, the policy requires hospitals to establish non-availability of prescribed medicine through an authorized pharmacist in the hospital on case to case basis to avoid duplication of resources

During audit of DHA Bahawalnagar, it was observed that five (05) DDOs incurred expenditure of Rs 24.502 million on account of LP medicine from local suppliers during 2014-18. Expenditure was held irregular on the basis of following observations:

- i. Manufacturer's name, batch No. date of manufacturing and date of expiry was not mentioned on the bills.
- ii. Proper issuance record i.e. indents and acknowledgment of recipients and OPD slips was not on record.
- iii. Non-availability certificate was not obtained from the Pharmacist prior to purchase.
- iv. Medicines were purchased without any prescription of authorized medical practitioner as only requisition of store keeper was available.



- v. Patient wise treatment register showing name of patient, diagnosis and medicines recommended was not maintained.

(Rupees in million)		
Sr. No.	DDOs	Amount
1	SMO RHC Madrissa	2.820
2	MS DHQ BWN	6.192
3	DHO BWN	2.775
4	MS THQ Hospital FTS	8.427
5	MS THQ Hospital MND	4.288
<b>Total</b>		<b>24.502</b>

Due to weak administrative controls, LP medicine was purchased and consumed without adopting LP policy.

Purchase of LP medicine without adopting proper procedure resulted in irregular expenditure of Rs 24.502 million.

The matter was reported to CEO and DDOs concerned in September, 2019. All DDOs replied that LP medicines were purchased after completion of all codal formalities. Replies were not tenable as no record was produced for verification.

DAC in its meeting held in November, 2019, directed to hold fact finding inquiry to probe the matter and report within a month. No further progress was intimated till finalization of this Report.

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

[AIR Para: 31, 16, 4, 5 & 26]

#### **1.2.5.3.10 Defective tendering process by unauthorized procurement committee – Rs 24.165 million**

The Government of Punjab Primary & Secondary Health Care Department established the following Purchase committee of DHA vide letter No. SO-H&D(DHA-17-02-02 dated 10<sup>th</sup> February 2017:

i. Deputy Commissioner

Chairman

- |      |   |                    |
|------|---|--------------------|
| ii.  | Chief Executive Officer (DHA)             | Member / Secretary |
| iii. | Additional Deputy Commissioner F&P        | Member             |
| iv.  | District Health Officer (Medical Officer) | Member             |
| v.   | Any other co-opted member                 | Member             |

Three DDOs working under the administrative control of CEO (DHA) Bahawalnagar incurred expenditure on purchases of various items for Rs 24.165 million by awarding rate contract without ensuring the presence of complete purchase committee members. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	DHO (BWN)	Purchase of different items	11.013
2	MS THQ Hospital FTS	Purchase of medicines	5.200
3	MS DHQ Hospital BWN	Purchase of medicines	7.952
<b>Total</b>			<b>24.165</b>

Due to weak internal controls, procurement was made through incomplete procurement committee.

Purchases through incomplete procurement committee resulted in misprocurement of Rs 24.165 million.

The matter was reported to CEO and DDOs concerned in September, 2019. DO (Health) and MS THQ hospital Fortabbas replied that tenders were called for LP medicines as per PPRA rules. MS DHQ hospital replied that LP medicines were purchased as per needs and contracts were made accordingly. Replies were not tenable as no record was provided for verification.

DAC in its meeting held in November, 2019, directed MS THQ hospital Fortabbas to provide record for verification and directed DO (Health) Bahawalnagar to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this report.

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

[AIR Para No.12, 27 &21]

### 1.2.5.3.11 Payment of pay and allowance without verification of degrees – Rs 23.929 million

According to condition (04) of appointment letter, payment was to be made to employees subject to verification of degrees.

Three DDOs working under the administrative control of CEO (DHA) BWN made payment on account of pay and allowances amounting to Rs 23.929 million to various employees without verification of degrees in violation of above rule. Detail is given below:

(Rupees in million)			
Sr. No.	DDOs	No. of employees	Amount
1	MS DHQ hospital BWN	14	7.250
2	SMO RHC Madrissa	13	6.398
3	SMO RHC Marrot	4	10.281
<b>Total</b>			<b>23.929</b>

Due to weak internal controls, payment on account of pay and allowances was made without verification of degrees.

Payment of pay and allowances without verification of degrees resulted in violation of terms and conditions of appointment orders.

The matter was reported to the PAOs and DDOs concerned in September, 2019. MS DHQ hospital BWN replied that recruitment was made after completion of codal formalities and salaries were paid after pre-audit from DAO. SMOs RHC Madrissa and Marrot replied that verification of degrees was obtained from concerned institutions. Replies were not tenable as no record in support of replies was produced.

DAC in its meeting held in November, 2019, directed to expedite the process of verification besides actions against the concerned within one month. No further progress was intimated till finalization of this Report.

Audit recommends verification of degrees besides fixing responsibility on the person(s) at fault.

[AIR Para: 44, 12 & 14]

#### **1.2.5.3.12 Unjustified expenditure on purchase of Dialyzers – Rs 20.304 million**

According to contract award letter to Fresenius Company “Hollow Fiber Dialyzer (All Sizes) Individually Sterile Packed with complete operational set”

CEO (DHA) awarded contract amounting to Rs 20.304 million on account of purchase of eighteen thousands dialyzers (F6HPS) without assessment of actual need of hospitals during 2018-19. Supplied dialyzers were not of standard quality in accordance of various letters/complaints received in the department. Any effort was not made for replacement of the same.

Due to negligence Dialyzers were purchased without meeting the needs of the hospital.

Purchase of Dialyzers not meeting the needs of the hospitals resulted in wastage of public funds and putting the lives at risk.

The matter was reported to the PAO concerned in September, 2019. The management replied that all the purchases were made as per specifications of the EDL, but the demand of the DDO/MS DHQ & THQs hospitals did not mention any size of dialyzers in their demands. Reply was not accepted as CEO (DHA) was responsible to make purchases of medicines as per requirements of the centers.

DAC in its meeting held in November, 2019, directed to hold fact finding inquiry at CEO (DHA) level and produce report within one month. No further progress was intimated till finalization of this Report.

Audit recommends early finalization of inquiry of the matter besides appropriate actions against the person(s) at fault.

[AIR Para: 8]

#### **1.2.5.3.13 Irregular hiring of contingent paid staff – Rs 12.644 million**

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charged / daily

wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment. Furthermore, according to Government of the Punjab LG&CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, no work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

Following DDOs under the jurisdiction of CEO, DHA Bahawalnagar paid Rs 12.644 million from non-development budget / health council funds on account of contingent paid staff during 2018-19. Appointments were not made by adopting procedures as directed above. The detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No</b>	<b>DDOs</b>	<b>Subject of Para</b>	<b>Amount</b>
1	MS DHQ hospital BWN	Irregular appointment of daily wages / contingent paid staff from Health Council	3.103
2	DHO BWN	Irregular appointment of daily wages / contingent paid staff from Health Council.	9.541
<b>Total</b>			<b>12.644</b>

Due to lack of due diligence, contingent paid staff was hired without adopting prescribed procedure.

Hiring of contingent paid staff without adopting prescribed procedure resulted in irregular expenditure amounting Rs 12.644 million.

The matter was reported to the PAO and the DDOs concerned in July and August 2019. MS DHQ hospital replied that data entry operators and stretcher bearers were hired from Health Council as per policy. Reply was not tenable as no criteria was observed for such hiring. DO (Health) replied that contingent paid staff was appointed by CEO (DHA) for various events. Reply was not tenable as no relevant record was produced.

DAC in its meeting held in November, 2019, directed MS DHQ hospital to get the expenditure regularized from competent authority within one month and directed DO (Health) to produce record for verification within three days. No further progress was intimated till finalization of this Report.

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

[AIR Para 28 & 31]

#### **1.2.5.3.14 Loss due to purchases at higher rates – Rs 9.826 million**

According to Rule 2.33 of Punjab Financial Rules Vol-1, 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.

Three DDOs working under the administrative control of CEO (DHA) BWN made excess payment on account of purchase of medicines amounting to Rs 9.826 million. Scrutiny of record revealed that purchases were made at higher rates than the prevailing market rates and rates finalized by the CEO (DHA) for central purchases (in bulk). Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Items</b>	<b>Amount</b>
1	MS DHQ Hospital BWN	Medicines	3.140
		Other items	2.026
2	MS THQ Hospital FTS	Medicines	3.691
3	MS THQ Hospital MND	Medicines	0.969
<b>Total</b>			<b>9.826</b>

Due to financial indiscipline, excess rates were paid to the suppliers than prevailing market rates or central contract rates.

Payments of excess rates than rate contract resulted in loss of Rs 9.826 million.

The matter was reported to CEO and DDOs concerned in September, 2019. All DDOs except MS THQ hospital MND (who did not attend DAC meeting) replied

that purchases were made from local market for day to day medicines. Replies were not tenable as rate contracts of CEO (DHA) were not observed.

DAC in its meeting held in November, 2019, directed to hold fact finding inquiry to probe the matter and report within a month. No further progress was intimated till finalization of this Report.

Audit recommends early finalization of inquiry proceedings besides recovery from the concerned and fixing responsibility against the person(s) at fault.

[AIR Para: 24, 42, 24 & 24]

#### **1.2.5.3.15 Payment to supplier for substandard medicine – Rs 9.209 million**

As per Clause V of purchase order issued by the CEO (DHA) “100% payment to the suppliers will be made by the concerned purchase/ Disbursing & Drawing Officer (DDO) of respective District Against satisfactory performance and upon submission of required documents (standard quality test/ analysis report from Testing Laboratory and satisfactory inspection report from inspection committee)”.

CEO (DHA) BWN made payment of Rs 9.209 million to M/S Fynk Pharmaceuticals on account of purchase of medicine i.e. inj. Ceftriaxone. DDO made payment to the supplier of substandard medicine as declared in DTL report. Detail is given below:

(Amount in rupees)

Sr. No	Description of purchases	Sanction No. & Date	Cheque No	Amount	Item included whose DTL failed	DTL Status
1	Inj. Ceftriaxone 1g (as Sodium) I.V Glass vial Batch No. A-558, A-559 & A-560	1311-12 / 19.06.2019	0083449	2,029,144	Water for Injection 5ml (batch No: wi.365, wi.365, wi.367)	Substandard
2	Inj. Ceftriaxone 1g (as Sodium) I.V Glass vial Batch No. A-528, A-536, A537, A539, A-540	10113-14 13.06.2019	0083173	5,513,908	Water for Injection 5ml (batch No: wi350, wi-350, wi-352,	Substandard

Sr. No	Description of purchases	Sanction No. & Date	Cheque No	Amount	Item included whose DTL failed	DTL Status
3	Inj. Ceftriaxone 250mg (as Sodium) I.V Glass vial Batch No.A-551, A-555, A-556	1313-14 19.06.2019	27.06.2019	1,666,200	Water for Injection 5ml (batch No: wi-363, wi-361, wi-350)	Substandard
<b>Total</b>				<b>9,209,252</b>		

Due to negligence payments were made without ensuring the standard of medicine.

Making payment without ensuring the standard of medicine resulted in violation of rules.

The matter was reported to the PAO in September, 2019. The management replied that purchases were made after fulfillment of codal formalities. Reply was not tenable as all the payments were made prior to clearance of DTL reports.

DAC in its meeting held in November, 2019, directed to hold fact finding inquiry at CEO (DHA) level and produce report within one month. No further progress was intimated till finalization of this Report.

Audit recommends early finalization of inquiry besides appropriate actions against the person(s) at fault.

[AIR Para: 16]

#### **1.2.5.3.16 Irregular expenditure on civil works - Rs 9.196 million**

According to Rule 2.10 (a) (1) of PFR Vol-1, 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.

MS DHQ Hospital Bahawalnagar incurred expenditure of Rs 7.196 million on civil works through quotations instead through Works Department. Civil Work was executed without rough cost estimate, administrative approval, technical sanction, site map and satisfactory completion report. Similarly MS THQ hospital



FTS incurred expenditure of Rs 2.00 million on civil works through health council. The work was allotted to contractor dated 19.03.2019 with the direction to complete the same within sixty days, but DDO made payment to contractor on very next day / prior to execution of work. Moreover, an application from the contractor dated 16.03.2019 was on the record for payment of the work even prior to the allotment of work which also put question mark on the authenticity of the process.

Due to willful negligence civil works were done without observing rules.

Execution of Civil Works without observing rules may result in misuse of public funds.

The matter was reported to CEO and DDOs concerned in September, 2019. MS DHQ hospital replied that urgent nature works were done on the basis of demands from the concerned departments and achieved indicators as well. Reply was not tenable as huge volume of works was done without any process. MS THQ hospital Fortabbas replied that civil works were done as a result of tender process. Reply was not tenable as payment process was initiated well before allotment of works.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

Audit recommends regularization of the expenditure from the competent authority besides fixing responsibility on the persons at fault.

[AIR Para: 11&2]

#### **1.2.5.3.17 Expenditure on irregular adjustment of doctors – Rs 7.659 million**

As per appointments orders No. SO (WMO) 20/Aug-2018 (Adhoc) dated 04.09.2018 issued by the Government of the Punjab Primary & Secondary Health Care Department Lahore “the doctors are hereby appointed MO/WMOs on adhoc basis for a period of one year with immediate effect against an existence vacancy or

till the availability of regular incumbent through Punjab Public Service Commission”.

CEO (DHA) BWN made payment of Rs 7.659 million to various doctors appointed as MO (BS -17) and adjusted against the post of SMO/SWMO in BS-18 despite having vacant posts. Appointments of doctors were made on adhoc basis and could be removed on arrival of regular incumbents. Detail is given below:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>Name of Doctor</b>	<b>Designation &amp; Place of Posting</b>	<b>Monthly Salary</b>	<b>Total Amount</b>
1	Dr. Aqsa Aslam	WMO RHC: Faqirwali 20.05.2019	97,739	0.132
2	Dr. Madiha Arshad	WMO RHC: Shahar Fareed 14.03.2019	93,999	0.613
3	Dr. Hafiza Sadia Saqib	WMO RHC: Shahar Fareed 06.07.2019	93,999	1.128
4	Dr. Muhammad Awais Latif	MO RHC: Donga Bonga 22.07.2019	93,739	1.125
5	Dr. Sarosh Jamil	MO RHC: Mandi Sadiq Ganj 22.07.2019	93,739	1.125
6	Dr. Sana Abdul Jabbar	WMO THQ Hospital Chishtian	93,739	1.125
7	Dr. Shala Khanam	WMO THQ Hospital Chishtian	97,739	1.173
8	Dr. Mahreen Mumtaz	WMO THQ Hospital Chishtian	103,239	1.239
<b>Total</b>				<b>7.659</b>

Due to negligence irregular salaries were paid to doctors due to adjustment of doctors on the posts of SMO/SWMOs despite having vacant posts of Medical Officers.

Adjustment of Medical Officers (BS-17) appointed on adhoc basis as Senior Medical Officers (BS-18) despite having vacant posts resulted in irregular payment of salaries.

The matter was reported to CEO and DDO concerned in September, 2019. The management replied that letters were written for recovery. Reply of the department was not tenable as para not relates with recovery.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No further progress was intimated till finalization of this Report.

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

[AIR Para: 27]

**1.2.5.3.18 Payment of pay & allowances after transfer or resignation from service – Rs 7.041 million**

According to Rule 2.31 of the PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

Various DDOs under the administrative control of CEO (DHA), BWN paid salaries to those employees who were either transferred to other stations, resigned or retired from service resulting in unauthorized payment of Rs 7.041 million as detailed below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>Period</b>	<b>No. of employees</b>	<b>Over Payment</b>
1	MS DHQ Hospital Bahawalnagar	2018-19	23	3.826
2	DHO BWN	2018-19	8	0.711
3	CEO (DHA) BWN	2018-19	-	1.100
4	SMO RHC Madrissa	2018-19	17	0.458
5	MS THQ Hospital MND	2018-19	2	0.946
<b>Total</b>			<b>50</b>	<b>7.041</b>

Due to weak internal controls, pay of resigned or transferred employees was not stopped.

Payment of salary after resignation or transfer resulted in unjustified payment of Rs 7.041 million.

The matter was reported to CEO and DDOs concerned in September, 2019. All DDOs except MS THQ hospital MND (who did not attend DAC meeting) replied that directions were issued to the concerned for recovery of overpayment. Replies were not tenable as no progress was shown.

DAC in its meeting held in November, 2019, directed to expedite the recovery within one month. No further progress was intimated till finalization of this Report.

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

[AIR Para: 29, 8, 28, 17 & 10]

#### **1.2.5.3.19 Irregular expenditure on repair of air conditioners - Rs 4.261 million**

According to Rule 2.33 of Punjab Financial Rules Vol-1, 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.

MS DHQ hospital Bahawalnagar incurred expenditure of Rs 4.261 million on repair of air conditioners without maintaining history sheets. All repair works were got done by splitting the indents without adopting the tender process.

Due to weak internal controls, compliance of procurement rules was not ensured.

Non-compliance of procurement rules resulted in irregular expenditure amounting to Rs 4.261 million.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that repair work was done after fulfilling the prescribed requirements. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in November, 2019, directed to reproduce record (para wise) for verification within three days. No progress was intimated till finalization of this Report.

Audit recommends investigation of the matter and recovery of loss besides disciplinary action against the person(s) at fault.

[AIR Para: 33]

### 1.2.5.3.20 Non-accountal into stock – Rs 3.730 million

According to Rule 15.4 (a) of PFR Vol-1, all materials received should be examined, counted, measured and weighed as the case may be when delivery is taken and they should be kept in charge of a responsible government servant. Further, according to Rule 15.1 of PFR Vol-1, departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct record and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody.

Two (02) DDOs working under the administrative control of CEO (DHA) Bahawalnagar incurred expenditure of Rs 3.730 million during 2018-19 on purchase of various consumable items, but neither those items were entered / accounted for in relevant stock registers nor consumption record was produced to audit. Detail is given below:

(Rupees in million)				
Sr. No.	DDOs	Period	Detail of stock not entered	Expenditure
1	DHO BWN	2018-19	various items	0.098
2	MS THQ Hospital FTS	2018-19	various items	3.632
<b>Total</b>				<b>3.730</b>

Due to weak internal controls, consumable items were neither accounted for nor consumption record was shown.

Non-accountal of stock resulted in misuse of funds amounting to Rs 3.730 million.

The matter was reported to CEO and DDOs concerned in September, 2019. Both DDOs replied that all the purchases were made and disbursed as well in concerned branches, however due to clerical mistake the stock was not entered into stock register. Replies of DDOs were not tenable as purchases of non-durable items must be entered in stock register at the time of purchases.

DAC in its meeting held in November, 2019, directed to expedite the recovery from concerned besides fixing responsibility on the person(s) at fault. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 3.73 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Para No: 19 &13]

**1.2.5.3.21 Auction of cycle stand without observing auction rules and non recovery of dues – Rs 3.487 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.

MS DHQ Hospital Bahawalnagar made auction of cycle stand without maintaining the record of receipts from 01.07.18 to 31.10.18. Auction was made without observing auction rules and without fixing reserve price. Firstly auction was made @ Rs 532,000 per month, the bidder of this auction left the contract but neither security was forfeited nor efforts were made to recover the damages as land revenue. Moreover income tax and PST was not deducted from the contractor.

Due to weak administrative controls, outstanding amounts were not recovered.

Ambiguous auction of cycle stand and non recovery of taxes resulted in loss to the Government.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that first two contractors did not take possession of the cycle stand, however the contract amount from the third contractor was recovered and deposited into treasury. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in November, 2019, directed to reproduce record for verification within three days. No progress was intimated till finalization of this Report.

Audit recommends recovery of damages besides fixing responsibility on the person(s) at fault.

[AIR Para: 35]

**1.2.5.3.22 Irregular execution of contract without any agreement – Rs 3.300 million**

According to letter issued to Saglic pharma dated 05.11.2018 “the supplier will submit contract agreement on stamp paper having stamp duty of Rs 8,250 within 15 days.

MS THQ hospital MND awarded contract of LP medicines amounting to Rs 3.300 million to M/S Saglic Pharma on 05.11.2018 and executed the same in quite irregular manner. The record showed that contract was awarded without taking stamp duty as mentioned above in violation of terms of contracts.

Due to weak internal controls contract was executed without any agreement on stamp paper.

Execution of contract without any agreement resulted in violation of term of contract.

The matter was reported to CEO and DDO concerned in September, 2019. MS DHQ hospital MND neither submitted working papers for record verification nor attended DAC meeting.

DAC in its meeting held in November, 2019, directed to take disciplinary actions against the concerned. No progress was intimated till finalization of this Report.

Audit recommends regularization of the matter from the competent authority besides strict disciplinary actions against the person(s) at fault.

[AIR Para: 14]

#### **1.2.5.3.23 Expenditure without proper sanction – Rs 3.232 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.

MS THQ hospital FTS purchased various items from budget of Health Council for Rs 3.232 million on the basis of doubtful record. Scrutiny of record showed that sanctions of expenditure were prepared without having dispatch numbers and heads of accounts. **Annexure-E/DHA BWN**

Due to financial indiscipline improper sanctions were accorded.

Improper according of sanctions resulted in violation of standing instructions.

The matter was reported to CEO and DDO concerned in September, 2019. The management replied that purchases were made after fulfillment of codal formalities and the same were entered into stock registers. Reply was not tenable as record in support of reply was not produced.

DAC in its meeting held in November, 2019, directed to produce relevant record (disbursement) for verification within three days. No further progress was intimated till finalization of this Report.

Audit recommends holding of inquiry and appropriate actions against the person(s) at fault.

[AIR Para: 33]

#### **1.2.5.3.24 Unjustified issuance of items after outsourcing – Rs 3.231 million**

According to Rule 2.33 of Punjab Financial Rules Vol-1, 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.

MS DHQ hospital Bahawalnagar incurred expenditure of Rs 3.231 million on different items after outsourcing such as face mask, bleaching powder, gloves, dust bins etc. without any justification. The record showed that outsourcing was done but



after this issuance of these items indicated fictitious maintenance of record.

**Annexure-F/DHA BWN**

Due to weak financial and managerial controls, issuance was made / shown in papers after outsourcing.

Issuance of materials after outsourcing resulted in loss to the public funds.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that items were purchased from local market after receipt of demand by the end users and the same were entered into proper stock register. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in November, 2019, directed to produce record for verification within three days. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of loss besides appropriate actions against the person(s) at fault.

[AIR Para: 41]

**1.2.5.3.25 Irregular expenditure on Oxygen Cylinder – Rs 2.535 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the DDO shall be responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

MS DHQ hospital Bahawalnagar incurred expenditure of Rs 2.535 million on purchase of oxygen cylinder during year 2018-19. The record showed that purchases were made from unregistered suppliers, quality and quantity assurance (test) report was not on record and even some purchases were made by making advance payments. Detail is given below:

(Amount in rupees)

Sr. No.	Ch. No.	Date	Bill No.	Date	G. Amount
1	83084	12.06.2019	7891	14.05.2019	342,300
2	83084	12.06.2019	7861	07.05.2019	268,470
3	83116	17.06.2019	1842	12.04.2019	44,000
4	83116	17.06.2019	1853	17.04.2019	45,440
5	83116	17.06.2019	1875	27.04.2019	46,250
6	83116	17.06.2019	1850	14.04.2019	47,210
7	83116	17.06.2019	1859	22.04.2019	47,160
8	83116	17.06.2019	1857	20.04.2019	49,950
9	83116	17.06.2019	1880	29.04.2019	47,160
10	83188	19.06.2018	7910	28.05.2019	340,690
11	83188	19.06.2018	7930	30.05.2019	1,256,250
<b>Total</b>					<b>2,534,880</b>

Due to weak administrative controls, purchase and issuance of oxygen cylinder were not made as per rules.

Purchase and issuance of oxygen cylinders without observing rules resulted in irregular expenditure.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that after expiry of contract by PMU of Oxygen Cylinder, this office made local purchase of Oxygen cylinder as per demand. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in November, 2019, directed to produce record for verification within three days. No progress was intimated to Audit till finalization of this Report.

Audit recommends investigation of the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 37]

#### **1.2.5.3.26 Doubtful expenditure on unlawful sanction – Rs 2.235 million**

According to District Authorities Accounts Rules, 2017 (32) (1), the sanctioning authority shall scrutinize the claim voucher (bill) to ascertain the expenditure can be sanctioned under the financial powers delegated to him.

District Health Officer Bahawalnagar incurred expenditure of Rs 2.235 million during the year 2018-19 from different object codes of expenditure through unlawful sanctions. Some sanctions were given in advance of incurring of expenditure without approval of competent authority and some sanctions were signed by the officer after his transfer. Further some sanctions were signed before assuming the charge of the post. **Annexure-G/DHA BWN**

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that purchases were made from local market as per available budget for smooth working of office. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in November, 2019, directed to probe into the matter by the CEO within one month. No progress was intimated to Audit till finalization of this Report.

Due to weak Managerial and internal controls, government funds were used in violation rules.

Incurring of expenditure on unlawful sanctions resulted in doubtful expenditure of Rs 2.235

Audit recommends probe the matter and submit report within a month besides fixing responsibility on the person(s) at fault.

[AIR Para: 26]

#### **1.2.5.3.27 Irregular/Defective workings of Health Council and expenditure thereof - Rs 1.767 million**

According to rule 1(1.3) of the instructions in policy guidelines of Health Councils 2017 issued by Policy & Strategic Planning Unit, Primary & Secondary Health Care Department members of health council for RHC would be as detailed below:

- i. SMO of concerned RHC being Chairman
- ii. Medical/Women MO/Dental Surgeon being Secretary

- iii. Two Businessmen or donators nominated by the concerned Assistant Commissioner
- iv. Retired Government not being low rank than BPS-17 nominated by the concerned Assistant Commissioner

SMO RHC Maroot incurred expenditure of Rs 1.767 million from Health Council on various account heads i.e repair of buildings, AIR Conditioners, medicines, repair works and purchase of furniture and equipment in violation of health council guidelines:

- i. Approval of competent authority was not on record of constitution of health council, without nomination of two business persons by the concerned Assistant Commissioner. Further retired teacher BPS-16 was included in the council instead of BPS-17.
- ii. The minutes of meetings of Health Council were not got approved by the CEO (DHA) in violation of guidelines
- iii. Expenditure on civil works was made without any estimate etc.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that complete relevant record is available for verification. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in November, 2019, directed to probe into the matter by the CEO within one month. No progress was intimated to Audit till finalization of this Report.

Due to weak financial controls, irregular expenditure incurred on the basis of defective/irregular health council.

Incurrence of expenditure on the basis of defective/irregular health council resulted in violation of rules.

Audit recommends regularization of the expenditure from the competent authority besides appropriate actions against the concerned.

[AIR Para: 16]

**1.2.5.3.28 Purchase of medicines at excess rates from the same company – Rs 1.491 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the DDO shall be responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

CEO (DHA) Bahawalnagar made excess payment of Rs 1.491 million on account of purchase of medicines from the same company. During scrutiny of the record it was observed that the CEO made purchases at excess rates from the same companies resulting in loss to the government. **Annexure-H/DHA BWN**

Due to negligence excess rates of medicines were paid to the same companies.

Excess payment of rates of the medicines of the same companies resulted in loss amounting to Rs 1.491 million.

The matter was reported to the PAO concerned in September, 2019. The management replied that letters were written to all suppliers for recovery. Reply was not tenable as no progress of recovery was shown.

DAC in its meeting held in November, 2019, directed to expedite the recovery and produce challans within one month. No further progress was intimated till finalization of this Report.

Audit recommends recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 17]

#### 1.2.5.4 Others

##### 1.2.5.4.1 Payment of salaries to employees for absent period - Rs 17.697 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”.

Following DDOs under the control of CEO (DHA) BWN paid salaries amounting to Rs 17.697 million to the absent employees during 2018-19. Payment was made without ensuring attendance, performing of duties at actual place of posting and during leave without pay. Detail is given below:

(Rupees in million)			
Sr. No.	DDOs	No. of employees	Amount
1	MS DHQ hospital Bahawalnagar	350	15.93
2	District Health Officer	19	1.283
3	SMO RHC Madrissa	137	0.429
4	MS THQ hospital MND	8	0.055
<b>Total</b>		<b>514</b>	<b>17.697</b>

Due to weak internal controls, salaries of absent employees were paid in unauthorized manner.

Unauthorized payment of salary to absent employees resulted in over payment of Rs 17.697 million.

The matter was reported to the PAOs and DDOs concerned in September, 2019. MS DHQ BWN replied that employees attended office on regular basis and due to mechanical error in bio matric machine wrong report was generated. DHO and SMO RHC Madrissa replied that letters were written either to justify or recover the amount. Replies were not tenable as no record was produced for verification. MS THQ hospital MND neither submitted reply nor attended DAC meeting.

DAC in its meeting held in November, 2019, directed to expedite recovery from the concerned within a month. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 18.191 million besides fixing responsibility on the person(s) at fault.

[AIR Paras: 52, 29, 26 & 25]

**1.2.5.4.2 Unauthorized payment of salary without sanctioned posts - Rs 16.478 million**

According to Sr. No.1 of Delegation of Financial Power Rules 2016, the power to create posts rest with the Administrative Department subject to the concurrence of Finance Department. Furthermore, according to Rule 5.11(C) of PFR Vol-1, all order creating or abolishing the permanent or temporary posts should at once be communicated, by letter, to the Accountant General/District Accounts Office.

Three (3) DDOs working under the administrative control of CEO (DHA) Bahawalnagar allowed payment of Rs 16.478 million during 2018-19 irregularly. DDOs allowed payment to employees without availability of sanctioned posts. The detail is given below:

**(Rupees in million)**

Sr. No.	DDOs	Period	No. of employees	Over Payment
1	DHO BWN	2018-19	13	11.401
2			4	1.979
3	MS DHQ Hospital BWN		1	1.125
4	MS THQ Hospital MND		2	1.973
<b>Total</b>				<b>16.478</b>

Due to weak internal controls, pay and allowances were paid without sanctioned posts.

Payment of pay and allowances without sanctioned posts resulted in unauthorized payment of Rs 16.478 million.

The matter was reported to CEO and DDOs concerned in September, 2019. DHO replied that an enquiry committee was constituted by this office to probe the matter in some cases, moreover payment was paid with the orders of Honorable High

Court. MS DHQ BWN hospital replied that payment of salary was made with the orders of CEO (DHA) BWN. MS THQ MND neither submitted reply nor attended DAC meeting. Replies of DDOs were not tenable as no record in support of reply was produced during record verification.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from competent authority besides fixing responsibility on the person(s) at fault. No further progress was intimated till finalization of this Report.

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

[AIR Para: 18, 22, 9 & 13]

#### **1.2.5.4.3 Doubtful expenditure on procurement of goods – Rs 12.969 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to Rule 2.33 of Punjab Financial Rules Vol-1, 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.

MS THQ hospital FTS made payment of Rs 12.969 million on account of procurement of goods and services from different suppliers with sequence in vouchers. Serial numbers of bills showed that either DDO kept the bill books of all the suppliers with himself or suppliers made supply to THQ hospital only as all the bills were in continued sequence numbers. Detail is given below. Further detail is given in **Annexure-I/DHA BWN**



(Rupees in million)

Sr. No.	Name of supplier	Numbers of bills in sequence	Amount
1	Shabbir Medical Store	59	3.093
2	M/S Medicon Enterprises	147	6.686
3	M/S Sial Traders	8	0.282
4	M/S Vital Communication	74	2.908
<b>Total</b>			<b>12.969</b>

Due to malafide intentions, purchases were made in doubtful manner by issuing bills in sequence.

Issuing of bills in a sequence resulted in doubtful expenditure of Rs 12.969 due to which chances of misappropriation could not be ruled out

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that bills of suppliers were not in continuous manner which was not tenable as mostly serial numbers of bills were in regular sequence.

DAC in its meeting held in November, 2019, directed the SMO RHC Maroot to inquire the matter and submit report within 15 days. No further progress was intimated till finalization of this Report.

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

[AIR Para: 21]

#### **1.2.5.4.4 Unjustified expenditure on incentive allowance paid to consultant doctors – Rs 10.615 million**

According to Government of the Punjab Health Department letter No.SO (B&A)3-28/2015 dated 29.05.2016, specialists posted at THQ / DHQ hospitals were allowed incentive allowance at different rates per month. Moreover, as per Health Department letter No. PA/DS(G)4-8/2016 dated 01.08.2016, 40 % of the existing allowance shall be paid subject to the conduct of evening rounds in hospitals. The consultants shall checkout from morning shift through bio metric attendance system after 02:00 pm and shall check in again after 05:00 pm. The consultant shall remain

in hospital at least for one hour and shall conclude the round by checking out again. Their attendance and evening round timings shall be strictly monitored through biometric attendance system.

Scrutiny of HR data of three hospitals under CEO DHA Bahawalnagar for the period 2018-19 revealed that incentive allowance of Rs 25.389 million was paid to various consultant doctors without ensuring their attendance through biometric attendance system. Furthermore, 40% of the allowance amounting to Rs 10.615 million was not recovered from them in violation of above rule. Detail is given below:

<b>(Rupees in million)</b>					
<b>Sr. No.</b>	<b>DDOs</b>	<b>Period</b>	<b>No. of doctors</b>	<b>Total Incentive Allowance</b>	<b>40 % of Incentive Allowance</b>
1	MS DHQ Hospital	2018-19	25	16.933	6.773
2	MS THQ Hospital FTS	2018-19	3	4.956	1.982
3	MS THQ Hospital MND	2018-19	2	3.50	1.86
<b>Total</b>					<b>10.615</b>

Due to weak financial and administrative controls, incentive allowance was paid to the doctors without attending hospital in evening.

Non deduction of 40% incentive allowance resulted in irregular payment of Rs 10.615 million.

The matter was reported to the PAOs and DDOs concerned in September, 2019. MS DHQ hospital BWN and MS THQ hospital FTS replied that incentive allowance 40% paid to all doctors according to notification issued by the Government of Punjab, Furthermore, it was not possible to compare the attendance of doctors with the biometric machine as the said machines were remained out of order many times due to fault of signals. Replies were not tenable no record of attendance in evening shifts was shown. MS THQ hospital MND neither submitted replies nor attended DAC meeting.

DAC in its meeting held in November, 2019, directed to expedite recovery within one month. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 10.615 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 30, 3 & 3]

#### **1.2.5.4.5 Unauthorized withdrawal of house rent and conveyance allowance – Rs 7.239 million**

According to Government of the Punjab Finance Department (Monitoring Wing) notification No.FD(M.I) 1-15/82-P-J dated 15-1-2000, in case of designated residence the officer / official for which residence is meant cannot draw house rent allowance. He will have to pay 5% maintenance charges even if he does not avail the facility and residence remains vacant during the period. Moreover, according to para No. 4 of clarification issued by Government of the Punjab Finance Department letter No. FD.S.R-I 9-4/86 (P) PR dated 04.12.12, the employees who were residing in the residential colonies situated within work premises were not entitled to the facility of Conveyance Allowance”.

Five (5) DDOs working under the administrative control of CEO (DHA) Bahawalnagar allowed payment of Rs 7.239 million to 146 employees during 2018-19 on account of house rent and conveyance allowances. Scrutiny of the record revealed that house rent and conveyance allowance was paid to officials despite the facts that designated residences were available of these posts and payment was not admissible. Detail is given below:

**(Rupees in million)**

Sr. No.	DDOs	Period	No. of employees	Status	Over Payment
1	DHO BWN	2018-19	4	HRA/ CA	1.263
2		2018-19	118	CA	3.717
3	CEO (DHA) BWN	2018-19	2	HRA/ CA	0.251
4	SMO RHC Madrissa	2018-19	8	HRA/ CA	0.843
5	MS THQ Hospital MND	2018-19	8	HRA/ CA	0.130
6	MS THQ Hospital FTS	2018-19	6	HRA/ CA	1.035
<b>Total</b>			<b>146</b>		<b>7.239</b>

Due to weak administrative controls, house rent and conveyance allowance was paid despite having official residences.

Payment of house rent allowance and conveyance allowance despite having official residences resulted in over payment of Rs 7.239 million.

The matter was reported to CEO and DDOs concerned in September, 2019. All DDOs replied that payment of HRA and CA was made to those employees to whom either residences were not provided or they had obtained condemnation certificates from Building Departments. Similarly notices for recovery were issued to those employees to whom residences were allotted. Replies were not tenable as no record in support of reply was produced during record verification.

DAC in its meeting held in November, 2019, directed to expedite recovery besides depositing into government treasury within a month. No further progress was intimated till finalization of this Report.

Audit recommends recovery of amount from concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 13, 43, 23, 2, 15 & 17]

#### **1.2.5.4.6 Payment of inadmissible allowances during leave periods – Rs 5.830 million**

According to Rule 1.15 of the Punjab Travelling Allowance Rules 1976, conveyance allowance is not admissible during any kind of leave except casual leave. Further, according to the Government of Punjab, Finance Department letter No. 106 I-SO (SR) IV/7 dated 18.08.1977, conveyance allowance is not admissible during vacations. According to letter No. IT (FD) (ESTT-II) 8-8/2015 dated 25.04.2018 issued by the Inspectorate of Treasuries & Accounts Government of the Punjab Finance Department, Conveyance Allowance being wrongly drawn will be discontinued from the date of issuance of order i.e. 16.03.2018.

Six (6) DDOs under the jurisdiction of CEO, DHA Bahawalnagar made payment of Rs 5.830 million on account of different inadmissible allowances during leave period. Detail is given below:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS, DHQ Hospital Bahawalnagar	Allowances during leave	1.184
2	DHO Bahawalnagar	Allowances during leave	1.420
3	MS THQ Hospital Fort Abbas	Allowances during leave	0.177
4	SMO RHC Madrissa	Allowances during leave	0.216
5	MS THQ Hospital Minchin Abad	Allowances during leave	0.043
6	CEO (DHA) Bahawalnagar	Allowances during leave	2.790
<b>Total</b>			<b>5.830</b>

Due to weak administrative controls, inadmissible allowances were paid during leave periods.

Payment of inadmissible allowances during leave period resulted in loss of Rs 5.830 million.

The matter was reported to CEO and DDOs concerned in September, 2019. All DDOs except MS THQ MND replied that directions for recovery of stated amount were issued to concerned staff for effecting recovery. Replies were not tenable as no progress was shown

DAC in its meeting held in November, 2019, directed to expedite the recovery process and produce updated status within fortnight. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 5.830 million besides fixing responsibility on the person(s) at fault.

[AIR Para 22, 23, 14, 1, 8 & 20]

#### **1.2.5.4.7 Doubtful expenditure on account of printing items/materials – Rs 4.038 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the DDO shall be responsible for any overpayment of pay & allowances, contingent expenditure or any other expense for overcharge, fraud or misappropriation and shall be liable to make good that loss.

MS DHQ hospital Bahawalnagar incurred expenditure of Rs 4.038 million on purchase of printing items in doubtful manner during 2018-19. The whole process was found doubtful as specifications of surgical allied books were not mentioned, Minimum Service Delivery Standards (MSDS) as per prescribed indicators were missing. Furthermore, the same were shown consumed in various wards without any justification i.e. Children Ward and General Male Ward etc.

Due to weak internal controls printing material was purchased and shown consumed in doubtful manner.

Purchase and consumption of printing material in doubtful manner may lead to misuse of funds.

The matter was reported to CEO and DDO concerned in September, 2019. DDO replied that purchases were made from different suppliers as per demands and the same were entered into proper stock register. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

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

[AIR Para: 26]

#### **1.2.5.4.8 Unauthorized withdrawal of Non Practicing Allowance – Rs 3.206 million**

According to recommendations of the Wafaqi Mohtasib (Ombudsman) contained in findings dated 08.01.2015, it was clarified that Non Practicing Allowance (NPA) is allowed to a person who is appointed as Medical Officer for which prescribed qualification is MBBS or equivalent and whom private practice is not allowed in the exigencies of service. Moreover, the PCA is allowed to those doctors who reside at their duty place and ensure their clinical practice in Union Council / area of place of duty.

The following two (2) DDOs under the jurisdiction of CEO (DHA) Bahawalnagar allowed unjustified payment of Rs 3.206 million during 2018-19 to various doctors on account of NPA. Non-Practicing Allowance was allowed to various doctors without notifying that these doctors were not allowed their private practice due to the exigencies of their services. Similarly in case of BHUs District Health Officer-I allowed the payment of NPA/PCA to those doctors who were neither residing in the Government entitled residences at BHUs nor practicing within the Union Council of respective BHUs. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS DHQ hospital BWN	NPA	1.886
2	DHO BWN	NPA	1.320
<b>Total</b>			<b>3.206</b>

Due to weak administration, unjustified payment of NPA was made.

Unjustified payment of NPA resulted in loss of Rs 3.206 million.

The matter was reported to CEO and DDOs concerned in September, 2019. DHO replied that all the doctors were directed to deposit the recovery of overpayment. MS DHQ hospital BWN replied that NPA was given as per directions of Health Department. Reply was not tenable as clarification regarding NPA was not produced.

DAC in its meeting held in November, 2019, directed to expedite the recovery within a month. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 3.206 million besides appropriate actions against the person(s) at fault.

[AIR Para No.13 &16]

#### 1.2.5.4.9 Unjustified payment of HSRA during general duties – Rs 2.947 million

According to Program Director PMU/ PHSRP Government of the Punjab Health Department letter No PMU/PHSRP/G.1-06/61/270/340 dated 16.03.2007, the Punjab Health Sector Reform Program Allowance (PHSRPA) is payable only when the doctor, para-medic and other staff perform their duties under the PHSRP at RHC,s & BHU,s. Any doctor/para-medic and other staff whether regular or on contract, posted and drawing pay against the post of RHCs & BHUs are directed to perform duty somewhere else, they will not be entitled to draw PHSRP allowance.

Three (03) DDOs under administrative control of CEO (DHA) Bahawalnagar made payment of HSRA to the officers/officials amounting to Rs 2.947 million who were not working at their original place of posting. These officials performed their services other than their original place of postings where HSRA was not admissible. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>No. of employees</b>	<b>F Year</b>	<b>Amount</b>
1	MS DHQ Hospital BWN	1	2018-19	0.105
2	DHO BWN	127	2018-19	2.474
3	SMO RHC Madrissa	7	2018-19	0.368
<b>Total</b>				<b>2.947</b>

Due to weak internal controls, PHSRP allowance was paid to the staff working on general duties other than their original place of postings.

Payment of PHSRP allowance during general duties resulted in loss to the public funds amounting to Rs 2.947 million.

The matter was reported to CEO and DDOs concerned in September, 2019. All DDOs replied that employees were posted on general duties with the orders of competent authority, hence recovery from them was not justified. Replies were not tenable as HSRA was not admissible to employees during general duties.



DAC in its meeting held in November, 2019, directed to expedite the recovery within one month. No further progress was intimated till finalization of this Report.

Audit recommends recovery from the concerned besides appropriate actions against the person(s) at fault.

[AIR Para: 25, 42 & 23]

**1.2.5.4.10 Loss due to less / non obtaining of discount on LP medicine – Rs 1.722 million**

According to Director General Health Services SRO No./499-336/MS dated 30.04.1998, the discount rate for local/national medicines should be 8% to 12% on Local Purchase of medicines.

Following DDOs under the administrative control of CEO (DHA) BWN incurred expenditure on account of purchase of medicines during 2018-19 on account of purchase of LP medicines without deduction of admissible discount. Scrutiny of record revealed that all medicines were purchased through LP from local suppliers but either no or lesser discount was availed resulting in excess payment of Rs 1.722 million. Detail is given below:

(Rupees in million)		
Sr. No.	DDOs	Amount
1	MS DHQ Hospital BWN	1.616
2	MS THQ Hospital MND	0.106
<b>Total</b>		<b>1.722</b>

Due to weak financial controls, discount was less/not deducted from the bills and overpayments were made.

Less/non deduction of discount for LP medicines resulted in loss to the public funds amounting to Rs 1.722 million.

The matter was reported to CEO and DDOs concerned in September, 2019. MS DHQ hospital BWN replied that LP medicine was purchased for emergency patients after completion of all codal formalities and entered into stock register as

well. MS THQ MND neither submitted reply nor attended DAC meeting. Reply of the department was not tenable as record in support of reply was not produced during record verification.

DAC in its meeting held in November, 2019, directed to hold inquiry by Dy. Director (Budget & Account) to probe the matter within a month. No further progress was intimated till finalization of this Report.

Audit recommends recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 3 &16]

#### **1.2.5.4.11 Loss due to non / less deduction of taxes - Rs 1.563 million**

According to FBR Inland Revenue letter No. WHT/U-06/RYS/115 dated 18.11.14, "As per amendment made in withholding tax rates vide Finance Act, 2014-15 different withholding tax rates were levied as per item description. Furthermore, according to Finance Act, 2012 a Provincial Sales Tax (PST) on services was imposed by the Government. Moreover, according to letter No. PRA/WH/DAO-127 dated 18-11-2015 issued by the Punjab Revenue Authority Multan, the withholding agents were liable to ensure that sales tax on services @ 16% is deducted and deposited before making any payment.

MS DHQ hospital Bahawalnagar incurred expenditure of Rs 7.748 million on repairs of machinery/ furniture and services during 2018-19. DDO deducted income tax @ 4.5 % instead of 10 % and Provincial Sales Tax was not deducted on services which resulted in overpayment of Rs 1.563 million to suppliers.

Due to weak financial controls, income tax and provincial sales tax was not / less deducted.

Non / less deduction of income tax and Provincial Sales Tax (PST) resulted in loss of Rs 1.563 million.

The matter was reported to CEO and DDO concerned in July, 2019. DDO replied that letters in this regard were written to the concerned firms to deposit

amount of provincial sales tax into the government treasury but no progress was shown.

DAC in its meeting held in November, 2019, directed for compliance at the earliest. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 1.563 million besides appropriate actions against the person (s) at fault.

[AIR Para: 45]

#### **1.2.5.4.12 Non-deposit of Hospital receipts – Rs 1.083 million**

Rule 76 (1) of Govt. of the Punjab, District Government and TMA(Budget) Rules, 2003, states that “the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.”

Two (02) DDOs working under the administrative control of CEO (DHA) Bahawalnagar did not deposit hospital receipts into Government treasury Rs 1.083 million during 2018-19 in violation of above rule. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	MS THQ hospital FTS	Parking fee	0.993
2	MS THQ hospital MND	Various receipts	0.090
<b>Total</b>			<b>1.083</b>

Due to willful negligence receipts were not deposited.

Non-deposit of receipts resulted in loss amounting to Rs 1.083 million.

The matter was reported to CEO and DDOs concerned in September, 2019. MS THQ hospital FTS replied that notices were issued to the contractor to deposit the amount. Reply was not tenable as no progress was shown. MS THQ hospital MND neither submitted working paper for verification nor attended DAC meeting.

DAC in its meeting held in November, 2019, directed to effect recovery immediately and take disciplinary actions against MS THQ hospital MND. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 1.083 million from the concerned besides appropriate actions against the person(s) at fault.

[AIR Paras: 7 & 12]

## 2. District Health Authority Bahawalpur

### CHAPTER 1

#### Public Financial Management Issues

Regional Directorate Audit District Governments Bahawalpur conducts Financial Attest Audit of the DAO Bahawalpur of Health Department on annual basis.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the target as assigned to the PAO by the Government of Punjab Financial resources as given below were made available to CEO DHA during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+)	% (Lapse)
			/ Lapse (-)	
Salary	2,006.461	1,957.639	-48.822	-2.43%
Non-Salary	982.849	287.048	-695.801	-70.79%
Development	67.845	41.219	-26.626	-39.25%
<b>Total</b>	<b>3,057.155</b>	<b>2,285.906</b>	<b>-771.248</b>	<b>-25.23%</b>

\*Source: Appropriation Accounts 2018-19

- An amount of Rs 75.686 was provided for purchase of medicine against which only Rs 53.051 million was utilized resulting in lapse of Rs 22.635 million (30%). Furthermore, funds of death grants could not be utilized resulting in lapse.
- Development funds could not be used properly resulting in lapse of Rs 26.626 million

#### Analysis of Appropriation Accounts and Financial Statement (Certification Audit 2019-20)

During Certification Audit of DHA Bahawalpur for the Audit Year 2019-20, it was noticed that difference between Financial Statements and State Bank Balance remained un-reconciled till close of the financial year. Furthermore, there was wrong

treatment of receipts instead of treatment of expenditure of civil works. And also there was no reporting of Fixed Assets in the Financial Statements.

The Appropriation Account and Financial Statement of DHA Bahawalpur for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authority, Bahawalpur as on 30th June 2019.

The following issues have been surfaced during Certification Audit of District Health Authority Bahawalpur.

- Irregular treatment for expenditure on civil works and wrongly incorporating that as receipt Rs 14.917 million
- Un-reconciled difference between Financial Statement and State Bank Balance –Rs 132.1777 million
- Non-reporting of Fixed Assets – Rs 6.930 million

## ii. Analysis of Targets and Achievements

Sectoral analysis of DHA Bahawalpur was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives of such analysis were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

(Amount in rupees)

Sr. No.	Description	Target 2018-19	Achievement 2018-19	Remarks
1	OPD (Outdoor Patient)	3997440	4015199	Targets achieved
2	Served Indoor Patients(IPD)		98199	No stipulated targets fixed by the higher office
3	Surgical cases		OPD 39779 Indoor 1615	No stipulated targets fixed by the higher office
4	Cardiccaronory unit		OPD 1625 Indoor 163	No stipulated targets fixed by the higher office
5	Diagnostic Services (Laboratory & Radiology)			
	Total Lab Investigations		94100	No stipulated targets fixed by the higher office
	Total X-Rays		12898	No stipulated targets fixed by the higher

Sr. No.	Description	Target 2018-19	Achievement 2018-19	Remarks
				office
	Total Ultra sound		18190	No stipulated targets fixed by the higher office
	Total CT Scans (Computed Tomography Scan)		0	No stipulated targets fixed by the higher office
	Total ECGs (Electrocardiogram)		1615	No stipulated targets fixed by the higher office
6	Family Planning Activities	49979	59730	Targets were achieved
7	Peads		OPD 92267 Indoor 13057	No stipulated targets fixed by the higher office
	Surgery			
	Operations under GA (General Anesthesia)		960	No stipulated targets fixed by the higher office
8	Operations under spinal anesthesia		2537	No stipulated targets fixed by the higher office
	Operations under LA (Local Anesthesia)		6740	No stipulated targets fixed by the higher office
	Operations under other type of Anesthesia		2552	No stipulated targets fixed by the higher office
9	TB/Chest Suspects (Tuberculosis)		508	No stipulated targets fixed by the higher office
10	Free Medicine to Patient		100%	No stipulated targets fixed by the higher office
	EPI Vaccination (Expended Programme on Immunization)			
11	Children received 3rd PentavalentVacc.	112417	107105	Target not achieved
	Children received 1st measles vaccine	112417	108212	Target not achieved
	Children received 2nd measles vaccine	112417	106943	Target not achieved
	Pregnant women received TT-2 vaccine	124232	122489	Target not achieved
12	Sanctioned Post (Doctors/Specialist)	480	307	Target not achieved
13	Gazzetted Staff/Technical Staff	599	461	Target not achieved
14	Other Staff	1508	1356	Target not achieved

### iii. Serious Financial Irregularities and Findings

- Non Production of Record of expenditure amounting to Rs 4.944 million was noticed in 01 case

- Irregularities involving amount of Rs 270.630 million was noticed in 13 cases
- Value for money having financial impact of Rs 10.199 million was observed in 04 cases
- Others issues involving amount of Rs 70.018 million was noticed in 10 cases

#### **iv. Service Delivery Issues**

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of vaccination of children and women and hiring of staff for the health units of the whole District during 2018-19. Furthermore, no targets were set in various indicators due to which no analysis was made.

#### **v. Expectation Analysis and remedial Measures**

### **District Health Authority Bahawalpur**

CEO DHA Bahawalpur failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose. Furthermore, no targets were set for various indicators against which no analysis was made.

### **Suggestion / Remedial Measures**

- Strengthening the internal control, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities i.e. equipment, doctors in various facilities particularly in primary health care facilities which needs government's attention.
- Non-availability of doctors is another issue which needs government's attention.



- Ensuring utilization of funds of development for improving health facilities in the institutes along with holding the responsible accountable for non-utilization of the same.
- Ensuring utilization of funds of non-development for provision of medicines and allied items in the health institutions along with holding the responsible accountable for non utilization of the same within time.
- Holding responsible the concerned for non-utilization of funds of death grants and non-payment of the same to the families of deceased government employees well in time.
- Taking actions for recruitment of all deficient staff including doctors in the health institutions for better provision of health services.

Following observations were surfaced during the audit of financial year 2018-19.

## **2.1.1 AUDIT PARAS**

### **2.1.1.1 Irregular treatment of expenditure as civil works wrongly incorporating as receipt Rs 14.917 million**

***Risk Categorization: High***

***Criteria:***

According to Section 11.3.3.1 of Accounting Policies and Procedure Manual (APPM), these are liabilities which arise raised from various savings schemes and funds launched by the Government are utilized in operations. These liabilities are ‘deferred’ in the sense that they will be funded by future revenues of the Government, and repaid upon expiry of the relevant scheme or fund. Deferred liabilities include Savings. Further according to Section 11.3.3.2 of *ibid*, these liabilities shall be recorded on the Liabilities Register and form part of the budgeting process in the subsequent years. According to Section 3.3.7.7 of Accounting Policies and Procedure Manual (APPM), where an entity acts as an agent, the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

***Observations:***

District Accounts Office Bahawalpur showed receipt of Rs 14.917 million from District Health Authority. Same amount was transferred to building department from CEO (DHA) for construction and the same was reported as expenditure under the head grants on 30.06.2018 in annual accounts of authority as no adjustment was made for unspent balance in the relevant year. Nil expenditure was reported in financial statement under the head civil work, which indicated incorrect picture. Whole amount was irregularly booked as expenditure under the head Grants for the year 2017-18 without adjustment of unspent balance. The same unspent balance was

transferred to DHA and deposited by the authority on 12.10.2018 under the receipt head C02871 (Other Health Authority) by showing receipt of the authority. The same amount which was already booked as expenditure in annual accounts for the year 2017-18, now again booked as receipt in the annual accounts for the year 2018-19. But expenditure under the head civil work was also nil in year 2018-19. Further, it was the authority own fund (unspent balance) which was wrongly shown as receipt in the annual accounts).

***Implications***

Wrong preparation of accounts and misleading figures were shown in District Health Authority annual accounts. Further, chances of errors and frauds could not be ruled out.

***Management Response:***

Funds were transferred to building department as deposit work according to prescribed procedure. The payment was made to the contractor by the concerned department after due process. No vouchers / bill was payable as the building department will issue the tender after received the amount as deposit work.

***Recommendations:***

Audit requires justification for wrong booking besides transferring the same into relevant Account.

### **2.1.1.2 Non-reporting of Fixed Assets – Rs 6.930 million**

***Risk Categorization: High***

***Criteria:***

According to Section 13.4.4.1 of Accounting Policies and Procedure Manual, a memorandum account for fixed assets shall be kept by the DAO to record transactions relating to fixed assets. Further according to section 13.4.4.2 where claims are made in relation to expenditures for fixed assets, the claim voucher submitted to the DAO/AG/AGPR shall also include information on Fixed Assets Form (form 13B). 13.4.4.3 When the delegated officer in the account Section of the DAO/AG/AGPR records the expenditure, in accordance with section 4.4 of chapter 4 of this Manual, he/she shall, at the same time, also record the relevant information, as submitted with the claim voucher, in the fixed assets account (kept as a memorandum account by DDO wise). 13.4.5.2 All DAOs shall also prepare a fixed assets report, by DDO -wise, from the fixed assets account on a quarterly basis.

***Observations:***

District Accounts Officer Bahawalpur authorized payments of Rs 6.930 million on account of purchase of fixed assets for the year 2018-19 without maintaining memorandum account and form 13B. Quarterly report was also not sent to Accountant General Punjab for reconciliation with report sent by PAO. Further, there was no record available that fixed assets were received or transferred to District Health Authority from District Government. Moreover, expenditure of Rs 6.930 million was booked in the accounts as A09 (Purchase of Assets) but the same was not reflected in the balance sheet. Furthermore assets of Health department were more than the amount mentioned above in shape of schools building, furniture & fixture, machinery and equipment etc.

***Implications:***

Non-reporting of Fixed Assets resulted in violation of above mentioned rule of APPM.

***Management Response:***

It was prepared as per instruction. The current year financial statement has been prepared under NAM. Asset and liability accounting practices are not yet implemented. The same will be prepared when the above referred accounting practices implemented. It is submitted that the account are prepared in a manner prescribed by the Auditor General of Pakistan under section 5 of CGA ordinance 2001. The current year financial statement have been prepared under NAM and the fern act of IPSAS cash basis of accounting. Asset and liability accounting practices are not yet implemented. In this regard a certificate duly signed by the Accountant General Punjab has been incorporated in the preface of Financial statement for the year 2018-2019.

***Recommendations:***

It is recommended that the statement of fixed assets should be prepared on a regular basis and value of fixed assets be reported properly.

**2.1.1.3 Un-reconciled difference between Financial Statement and State Bank Balance –Rs 132.1777 million**

***Risk Categorization: High***

***Criteria:***

According to Section 6.5.3.1 of the Accounting Policies and Procedures Manual (APPM), the delegated officer in the Account Section of the DAO/AG/AGPR shall reconcile the daily balances of receipts and expenditures with its own records (Sub Ledger/General Ledger), including the daily balances as reported on the daily bank scrolls. Further according to paras 2.2.2.9 & 6.3.4.2 of APPM, the District Accounts Officers are responsible for the accounting functions of the districts and every DAO shall prepare a monthly reconciliation statement for expenditure and receipts.

***Observations:***

During the course of Certification Audit of Account VI, District Accounts Office Bahawalpur for the year 2018-19, it was observed that less receipts were reported in

the financial statement and finance account than total receipt of the authority reported by the bank as detailed in table below which need justification.

(Amount in rupees)

Description	As per Statement of Cash and Bank Balances for the year 2018-19 (Page No 6 of 2)	Total Receipts as per SBD	Difference
Grants from Provincial Government	2,216,584,634	2,348,761,813	132,177,179
<b>Total</b>			<b>132,177,179</b>

***Implications:***

Incorrect calculation and reporting of receipts

Chances of errors and frauds could not be ruled out

***Management Response:***

It is submitted that the Financial Statements are prepared in the manner prescribed by the Auditor General of Pakistan. The accurate balances have been reported in the Financial Statements. However, the SBD has been reconciled with the State Bank of Pakistan.

***Recommendations:***

Receipts at the state bank and annual accounts be reconciled and accurate balances be reported.

## CHAPTER 2

### DHA Bahawalpur

#### 2.2.1 Introduction of the Authority

District Health Authority, Bahawalpur was established on 01.01.2017 under Punjab Local Government Act 2013. DHA, Bahawalpur 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.

CEO is the Principal Accounting Officer of the District Health Authority and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DHA Group of Offices is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Administration.

**(Rupees in million)**

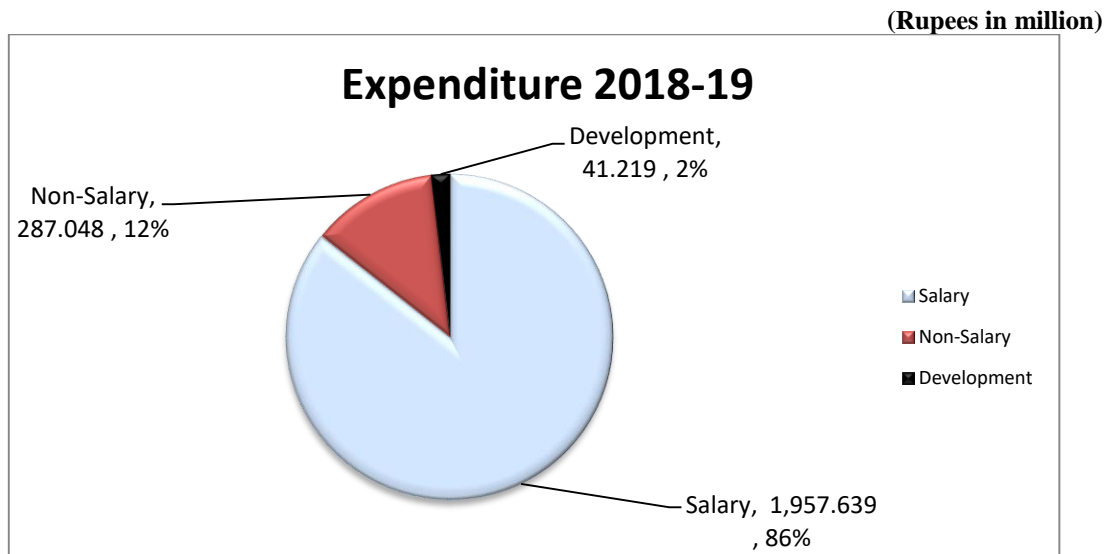
<b>Sr. No.</b>	<b>Description</b>	<b>Total Nos.</b>	<b>Audited</b>	<b>Expenditure audited F.Y 2018-19</b>	<b>Revenue / Receipts audited F.Y 2018-19</b>
1	Formations	23	7	371.101	-
2	Assignments Accounts	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	1	1	371.101	-
4	Foreign Aided Projects (FAP)	-	-	-	-

## 2.2.2 Comments on Budget and Accounts (Variance analysis)

The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

2018-19	Budget	Actual	Excess (+)	% (Lapse)
			/ Lapse (-)	
Salary	2,006.461	1,957.639	-48.822	-2.43%
Non-Salary	982.849	287.048	-695.801	-70.79%
Development	67.845	41.219	-26.626	-39.25%
<b>Total</b>	<b>3,057.155</b>	<b>2,285.906</b>	<b>-771.248</b>	<b>-25.23%</b>
Receipts	-	-		

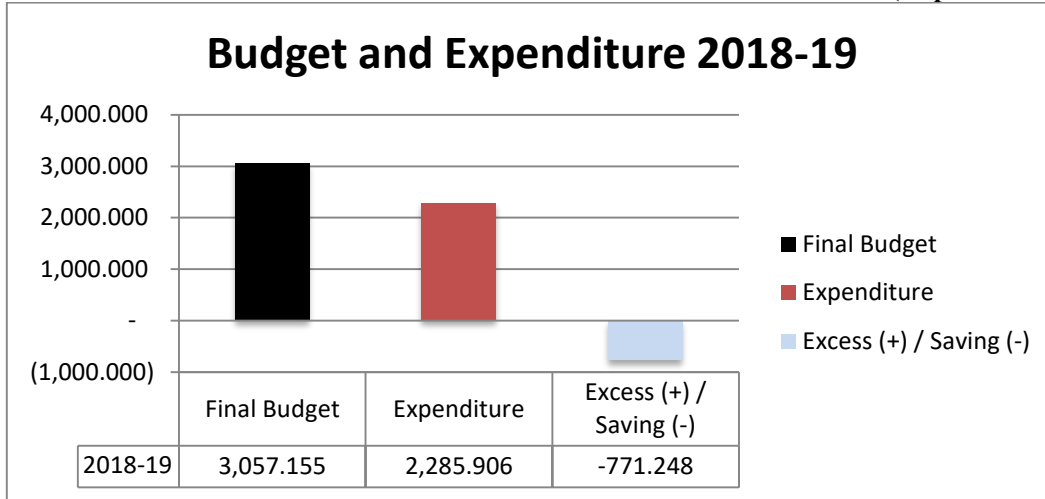


As per the Appropriation Accounts 2018-19 of the District Health Authority, Bahawalpur, total final budget (Development & Non-Development) was Rs 3,057.155 million. Against the final budget, total expenditure of Rs 2,285.906 million was incurred by the District Health Authority during 2018-19. A lapse of Rs 771.248 million came to the notice of Audit due to inefficient financial management in release



of budget by Additional Deputy Commissioner (F&P). No plausible explanation was provided by PAO and management of the District Health Authority (**Annexure-B**).

(Rupees in million)



### 2.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 355.791 million were raised as a result of this audit. This amount also includes recoveries of Rs 72.161 million which were raised / pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non Production of record	4.944
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	145.677
B	Procurement related irregularities	124.953
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	10.199
5	Others	70.018

#### **2.2.4 Comments on the Status of Compliance with PAC directives**

The Audit Reports pertaining to following year were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee so far.

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	08	PAC not constituted
2	2018-19	24	PAC not constituted

## 2.2.5 AUDIT PARAS

### 2.2.5.1 Non Production of Record

#### 2.2.5.1.1 Non production / maintenance of record – Rs 4.944 million

According to Clause 14 (1) (a) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this ordinance, have authority to inspect accounts of any office, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”.

Various DDOs under jurisdiction of CEO (DHA) Bahawalpur neither maintained nor produced record despite repeated requests under different objects / codes of classification amounting to Rs 4.944 million during 2018-19. Detail is given below:

(Rupees in million)				
Sr. No.	DDOs	Description	Period	Amount
1	CEO DHA BWP	Bank accounts, Recruitment record, development funds & History sheet registers etc.	2018-19	-
2	DHO DHA BWP	Tour programs, Log Books & Allotment of vehicles.	2018-19	3.037
3	RHC Balla Jhulan	Vouched Accounts, Assets Register, Arrears Bills & Service Books etc.	2018-19	1.907
4	RHC Head Rajkan	Bank accounts, Health Council expenditure, Cash Book, Log Books & MLC etc.	2013-19	-
<b>Total</b>				<b>4.944</b>

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non production of record created doubts regarding legitimacy of expenditure incurred for Rs 4.944 million.

The matter was reported to CEO of District Health Authority and DDOs concerned in July & August, 2019. CEO (Health) BWP, DHO, SMO RHC Balla Jhulan

replied that entire record was available in the office. Replies were not acceptable as no record was provided in support of reply. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in January, 2020 directed for production of record besides initiating action against the concerned within a month. No further progress was intimated till finalization of this Report.

Audit recommends provision of record for verification at the earliest and necessary action be initiated against the person(s) who evaded provision of record.

[AIR Paras : 27, 22, 23 & 28]

## 2.2.5.2 Irregularities

### 2.2.5.2.1 Withdrawal of funds without pre-audit – Rs 84.515 million

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe. Furthermore, according to Government of the Punjab Finance Department letter No.SO (TT) 6-1/2013 (2015) dated 15.07.2015, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals or for en-block transfer of funds in commercial banks / Development Financial Institutions (DFIs). Withdrawals from the Special Drawing Accounts shall only be admissible, if these are required to meet validly accrued liabilities / booked expenditure, duly pre-audited, where so required.

Four (04) DDOs under jurisdiction of CEO (DHA) Bahawalpur incurred expenditure of Rs 84.515 million from Health Council without pre-audit in violation of above rules. Detail is given below:

(Rupees in million)			
Sr. No.	DDOs	Financial Year	Amount
1	DO (Health)	2018-19	72.476
2	MS THQ Hospital APE	2018-19	3.189
3	MS THQ Hospital HSP	2018-19	8.350
4	SMO RHC Balla Jhulan	2018-19	0.500
<b>Total</b>			<b>84.515</b>

Due to weak financial controls, funds were drawn without pre-audit.

Drawl of funds without pre-audit resulted in irregular expenditure and created doubts on authenticity of expenditure.

The matter was reported to CEO of District Health Authority Bahawalpur and DDOs concerned in July & August, 2019. DHO, MS THQ hospital Ahmadpur East, MS THQ hospital Hasil Pur and SMO RHC Balla Jhulan replied that no compulsion of pre-

audit was imposed by the government regarding utilization of Health Council funds. Replies were not tenable as no proof was provided regarding such provision.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

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

[AIR Paras: 03, 34, 35 & 20]

### **2.2.5.2.2 Irregular drawl of arrears without provision of additional Budget – Rs 49.168 million**

According to Rule 2.27 of PFR Vol-I, no payment of pay and allowances be made on account of arrear of pay and allowances until additional budget is duly sanctioned and provided in the budget estimates.

Six (06) DDOs including CEO (DHA) BWP under jurisdiction of CEO (DHA) Bahawalpur made payment of Rs 49.168 million on account of arrears of Pay and Allowance without allocation of additional budget for the purposes. Record showed that there was no additional budget, thus payment was irregular. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Financial Year</b>	<b>Amount</b>
1	CEO(DHA) BWP	2018-19	20.086
2	MS THQ Hospital APE	2018-19	12.662
3	MS THQ Hospital HSP	2018-19	11.703
4	MS THQ Hospital KPT	2018-19	0.901
5	SMO RHC Bala Jhulan	2018-19	0.732
6	SMO RHC Head Rajkan	2013-19	3.084
<b>Total</b>			<b>49.168</b>

Due to weak administrative controls unjustified arrears of pay and allowances were made without separate additional budget.

Payments of arrears of pay and allowances without additional budget resulted in irregular expenditure and chances of misuse of funds could not be ruled out.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in August, 2019. CEO (Health) BWP and MS THQ hospital Hasil Pur & KPT replied that arrears of pay were claimed by the officials /officers within the financial year. Reply was not acceptable as no proof / calculation was provided by the department that such claims belonged to current financial year. MS THQ hospital Ahmadpur East and SMO RHC Balla Jhulan replied that Government of Punjab, Primary & Secondary Health Care Department Lahore directed as per advice of finance department vide letter No. SO (B&A)1-55/2016 dated 18.07.2018 to clear all pending liabilities of Financial Year 2016-17, 2017-18, from the budget of Financial Year 2018-19. Reply of department was not tenable as copy of such letter was not provided in support of reply. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

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

[AIR Paras. 25,31,20,19,22 & 23]

### **2.2.5.2.3 Irregular expenditure due to doubtful recruitment of Sanitary Workers – Rs 27.80 million**

According to Chapter VIII (vii) of Contract Appointment Policy circulated vide Government of the Punjab S&GAD (O&M WING) vide Notification No. DS(O&M)5-3/2004/Contract(MF) dated 29th December, 2004, as amended up to 2016 , the relevant Selection Committees shall ensure that contract appointments are made strictly on merit and in accordance with the rules, selection criteria and other provisions of this policy.

District Officer Health recruited sanitary workers in BPS 01 during 2007 and paid salary of Rs 27.80 million. DHO BWP did not ensure transparency in recruitments and irregularly recruited candidates who were not mentioned in the merit list. Scrutiny of recruitment record revealed 13 (thirteen) sanitary workers were

appointed during 2007 who were neither included in the merit list nor their appointment orders were got signed by the competent authority which shows that the appointments were fictitious. **Annexure-C/DHA BWP**

Due to malafied intention, non-transparent recruitment process was adopted.

Non-transparent recruitment process resulted in irregular appointments and irregular expenditure of Rs 27.80 million.

The matter was reported to CEO of District Health Authority BWP and DDO concerned in August, 2019. DDO replied that an enquiry against bogus appointment was under process in Anti-Corruption Establishment but no documentary proof was provided in support of reply.

DAC in its meeting held in January, 2020, directed to produce record for verification within two days. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para. 18]

#### **2.2.5.2.4 Irregular expenditure on pay and allowances due to shifting of Headquarter – Rs 26.789 million**

According to the Government of Punjab Finance Department Notification No. FD/SRIV-8-1/76(PROV) dated 16.03.1988, shifting of Headquarter of a civil servant for the period exceeding three months can only be allowed with the prior approval of the Finance Department as all posts are created by the Finance Department after full justification given by the Departments. If the incumbent of the post is working at a place other than his place of posting it means that there is no need of such post. The proper way is that the Finance department may be approached for creation of posts at required station by abolishing the corresponding posts.

Fifty two (52) employees working under the administrative control of five (05) DDOs were posted temporarily for the period of more than three months in



violation of above rules. DDOs neither cancelled their orders of temporary duty nor approval of the Finance Department was obtained in this regard and they were allowed to draw pay amounting to Rs 26.789 million without performing duties at their original place of posting. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>No. of employees</b>	<b>Amount</b>
1	CEO (DHA) BWP	25	14.328
2	District Health Officer BWP		
3	THQ Hospital Hasil Pur	23	7.751
4	RHC Balla Jhulan	01	0.623
5	RHC Head Rajkan	03	4.087
<b>Total</b>		<b>52</b>	<b>26.789</b>

Due to weak managerial controls, temporary posting of employees for more than three months was made without getting prior approval of the Finance Department.

General / temporary duties without approval of Finance Department resulted in irregular expenditure amounting to Rs 26.789 million.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in July & August, 2019. CEO (DHA) BWP, DHO BWP, MS THQ hospital APE replied that the matter of officials who were performing general duty in Commissioner office / Deputy Commissioner office was already under consideration with the higher ups, but no progress was shown till finalization of this report. MS THQ Hospital Hasil Pur replied that all general duty orders were issued by the CEO. Reply was not tenable as CEO had no such authority to adjust any employee temporarily for the period more than 03 months. SMO RHC Balla Jhulan replied that concerned was actually transferred and not temporarily adjusted but proof in shape of attendance and joining report was not provided in support of reply. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in November, 2019, directed to get the expenditure regularized from the competent authority within one month. No further progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides holding inquiry and fixing responsibility on the person(s) at fault.

[AIR Paras. 06, 09, 12, 21 & 1]

#### **2.2.5.2.5 Irregular payment of pay and allowance without verification of degrees– Rs 25.132 million**

According to Terms and Conditions No.11 of appointment letter, if at any stage it is discovered that you have obtained the appointment on the basis of forged/bogus documents or through deceit by any means, the appointment shall be considered to be void and you will be liable to refund all amounts received from the Government, as consequence of appointment in addition to such other action as may be taken against you under the law.

District Officer Health BWP and MS THQ hospital Hasil Pur made payment on account of pay and allowances of Rs 25.132 million to 55 doctors during the period 2018-19 without verification of credential documents. Scrutiny of the record revealed that DDOs made payment on account of salaries without verification of degrees from the issuing authority in violation of term of offer letters. Detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Financial Year</b>	<b>No. of employees</b>	<b>Amount</b>
1	MS THQ Hospital HSP	2018-19	39	16.650
2	DO (Health) BWP	2018-19	16	8.482
<b>Total</b>			<b>55</b>	<b>25.132</b>

Due to weak internal controls, payment on account of pay and allowances was made without verification of degrees.

Payment of pay and allowances amounting to Rs 25.132 million without verification of degrees resulted in violation of terms and conditions of appointment.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in August, 2019. DHO BWP replied that verified degrees were available in office record but no copy of such credential documents was provided. MS THQ hospital Hasil Pur replied that payment of salaries was made after online

verification of degrees on website provided by the Pakistan Medical & Dental College official website but no documentary proof / copies was provided regarding all objected employees.

DAC in its meeting held in January, 2020, directed to produce record for verification within two days. No progress was intimated to Audit till finalization of this Report.

Audit recommends verification of degrees besides fixing responsibility on the person(s) at fault.

[AIR Paras. 17&23]

#### **2.2.5.2.6 Defective method of procurement and consumption of LP medicine – Rs 14.048 million**

According to Government of the Punjab, Primary & Secondary Healthcare Department notification No.PSHD-TC0-1 (M) 6-14/2017 dated 16.12.2017, in order to ensure transparency, a local on line purchase portal has been designed with various features and requirements as total allocated budget for medicines for local purchase, budget consumed and budget remaining, a password and login will be issued to In-charge pharmacist/ medical superintendent / consultant for data entry on local purchase portal and locally purchased items will be posted on portal on daily basis. Purchase order may be emailed to the LP supplier through LP portal. Contractor will submit invoice/bill with supply on daily basis. The tender should be awarded to the contractor as per Punjab Procurement Rules, 2014 offering maximum discount on medicines of multinational manufacturers, local manufacturers and for surgical/disposable items. Further, a formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic.

Two (02) DDOs under the administrative control of CEO (DHA) BWN incurred expenditure amounting to Rs 14.048 million during 2007-19 on local purchase of medicines. Medicines were procured beyond the approved formulary of P&SHD.

<b>(Rupees in million)</b>		
<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	MS THQ Hospital HSP	6.394
2	MS THQ Hospital APE	7.654
<b>Total</b>		<b>14.048</b>

Due to weak monitoring controls, the medicines were purchased and consumed in irregular manner.

Irregular purchase and doubtful consumption of medicines resulted in violation of rules.

The matter was reported to CEO of District Health Authority and DDOs concerned in July & August, 2019. MS THQ hospital Ahmadpur East replied that the process mentioned in audit para was not applicable on these purchases. MS THQ hospital Hasil Pur replied that the matter was under investigation / inquiry at CEO level. Replies were not tenable as no documentary proof was provided in support of replies.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. For MS THQ HSP DAC further directed to probe into the matter by the CEO within one month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and regularization of the matter from the competent authority besides appropriate actions against the concerned and recovery of admissible amount if any.

[AIR Paras. 6 & 32]

#### **2.2.5.2.7 Expenditure on irregular adjustment of doctors – Rs 12.742 million**

As per appointments orders No. SO (WMO) 20/Aug-2018 (Adhoc) dated 04.09.2018 issued by the Government of the Punjab Primary & Secondary Health Care Department Lahore “the doctors are hereby appointed MO/WMOs on adhoc basis for a period of one year with immediate effect against an existence vacancy or

till the availability of regular incumbent through Punjab Public Service Commission”.

Three (03) DDOs under jurisdiction of CEO (DHA) Bahawalpur made payment of Rs 12.742 million to various doctors appointed as MO (BS -17) and adjusted against the post of SMO/SWMO in BS-18 despite having vacant posts. Appointment of doctors was made on adhoc basis and could be removed on arrival of regular incumbents. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Financial Year</b>	<b>Amount</b>
1	MS THQ Hospital HSP	2018-19	3.220
2	MS THQ Hospital APE	2018-19	6.482
3	MS THQ Hospital KPT	2018-19	3.040
<b>Total</b>			<b>12.742</b>

Due to negligence, irregular salaries were paid to doctors due to adjustment of doctors on the posts of SMO/SWMOs despite having vacant posts of MO/WMOs.

Adjustment of adhoc doctors of BS-17 in BS-18 despite having vacant posts resulted in irregular payment of salaries.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in August, 2019. MS THQ hospital Hasil Pur, MS THQ hospital APE & KPT replied that all appointment orders of doctors were issued by Government of the Punjab, Primary & Secondary Healthcare Department as per policy. Reply was not tenable as no any provision was available in the policy.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

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

[AIR Paras. 16, 28 & 21]

### 2.2.5.2.8 Irregular expenditure due to non-compliance of PPRA Rules – Rs 9.510 million

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2009 and the Punjab Procurement Rules 2014, procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA's website. Procurement opportunities over Rs 100,000 and upto Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Six (06) DDOs working under the administrative control of CEO (District Health Authority) Bahawalpur incurred expenditure of Rs 9.510 million on purchase of Printing, X-ray films, stationery, cost of other store items etc. Annual requirement of procurement opportunities was neither determined nor planned procurements were advertised on PPRA's website to achieve benefits of competitive bidding. Moreover, the indents were split-up to avoid fair tendering process. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	CEO (DHA) BWP	0.560
2	DO (Health) BWP	3.045
3	MS THQ Hospital Ahmadpur East	1.921
4	MS THQ Hospital Hasil Pur	2.311
5	MS THQ Hospital KPT	0.807
6	SMO RHC Head Rajkan	0.866
<b>Total</b>		<b>9.510</b>

Due to financial indiscipline purchases were made without observing PPRA rules.

Non observance of PPRA rules resulted in irregular expenditure amounting to Rs 9.510 million.

The matter was reported to CEO of District Health Authority and DDOs concerned in July & August, 2019. All the DDOs replied that Finance Department released funds on monthly basis, due to which the tender process could not be initiated and petty purchases were made as per demand of the end users. Replies

were not tenable as DDOs were already aware of total expected expenditure during the financial year under different heads as per sanctioned / allocated budget. SMO RHC Head Rajkan did not submit replies.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

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

[AIR Paras. 21, 21, 24, 01, 30 &25]

#### **2.2.5.2.9 Irregular clearance of pending liabilities – Rs 7.568 million**

According to Rule 2.10 (b) (3) of the PFR Vol-I, no charges / claims of previous years should be allowed to stand over to be paid from the grant of another year. Furthermore, according to para 2 of letter No. FD(W&M)22-1/2018-19/DHA/2022 dated 30th November, 2018 issued from Government of the Punjab Finance Department specific amounts for non-salary budget for bulk purchase of medicines for health facilities of DHA for 2018-19 were not required to be utilized for other purpose other than mentioned in para-1 of the letter.

Two (02) DDOs under jurisdiction of CEO (DHA) Bahawalpur made irregular payments of expenditure of Rs 7.568 million on account of payment of medicine claims of various firms during 2018-19 without any provision of the new budget for the purpose. Scrutiny of record showed that claims of 2016-17 were cleared from the specific budget provided for purchase of medicines for 2018-19 as release orders clearly mentioned purchases to be made and no extra funds were provided for clearance of pending liabilities. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>	<b>Financial Year</b>
1	MS THQ Hospital APE	5.801	2018-19
2	MS THQ Hospital KPT	1.767	2018-19
<b>Total</b>		<b>7.568</b>	

Due to financial mismanagement payments of previous years were made without provision of the budget in current financial year.

Payments of previous years without provision of the budget during current financial year resulted in irregular clearance of the pending liabilities.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in July & August, 2019. MS THQ hospital Ahmadpur East and KPT replied that Government of Punjab, Primary & Secondary Health Care Department Lahore directed as per advice of finance department vide letter No. SO (B&A)1-55/2016 dated 18.07.2018 to clear all pending liabilities of Financial Year 2016-17 and 2017-18 from the budget of Financial Year 2018-19. MS THQ Hospital KPT replied Reply of department was not tenable as copy of any such letter was not provided in support of reply.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. For MS THQ HSP DAC further directed to probe into the matter by the CEO within one month. No progress was intimated till finalization of this Report.

Audit recommends taking appropriate action for the payment without budget provision and inquiry of the matter to probe authenticity of the payment.

[AIR Paras. 23 & 13]

#### **2.2.5.2.10 Irregular expenditure on development works without design, specification and agreement – Rs 6.491 million**

According to Para 4.8 read with Para 5.2 of Guidelines for utilization of Health Council funds, the Health Councils will execute development/repair works according to the specifications approved by the Government and guidelines for execution of technical works will be sought from the departments concerned. Health Councils will maintain registers for recording observations / inspection notes by the members of the Health Councils and record of all moveable/immoveable stock/property will also be maintained in stock registers. Moreover, as per work order No. 1528/08-06/2018 dated 08.06.2018 issued to M/S Faiz Rasool (Govt.



Contractor) “You should attend the office for execution of the agreement positively before execution of the work”.

MS THQ hospital Hasilpur incurred an expenditure amounting to Rs 6.491 million out of Health Council on civil works in the hospital during 2018-19. Contrary to the above provisions, the expenditure on civil works was incurred without preparing technical estimate and observing Public Works Department (PWD) specifications/designs. Moreover, it is also pertinent to mention here that the work was executed without entering into agreement as stated in the work order.

Due to financial indiscipline, funds were utilized without technical estimates, without obtaining design & specifications from the building department and without any agreement.

Utilization of funds without technical estimates, without obtaining design & specifications from the building department and without any agreement resulted in irregular expenditure amounting to Rs 6.491 million.

The matter was reported to CEO of District Health Authority BWP and DDO concerned in August, 2019. MS THQ hospital Hasil Pur replied that the matter was under investigation with concerned procurement officer but no progress was shown.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

Audit recommends investigation at appropriate level besides fixing responsibility on the person(s) at fault.

[AIR Para. 21]

#### **2.2.5.2.11 Unjustified cash payment instead of cheques – Rs 2.821 million**

According to Rule 4 (1) (a) of the Punjab District Authorities (Accounts) Rules 2017, the mode of making payment from local fund of a District Authority shall be that the payment upto rupees one thousand may be made in cash.

SMO RHC Head Rajkan withdrew funds amounting to Rs 2.821 million from the treasury and disbursed in cash in violation of above rule. The amount was required to be disbursed through cross cheques instead of cash. Detail is given below:

Due to weak internal controls, irregular payments were made in cash instead of cheques.

Payments in cash instead of cheques resulted in irregular payment as well as violation of rules.

The matter was reported to CEO of District Health Authority and DDOs concerned in July & August, 2019. MS THQ HSP replied that according to Government instructions an amount up to rupees one lac can be paid through cash. Reply was not tenable as no proof regarding such provision was provided in support of reply. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

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

[AIR Paras: 12 & 27]

#### **2.2.5.2.12 Irregular payment of Pay & allowances due to payment for posts excess than sanctioned in budget book - Rs 2.521 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Chief Executive Officer DHA BWP made payment of Rs 2.521 million on account of pay and allowances of Medical officers/Women Medical Officers working in excess of posts available in budget book 2018-19. Scrutiny of HR data

and comparisons with posts available in budget book of 2018-19 revealed that actual number of working strength was in excess than posts available in budget book and payment of pay and allowance was quite irregular. The detail is given in **Annexure-D/DHA BWP**.

Due to weak financial controls, pay and allowances were drawn for seats excess than available in budget book.

Payment of pay and allowances for excess seats than available in budget book resulted in irregular expenditure.

The matter was reported to CEO of District Health Authority BWP in August, 2019. CEO (DHA) BWP replied that employees were paid salaries according to sanctioned strength given in budget book and in schedule of establishment. Reply was not tenable as copy of budget book and schedule of payment were not provided.

DAC in its meeting held in January, 2020, directed to get the expenditure regularized from the competent authority within one month. No progress was intimated till finalization of this Report.

Audit recommends holding of inquiry besides regularization of expenditure and fixing responsibility on the person(s) at fault.

[AIR Para. 26]

#### **2.2.5.2.13 Irregular up-gradation of LHVs – Rs 1.525 million**

As per letter No. PF-10087/EI dated 06.12.2018 “In view of aforementioned it is to read that under Government of the Punjab, Services & General Administration department (Regulation Wing) Notification No. SOR-III (S&GAD)1-25/2008 dated 28.01.2015 (pertaining to Allied Health Professional Rules 2012 serial No. 5 clause (a). the competent Authority of all services matter pertaining to Chief Technician (BS-16) remains vested with the Director General Health Services, Punjab.

DO (Health) BWP made irregular payment of Rs1.525 million to various LHVs after up-gradation (from BPS-09 to BPS-16) against the policy. Scrutiny of record revealed that LHVs (total 37) working in BPS-09 were up-graded to BPS-16 by the CEO (DHA) BWP himself irregularly instead of forwarding the case to DG Health in against the policy issued by the Government of the Punjab Health Department.

Due to weak managerial controls, irrelevant up gradation of posts was made against the policy.

Up-gradation against policy resulted in unjustified payment of pay & allowances of Rs 1.525 million.

The matter was reported to CEO of District Health Authority BWP and DDO concerned in August, 2019. DHO BWP replied that the matter was sub judicious and under trial in Honorable High Court Bahawalpur bench Bahawalpur.

DAC in its meeting held in January, 2020, directed to expedite recovery besides depositing into government treasury within a month. No further progress was intimated till finalization of this Report.

Audit recommends regularization of the matter besides initiating disciplinary proceedings against the person(s) at fault after detailed investigation.

[AIR Para. 7]

### **2.2.5.3 Value for money and service delivery issues**

#### **2.2.5.3.1 Purchase through doubtful Billing – Rs 4.258 million**

According to Rule 2.33 of Punjab Financial Rules 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.

MS THQ hospital Hasil Pur, incurred expenditure of Rs 4.258 million on account of contingent expenditure during 2018-19. The expenditure was doubtful as serial numbers of invoices contradicted with dates of bills.

Due to intention of misappropriation, doubtful bills were drawn.

Drawls of bills in doubtful manner created doubts on the authenticity of expenditure.

The matter was reported to CEO of District Health Authority BWP and the concerned DDO in August, 2019. MS THQ hospital Hasil Pur replied that the concerned contractor used different bill books with same serial numbers. Reply was not tenable as no documentary evidence was provided in support of reply.

DAC in its meeting held in January, 2020, directed to probe into the matter by the CEO within one month. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry of the matter besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para. 2]

#### **2.2.5.3.2 Loss due to non allotment of designated residences – Rs 3.456 million**

According to Government of the Punjab Finance Department (Monitoring Wing) notification No.FD(M.I) 1-15/82-P-J dated 15.01.2000, in case of designated residence the officer / official for which residence is meant cannot draw house rent

allowance. He will have to pay 5% maintenance charges even if he does not avail the facility and residence remains vacant during the period. Moreover, according to para No. 4 of clarification issued by Government of the Punjab Finance Department letter No. FD.S.R-I 9-4/86 (P) PR dated 04.12.12, the employees who were residing in the residential colonies situated within work premises were not entitled to the facility of Conveyance Allowance”.

Twenty two (22) designated residences of four (04) DDOs were not allotted to the concerned employees. As a result residences remained vacant throughout the year. In this way department sustained loss of Rs 3.456 million. Detail is given below:

**(Rupees in million)**

DDOs	Residence No. / Category	Residence Meant for pps	Vacant Period	HRA/ Month	CA/ Month	Charges 05% HM	Total	No. of Residences	Months	Recovery
MS THQ Hospital KPT	SMO	18	07/18 to 06/19	3,873	5,000		8,873	1	12	0.106
	M.O	17	07/18 to 06/19	2,955	5,000		7,955	1	12	0.095
	Nursing	16	07/18 to 06/19	1,818	5,000		6,818	2	12	0.082
	Class IV	01	07/18 to 06/19	1,367	1,785		3,152	1	12	0.038
SMO RHC Balla Jhulan	SMO	18	07/18 to 06/19	4,433	5,000		9,433	1	12	0.113
	Nursing	16	07/18 to 06/19	4,433	5,000		9,433	2	12	0.226
	Paramedic	14	07/18 to 06/19	1,719	1,931		3,650	4	12	0.175
	Class IV	01	07/18 to 06/19	1,337	1,785		3,650	1	12	0.037
SMO RHC Head Rajkan	SMO	18	07/13 to 06/19	5,809	5,000		10,809	1	72	0.778
	M.O	17	07/13 to 06/19	4,433	5,000		9,433	1	72	0.679
	D/S	17	07/13 to 06/19	4,433	5,000		9,433	1	72	0.679
	Class IV	04	07/13 to 06/19	4,433	1,785		6,218	6	72	0.448
<b>Total</b>								<b>22</b>	<b>384</b>	<b>3.456</b>

Due to weak managerial controls, designated residences were not allotted to concerned employees.

Non-allotment of designated residences to concerned employees resulted in loss of Rs 3.456 million.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in July & August, 2019. SMO RHC Balla Jhulan replied that recovery was under process. MS THQ hospital Khairpur Tamewali replied that all residences were allotted to the staff as per availability of staff. Replies of the DDOs were not tenable as neither any progress was shown nor any record was produced. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in January, 2020, directed to probe into the matter by the CEO within one month. No progress was intimated to Audit till finalization of this Report.

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

[AIR Paras. 18, 17 & 22]

### **2.2.5.3.3 Doubtful purchase and consumption of medicines – Rs 1.312 million**

According to Rule 2.10(a)(1) of the 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 expenditure of his own money.

SMO RHC Head Rajkan purchased and consumed medicines amounting to Rs 1.312 million in doubtful manner during 2013-14. Scrutiny of record showed that various medicines were purchased through simple bills from the firms without any allied record i.e purchase process, supply orders, physical inspection report, demands for purchases etc. Further, there were no signatures of store keeper on any of the bills and just references on the bills were made without availability of stock register of that period to verify the entries. Furthermore, in various cases even signatures of SMO were also missing on the bills which showed that no one was ready to take responsibility. Moreover, no purchase process was there to see the mode of purchase either. The detail is given in **Annexure-E/DHA BWP**.

Due to financial indiscipline medicines were purchased and consumed in doubtful manner without any purchase process and consumption record.

Purchases and consumption of medicines in doubtful manner without any purchase process and consumption record created doubts on authenticity of expenditure.

The matter was reported to CEO of District Health Authority BWP and DDO concerned in October, 2019. DDO did not submit reply.

DAC in its meeting held in January, 2020, directed to take disciplinary action by the CEO for non submission of working paper and non attending DAC meeting. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para. 07]

#### **2.2.5.3.4 Doubtful expenditure and consumption of store items – Rs 1.173 million**

According to Rule 2.10(a)(1) of the 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 expenditure of his own money.

MS THQ hospital Khairpur Tamewali purchased various store items and consumed those in doubtful manner during 2018-19 amounting to Rs 1.173 million. Scrutiny of record showed that items were purchased and received on 20.12.2018 but supply order was issued dated 23.12.18 after receipt of items in stock register duly verified by store keeper. Furthermore, items were disbursed immediately after 20.12.18 well before supply order that put question marks on the whole process of purchase and consumption accordingly. Detail is given below:



(Rupees in million)

Item Description	firm name	Invoice date	Total	Payment date	Head	Remarks
Phenyl, Acid, surf, vim powder, dust bin shopper, Neel, dust bin, soaps and shoppers etc.	Rehmat Groups	26.12.18	1.417	20.05.19	Others	Supply order 23.12.18, stock entries 20.12.18 and invoice 26.12.18

Due to financial indiscipline purchases and consumption was made in doubtful manner.

Purchases and consumption in doubtful manner created doubts on authenticity of expenditure.

The matter was reported to CEO of District Health Authority BWP and DDO concerned in August, 2019. MS THQ Hospital KPT replied that the date of supply is 26.12.2018 instead of 20.12.2018 and stock also received on 26.12.2018. Reply of the DDO was not tenable as contradiction was observed in dates.

DAC in its meeting held in January, 2020, directed to produce record for verification within two days. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para. 8]

#### 2.2.5.4 Others

##### 2.2.5.4.1 Loss due to unauthorized payment of allowances to residents of official residences – Rs 35.346 million

According to Para 6 of the Government of the Punjab Finance Department letter No.FD(M-1)-15/82-P-1 dated 15.01.2000, in case of designated residence, the officer/official for which the residence is meant for cannot draw house rent allowance and will have to pay 5% of house rent even if he does not avail the facility. Moreover, according to para No. 4 of clarification issued by Government of the Punjab Finance Department letter No. FD.S.R-I 9-4/86 (P) PR dated 04.12.12, the employees who were residing in the residential colonies situated within work premises were not entitled to the facility of Conveyance Allowance”.

Three (03) DDOs working under the administrative control of CEO (DHA) Bahawalpur paid Conveyance Allowance and House rent Allowance amounting to Rs 35.346 million to the employees despite the fact that official residences were allotted to them within premises. These allowances were paid to the residents in violation of above rules. Detail is given below:

**(Rupees in million)**

<b>Sr. No</b>	<b>DDOs</b>	<b>Period</b>	<b>No. of employees</b>	<b>Total</b>
1	DO(Health)	2018-19	05	35.158
2	MS THQ Hospital APE	2018-19	02	0.061
3	SMO RHC Head Rajkan	2013-19	03	0.127
<b>Total</b>				<b>35.346</b>

Due to weak administrative controls, inadmissible allowances were paid to the employees despite having official residences within office premises.

Inadmissible payment of allowances despite having official residences within office premises resulted in loss of Rs 35.346 million.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in July & August, 2019. DHO BWP replied that residences of BHUs were declared dangerous and not fit for residence purpose, due to which concerned employees were drawing HR & CA. Reply was not tenable as no

certificate of building department was provided in support of reply. MS THQ hospital Ahmadpur East submitted recovery of Rs 51,480 out of total recovery of Rs 61,038 through two challans but these challans were not verified from treasury. SMO RHC Head Rajkan did not submit reply for verification.

DAC in its meeting held in January, 2020, directed to produce record for verification within two days. For MS THQ APE DAC further directed to expedite the recovery from the concerned staff and deposit it into government treasury. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs 35.346 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Paras. 12, 11 & 4]

#### **2.2.5.4.2 Excess payment of pay and allowance for absence periods – Rs 8.393 million**

According to Rule 2.33 of Punjab Financial Rules 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.

Three (03) DDOs working under jurisdiction of CEO (DHA) Bahawalpur made payment of Rs 8.393 million to One hundred sixty five (165) employees of THQs on account of pay and allowances of absence period. During scrutiny of record it was observed that the employees did not attend office in various dates as per Biometric attendance system. Detail is given below:

<b>(Rupees in million)</b>					
<b>Sr. No.</b>	<b>DDOs</b>	<b>Financial Year</b>	<b>No. of employees</b>		<b>Amount</b>
1	MS THQ Hospital APE	2018-19	114		5.259
2	MS THQ Hospital HSP	2018-19	30		1.880
3	MS THQ Hospital KPT	2018-19	21		1.254
<b>Total</b>			<b>165</b>		<b>8.393</b>

Due to weak internal controls, salaries of absent employees were paid in unauthorized manner.

Unauthorized payment of salary to absent employees resulted in loss amounting to Rs 8.393 million.

The matter was reported to CEO BWP and DDOs concerned in August, 2019. MS THQ hospital Ahmadpur East replied that concerned employees were present and marked attendance manually in attendance register due to some error in bio-metric system. Reply was not tenable because no proof was provided in support of reply. MS THQ hospital Hasil Pur & KPT replied that the matter was under investigation but no progress was shown till finalization of this report.

DAC in its meeting held in January, 2020, directed to produce record for verification within two days. In case of MS THQ HSP DAC further directed to probe the matter by CEO and submit inquiry report within one month. No progress was intimated to Audit till finalization of this Report.

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

[AIR Pars. 3, 10 & 27]

#### **2.2.5.4.3 Unjustified payment of pay & allowances after transfer, retirement or resignation from service – Rs 6.400 million**

According to Rule 2.31 of the PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

Five (05) DDOs working under the administrative control of CEO (DHA) Bahawalpur paid salaries to those employees who were transferred to other stations, resigned or retired from service resulting in unauthorized payment of Rs 6.400 million as detailed below:

(Rupees in million)

Sr. No.	DDOs	Period	No. of employees	Status	Over payment
1	CEO (DHA) BWP	2018-19	15	Retired	0.535
			08	Resigned	1.472
2	MS THQ Hospital APE	2018-19	13	Resigned	2.293
3	MS THQ Hospital Hasil Pur	2018-19	09	Transferred	0.344
			03	Retired	0.177
			05	Resigned	0.738
4	MS THQ Hospital KPT	2018-19	05	Resigned	0.616
5	SMO RHC Head Rajkan	2013-19	01	Transferred	0.225
<b>Total</b>			<b>59</b>		<b>6.400</b>

Due to weak internal controls, pay of resigned or transferred employees was not stopped immediately after resignation.

Payment of salary after resignation or transfer resulted in unauthorized payment of Rs 6.400 million.

The matter was reported to CEO of District Health Authority and DDOs concerned in July & August, 2019. CEO (DHA) BWP replied that said employees were working under different formations; therefore, para may be shifted to concerned DDOs for recovery of objected amounts. Reply was not tenable because CEO (DHA) BWP was responsible for overall monitoring of health facilities working under his jurisdiction within district health authority Bahawalpur. MS THQ hospital Hasil Pur and MS THQ hospital Ahmadpur East replied that concerned employees were directed to submit recovery of objected amounts but no progress was shown. M.S THQ hospital Khairpur Tamewali replied that an amount of Rs. 507,143 has been recovered from the concerned and balance will be recovered within short interval. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in January, 2020, directed to expedite recovery besides depositing into government treasury within a month. No further progress was intimated till finalization of this Report.

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

[AIR Paras. 01, 07, 25, 07, 16 &03]

#### **2.2.5.4.4 Irregular payment of incentive allowance to the consultants – Rs 5.455 million**

According to Govt. of the Punjab Health Department letter No.SO (B&A) 3-28/2015 dated 29-05-2016, Specialists posted at THQ / DHQ Hospital have been allowed incentive allowance. Moreover, as per instructions of Govt. of the Punjab Health Department Primary and Secondary Health Care Department, 40% of the existing allowance shall be paid subject to the conduct of evening rounds in hospitals. The consultants shall checkout from morning shift through Bio Metric attendance system after 02:00 pm and shall check in again after 05:00 pm. The consultant shall remain in hospital at least for one hour and shall conclude the round by checking out again. Their attendance and evening round timings shall be strictly monitored through Bio metric attendance system.

Two (02) DDOs working under the administrative control of CEO (DHA) Bahawalpur paid Rs 13.638 million to the consultants as incentive allowance but proof for their biometric attendance in hospital after 02:00 pm (Morning shift) was not on record. Hence, 40% of the allowance amounting to Rs 5.455 million was recoverable from them. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>Period</b>	<b>No. of doctors</b>	<b>Total Incentive Allowance</b>	<b>40 % of Incentive Allowance</b>
1	MS THQ Hospital HasilPur	2018-19	08	5.959	2.384
2	MS THQ Hospital KPT	2018-19	07	7.679	3.071
<b>Total</b>			<b>15</b>	<b>13.638</b>	<b>5.455</b>

Due to weak financial and administrative controls, incentive allowance was paid to the doctors without attending hospital in evening.

Non deduction of 40% incentive allowance resulted in irregular / unjustified payment of Rs 5.455 million.

The matter was reported to CEO BWP and DDOs concerned in July & August, 2019. MS THQ hospital APE and KPT replied that in the light of Order No. SO (SC)29/Attock on dated 1st October, 2019 by section officer (Specialist Cader) it

does not mean deduction of 40% amount from the allowance admissible vide Notification No. SO(B&A)3-28/2015 dated 29.05.2015. Reply of DDO was not tenable as no record in support of reply was produced during verification. MS THQ hospital HSP replied that concerned doctors were directed to submit recovery of incentive allowance but further progress was not shown.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends biometric attendance for visiting hospital after 02:00 pm and recovery of Rs 5.455 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Paras. 04 & 05]

#### **2.2.5.4.5 Loss due to unauthorized payment of different allowances during leave period – Rs 3.574 million**

According to Rule 1.15 of the Punjab Travelling Allowance Rules 1976, conveyance allowance is not admissible during any kind of leave except casual leave. Further, according to the Government of Punjab, Finance Department letter No. 106 I-SO(SR) IV/7 dated 18.08.1977, conveyance allowance is not admissible during vacations. According to letter No. IT(FD) (ESTT-II) 8-8/2015 dated 25.04.2018 issued by the Inspectorate of Treasuries & Accounts Government of the Punjab Finance Department, Conveyance Allowance being wrongly drawn will be discontinued from the date of issuance of order i.e. 16.03.2018.

Five (05) DDOs working under the administrative control of CEO BWP paid Conveyance Allowance, HSRA, Dress & Mess Allowance and Incentive Allowance amounting to Rs 3.574 million to the employees despite the fact that the allowance was not admissible during vacations and leave period. Detail is given below:

(Rupees in million)

Sr. No.	DDOs	Period	No. of employees	Total
1	CEO (DHA) BWP	2018-19	86	0.523
2	DO (Health) BWP	2018-19	78	0.470
3	MS THQ Hospital APE	2018-19	08	1.233
4	MS THQ Hospital HSP	2018-19	41	1.264
5	RHC Head Rajkan	2013-19	11	0.084
<b>Total</b>				<b>3.574</b>

Due to weak administrative controls, inadmissible allowances were paid during leave.

Inadmissible payment of allowances during leave resulted in overpayment of Rs 3.574 million.

The matter was reported to CEO of District Health Authority BWP and DDOs concerned in July & August, 2019. CEO (DHA), DO (H) BWP, MS THQ hospital HSP, MS THQ hospital APE replied that recovery of inadmissible allowances was in process but no progress (in shape of verified challans) was shown. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in January, 2020, directed to expedite recovery besides depositing into government treasury within a month. In case of MS THQ HSP DAC further directed to probe the matter by CEO and submit inquiry report within one month. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 3.956 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Paras. 4, 10, 12, 11& 5]

#### **2.2.5.4.6 Loss due to non recovery of Penal Rent– Rs 3.562 million**

According to letter No. FD (M-1)1-15-82-P-I dated 15.01.2000 issued by the Finance department, Government of the Punjab, penal rent @ 60% of basic pay shall be recovered from the unauthorized occupants of government residences.



Two (02) residences of DDOs were occupied by unauthorized persons. The DDOs did not take action to get the residence vacated from illegal occupant. Moreover, penal rent amounting to Rs 3.562 million was not recovered during 2013-19 from the unauthorized occupants, in violation of above rule. Detail is given below:

**(Rupees in million)**

DDOs	No. of Residences	Category (for Scale)	Name of Allottee	Period	Months	Maximum of Concerned Category / Scale	60 % of Basic Pay	Penal Rent
MS THQ hospital Ahmadpur East	01	09	Faheemullah Rehmani (Technician)	07/2018 to 07/2018	13	33,670	20,202	0.263
SMO RHC Head Rajkan	01	17	SHO Police Deptt.	2013-19	72	76,370	45,822	3.299
<b>Total</b>								<b>3.562</b>

Due to weak managerial controls, residences were neither got vacated nor penal rent was recovered from unauthorized occupants.

Non-recovery of penal rent resulted into loss of Rs3.562 million.

The matter was reported to CEO BWP and DDOs concerned in July & August, 2019. MS THQ hospital Ahmadpur East replied that the matter of vacation of residences by illegal occupants was under process but no progress was shown. SMO RHC Head Rajkan did not submit reply.

DAC in its meeting held in January, 2020, directed to expedite recovery besides depositing into government treasury within a month. No further progress was intimated till finalization of this Report.

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

[AIR Paras. 09 & 21]

#### **2.2.5.4.7 Loss due to unauthorized payment of conveyance allowance despite allotment of official vehicles – Rs 2.295 million**

According to clarification issued by Government of the Punjab, Finance Department letter No. FD.SR 1.9.4/66(P) (PR) dated 21.04.2013, Conveyance allowance was not admissible to any officer who was availing the facility of official vehicle either sanctioned or pool w.e.f. 01.03.2014.

District Officer (Health) paid Conveyance Allowance of Rs 2.295 million to 108 vaccinators despite the fact that official vehicles were provided / allotted to them.

Due to weak administrative controls, inadmissible conveyance allowance was paid despite having official vehicles.

Inadmissible payment of conveyance allowance despite having official vehicles resulted in overpayment of Rs 2.295 million.

The matter was reported to CEO BWP and DO (H) BWP in August, 2019. DDO replied that the matter was in court of law. Thus, the matter might be kept pending till finalization of court decision.

DAC in its meeting held in January, 2020, directed to expedite recovery besides depositing into government treasury within a month. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 2.295 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Para. 6]

#### **2.2.5.4.8 Loss due to Purchase of medicine on higher rates – Rs 2 million**

According to Rule 2.33 of Punjab Financial Rules Vol-1, 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.

Three (03) DDOs working under the administrative control of CEO BWP made excess payment on account of purchase of different medicines during 2018-19 amounting to Rs 2 million. Record showed that a central rate contract was finalized by CEO (DHA) Bahawalpur for purchase of medicines but the same was not observed and purchases were made from local firms on higher rates. Detail is given below:

			(Rupees in million)
Sr. No.	DDOs	Period	Overpayment
1	MS THQ Hospital APE	2018-19	0.846
2	MS THQ Hospital HSP	2018-19	0.944
3	MS THQ Hospital KPT	2018-19	0.210
<b>Total</b>			<b>2.000</b>

Due to financial indiscipline, purchase was made on higher rates.

Purchase of medicine on higher rates than central rate contract resulted in loss of Rs 2 million.

The matter was reported to CEO BWP and DDOs concerned in July & August, 2019. MS THQ hospital APE replied that only emergency items were purchased on urgent basis. Reply was not tenable as no documentary evidence was shown in support of reply. MS THQ hospital HSP replied that rates approved in central contract were not applicable on L.P items. Reply of DDO was irrelevant. MS THQ hospital KPT replied that matter is under investigation, but progress was not shown till finalization of report.

DAC in its meeting held in January, 2020, directed to produce record for verification within two days. For MS THQ HSP DAC further directed to probe into the matter by the CEO within one month. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs 2 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Paras. 5, 8 & 28]

#### **2.2.5.4.9 Non recovery of repair and maintenance charges due to allotment of residences over and above entitlement – Rs 1.680 million**

According to Government of Punjab, Finance Department letter No. FD (M-1)1-15/82-P-I dated 15.01.2000, repair and maintenance charges at the rate of 5% of pay is required to be made from the allottees of government accommodation and in case of over and above entitlement the recovery @10% of the maximum of scale for which the residence is meant for should be recovered.

SMO RHC Head Rajkan allotted residences to the officials over and above their entitlement but recovery of R & M Charges @ 10% of maximum of Basic Pay was not affected from them in violation of above rule resulting in loss of Rs1.680 million as detailed in **Annexure-F/DHA BWP**.

Due to weak internal controls, recovery of R&M charges @ 10% of maximum of pay scale was not made from the concerned.

Non recovery of R&M for allotment of residences over and above the entitlement resulted in loss of Rs 1.680 million.

The matter was reported to CEO BWP and DDO concerned in October, 2019. DDO did not submit reply.

DAC in its meeting held in January, 2020, directed to take disciplinary action by the CEO for non submission of working paper and non attending DAC meeting. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs of 1.680 million from the concerned besides disciplinary actions against the person(s) at fault.

[AIR Para. 19]

#### **2.2.5.4.10 Irregular maintenance of cash book without signatures of SMO – Rs 1.313 million**

According to Rule 2.2 of PFR-Vol-I “A simple Cash Book in P.F.R. Form-I should be kept in every office receiving or disbursing money on behalf of Government. The Cash Book should be regularly closed and completely checked. In token of the check of the Cash Book, the last entry checked therein should be initialed (with date) by the Government servant concerned on each occasion. At the end of each month the head of the office "should personally verify the cash balance and in words and figures the actual cash balance (exclusive of Imprest and temporary advances).

SMO RHC Head Rajkan incurred expenditure amounting to Rs 1.313 million during 24.09.13 to 03.02.2014 through maintenance of cash book in quite irregular manner. Scrutiny of cash book revealed that there were no signatures of SMO. Furthermore, there were no month end summaries to close the month showing any balance and make comparisons with the bank statement.

Due to weak internal controls, cash book was maintained in irregular manner.

Irregular maintenance of cash book resulted in violation of rules.

The matter was reported to CEO BWP and DDO concerned in October, 2019. DDO did not submit reply.

DAC in its meeting held in January, 2020, directed to take disciplinary action by the CEO for non submission of working paper and non attending DAC meeting. No progress was intimated to Audit till finalization of this Report.

Audit recommends holding inquiry of the matter besides taking disciplinary action against the person(s) at fault.

[AIR Para No. 9]

### 3. District Health Authority Rahim Yar Khan

#### CHAPTER 1

##### Public Financial Management Issues

Regional Directorate Audit District Governments Bahawalpur conducts Financial Attest Audit of the DAO Rahim Yar Khan of Health Department on annual basis.

##### Sectoral Analysis

###### i. Analysis of Financial Resources

To achieve the target as assigned to the PAO by the Government of Punjab Financial resources as given below were made available to CEO DHA during 2018-19.

(Rupees in million)

2018-2019	Budget	Actual	Excess (+) / Laps (-)	Laps (Per Cent)
Non-Development (Salary/Non-Salary)	3,945.114	2,165.017	-1,780.097	-45.122%
Development	400.541	49.369	-351.172	-87.674%
<b>Total</b>	<b>4,345.655</b>	<b>2,214.386</b>	<b>-2,131.269</b>	<b>-49.044%</b>

\*Source: Appropriation Accounts 2018-19

- An amount of Rs.142.841 million was provided for purchase of medicines against which only Rs.91.442 million bills were cleared and Rs.51.421 million (64%) could not be utilized / cleared during 2018-2019.
- An amount of Rs.19.447 million was provided for procurement of machinery and equipment against which an amount of Rs.18.308 million was utilized resulting in lapse of Rs.1.139 million (6%).
- Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 2131.270 million was lapsed due to inefficient management.

##### Analyses of Appropriation Accounts and Financial Statement (Certification Audit 2019-20)

During Certification Audit of DHA Rahim Yar Khan for the Audit Year 2019-20, it was noticed that difference between Financial Statements and Bank Balance remained un-reconciled till close of the financial year. Furthermore, there was difference of budget & expenditure between Appropriation Accounts and SAP data. Further, there was no reporting of Fixed Assets in the Financial Statements.

The Appropriation Account and Financial Statement of DHA Rahim Yar Khan for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authority, Rahim Yar Khan as on 30th June 2019.

The following issues were surfaced during Certification Audit of District Health Authority Rahim Yar Khan.

- Un-reconciled difference between payments and receipts of Financial Statement and Bank Statement - Rs 80.046 million
- Difference of budget and expenditure between appropriation Accounts and SAP Data - Rs 1,269 million
- Non reporting of fixed assets – Rs 9.802 million

#### ii. Analysis of Targets and Achievements

Sectoral analysis of DHA Rahim Yar Khan was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements is given below:

Sr. No.	Description	Target 2018-19	Achievement 2018-19	Remarks
1	OPD	5125075	4584045	Not achieved
2	Served Indoor patients (IPD)		132661	No stipulated targets were set
3	Surgical cases		24761 OPD 3222 Indoor	No stipulated targets were set
4	Total Lab Investigations		171052	No stipulated targets were set
	Total X-Rays		58959	No stipulated targets were set
	Total Ultra Sonographies		128216	No stipulated targets were set

Sr. No.	Description	Target 2018-19	Achievement 2018-19	Remarks
	Total ECGs		21122	No stipulated targets were set
5	Total FP Visits	58751	56858	Not achieved
6	Peads		135964 OPD 13712 Indoor	No stipulated targets were set
7	Operations under GA		545	No stipulated targets were set
	Operations under spinal anesthesia		2217	No stipulated targets were set
	Operations under LA		8529	No stipulated targets were set
	Other Operations		1858	No stipulated targets were set
8	Children received 3rd Pentavalent Vacc.	159048	142105	Not achieved
	Children received 1st measles vaccine	159048	146546	Not achieved
	Children received 2nd measles vaccine	159048	144883	Not achieved
	Pregnant women received TT-2 vaccine	175764	120546	Not achieved
9	Sanctioned Post (Doctors/Specialist)	568	453	Not achieved
10	Gazetted Staff/Technical Staff	918	733	Not achieved
11	Other Staff	2719	2489	Not achieved

### iii. Serious Financial Irregularities and Findings

- Non Production of Record of expenditure amounting to Rs 48.353 million was noticed in 01 case.
- Violation of rules/irregularities amounting to Rs 65.359 million were observed in 09 cases
- Value for money involving amount of Rs 38.889 million was noticed in 0 cases
- Other matter having financial impact of Rs 114.871 million was found in 09 cases

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service, FP visits, EPI vaccination and staffing as intended in the indicators during 2018-19.



## **v. Expectation Analysis and remedial Measures**

### **District Health Authority**

CEO DHA failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose. Furthermore, no targets were set for various indicators against which no analysis was made.

### **Suggestion / Remedial Measures**

- Strengthening the internal control, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities i.e. equipment, doctors in various facilities particularly in primary health care facilities which needs government's attention.
- Doctor's availability is another issue which needs government's attention
- Ensuring utilization of funds of development for improving health facilities in the institutes along with holding the responsible for non-utilization of the same
- Ensuring utilization of funds of non-development for provision of medicines and allied items in the health institutions along with holding the responsible accountable for non/timely utilization of the same.
- Holding responsible the concerned for non-utilization of funds of death grants and non-payment of those to the families of deceased government employees well in time.

- Taking actions for recruitment of all deficient staff including doctors in the health institutions for better provision of health services.

Following observations were surfaced during the audit of financial year 2018-19.

### 3.1.1 AUDIT PARAS

#### 3.1.1.1 Difference of Rs 80.046 million between Financial Statement and Bank Statement

**Risk Categorization: High**

**Observations:**

According to paras 2.2.2.9 & 6.3.4.2 of APPM, the District Accounts Officers are responsible for the accounting functions of the districts and every DAO shall prepare a monthly reconciliation statement for expenditure and receipts.

During Financial Attest Audit on the accounts of District Health Authority (account VI), Rahim Yar Khan for the Financial Year 2018-19, difference was noted in the bank statements and financial statements of District Health Authority (DHA) RYK under the head receipts and payments as detail in table below which need justification. Furthermore, there was no reconciliation on the record. Detail is given below:

(Amount in million)

Authority	Description	As per Statement of Cash Receipts and Payments i.e. Financial Statement for the year 2018-19 (Page No 1)	As per SBD statement for the year 2018-19	Difference
Health	Receipts	2,322.321	2,318.425	3.896
	Payments	2,214.386	2,138.236	76.150
	Closing Balance	259.396	259.396	-
<b>Total</b>		<b>4,796.103</b>	<b>4,716.057</b>	<b>80.046</b>

Furthermore, difference of cash balance between NBP RYK and Statement Bank of Pakistan Karachi was noticed (as reported by the AG Punjab through Letter No. SBD Pb&/CB/HM- dated 26.06.2019). Reasons for this difference were not on the record which needs clear reconciliation. Detail is given below:

(Amount in rupees)

<b>Government</b>	<b>Cash balance as per FS and NBP RYK</b>	<b>Cash balance as per SBP Karachi</b>	<b>Difference</b>
Health	259,396,407	259,412,331	15,924

***Implications:***

- No clear picture of data of financial statement.
- Incorrect calculation and reporting in Financial Statement.
- Chances of errors and fraud could not be ruled out.

***Management response:***

The actual cash balance on 30.06.2019 was 259,396,407 which is verified by the NBP & CEO health. The said amount was also indicated in the Financial Statement and there is no difference in the Financial Statement and Bank Statement.

***Recommendations:***

Audit recommends Bank statements be reconciled and accurate balances be reported in the financial statements.

**3.1.1.2 Difference of Rs 1,269 million between Appropriation Account and SAP Data**

***Risk Categorization: High***

***Observations***

According to Section 2.1.6.3 of Chapter 2 of Financial Reporting Manual, the budget figures will be the aggregate budget at the disposal of the Division/Department (i.e. total of all grants available to DDO's within that District, or Division/Department in the case of SE's) and will be reflect the activity profile in the case of revenue expenditure. The figures will not be further analyzed to each separate grant (grant wise analysis will be possible through the "Grant -Expenditure Analysis" Statement in the Consolidated Accounts).

According to Para 6 (e)(j)(k)(l) of Punjab District Authorities (Budget) Rules, 2017 Budget and Accounts Officer is responsible to communicate grants, through SAP-

R/3, to drawing and disbursing officers and institutions of the District Authority; to monitor the receipts and expenditure of the District Authority and institutions through System SAP R/3 and to maintain schedule of establishment of the District Authority, offices and institutions.

During Financial Attest Audit on the accounts of District Health Authority (account VI), Rahim Yar Khan for the Financial Year 2018-19, it was observed that District Accounts Officer RYK did not monitor the budget and expenditure of DHA during 2018-19. Audit observed that no proper reconciliation of figures was made as budget and expenditure reflected in SAP R/3 system and Appropriation Accounts of DHA mismatched. Necessary detail is given below:

<b>(Rupees in million)</b>			
<b>Particulars</b>	<b>As per Appropriation Accounts</b>	<b>As per SAP System Data (BER)</b>	<b>Difference</b>
Original Allocation	3,684.226	3,684.226	-
Supplementary Grant	661.430	661.430	-
Revised Budget / Final Grant	4,345.656	3,088.253	1,257.400
Actual Expenditure	2,214.386	2,202.785	11.600
	<b>Total</b>		<b>1,269.00</b>

***Implications***

Difference in figure of grant recorded in SAP data and Appropriation Accounts may resulted in wrong presentation of accounts.

***Management response:***

Budget & accounts officer of Health Authority is responsible to monitor budget & expenditure to remains within allocation of budget vide Punjab District Authorities (Budget) rules 2017 section 6 (j) & Punjab District Authorities (Accounts) rules 2017 section 12 (ii). Furthermore, CEO District Health Authority was timely requested to correct any mis-classification/negative balances in the SAP system and reconcile the same with office of the undersigned vide this office letter No. DAO/RYK/TRY/843 dated 19.06.2019.

***Recommendations:***

Audit recommends matter be investigated for preparation of correct Appropriation Accounts to avoid such lapses in future.

**3.1.1.3 Incorrect Reporting of Assets – 9.802 million**

***Risk Categorization: High***

***Observations:***

According to Section 13.4.1.1 of the APPM, the categories of assets shall include land & building, civil works, plant & machinery, vehicles, furniture & fixtures, office equipment and computer equipment. Further according to Section 13.4.5.2 of the ibid, all DAOs shall prepare a fixed asset report from the fixed asset account on quarterly basis. Furthermore, according to Section 13.4.5.4 of ibid, the AG shall consolidate the above information for including in the annual accounts.

District Accounts Officer, Rahim Yar Khan made payments amounting to Rs 9.802 million for procurement of assets (A09-Rs 9.802 million) by the District Health Authority during 2018-19. Contrary to the above referred Principle, the expenditure was not included in statement of Capital Expenditure and the asset side of Balance Sheet.

***Implications:***

Non-reporting of Fixed Assets resulted in violation of above mentioned rule of APPM.

***Management response:***

DDO wise list on quarterly basis is maintained in the light of para 13.4.5.1 of APPM. Further, similar observations have already been settled on 19.05.2015 for the audit year 2011-2012 & 2012-2013.

***Recommendations:***

Audit recommends justification besides reporting of Fixed Assets in Balance Sheet.

## CHAPTER 2

### DHA RAHIM YAR KHAN

#### 3.2.1 Introduction of the Authority

District Health Authority, Rahim Yar Khan was established on 01.01.2017 under Punjab Local Government Act 2013. DHA, Rahim Yar Khan 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 or be sued in its name.

CEO is the Principal Accounting Officer of the District Health Authority and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DHA Group of Offices is carried out in accordance with the laws and to coordinate the activities of the group of offices for coherent planning, development, effective and efficient functioning of District Administration.

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited F.Y 2018-19	Revenue / Receipts audited F.Y 2018-19
1	Formations	23	07	378.690	-
2	Assignments Accounts	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	01	01	378.690	-
4	Foreign Aided Projects (FAP)	-	-	-	-

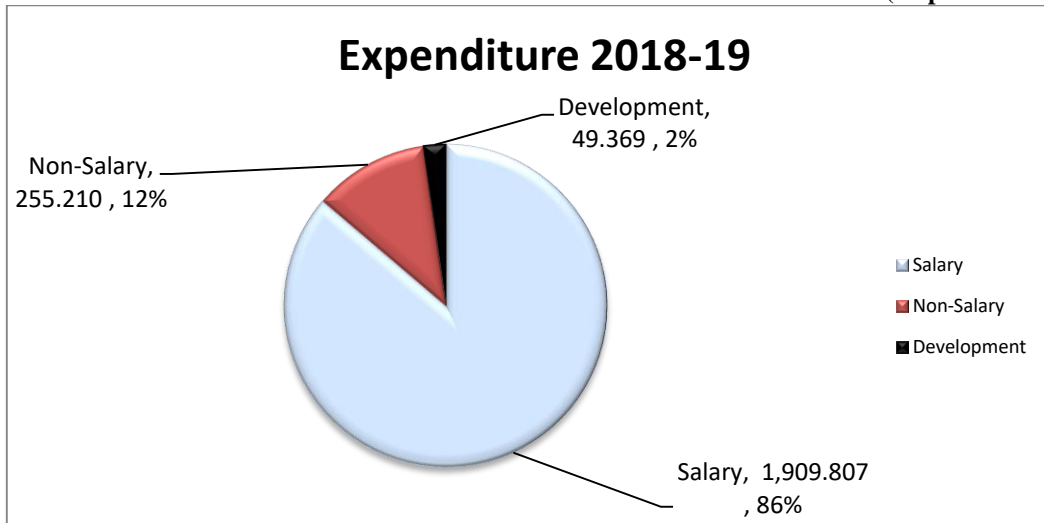
### 3.2.2 Comments on Budget and Accounts (Variance analysis)

The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

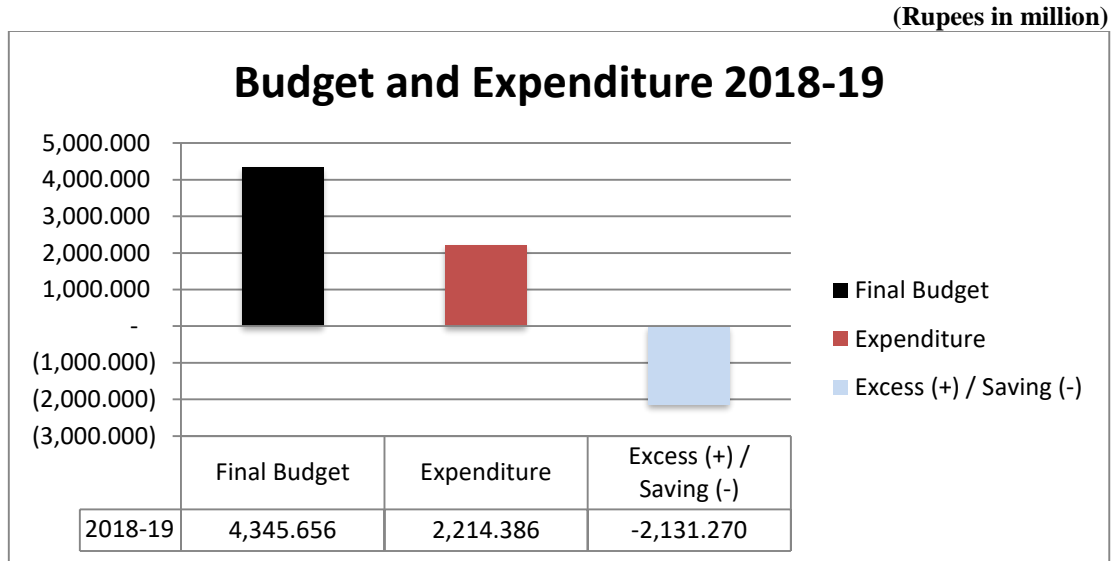
2018-19	Budget	Actual	Excess (+)	% (Lapse)
			/ Lapse (-)	
Salary	2,648.008	1,909.807	-738.201	-27.88%
Non-Salary	1,297.106	255.210	-1,041.896	-80.32%
Development	400.541	49.369	-351.172	-87.67%
<b>Total</b>	<b>4,345.656</b>	<b>2,214.386</b>	<b>-2,131.270</b>	<b>-49.04%</b>
Receipts	-	-		

(Rupees in million)



As per the Appropriation Accounts 2018-19 of the District Health Authority, Rahim Yar Khan, total final budget (Development & Non-Development) was Rs 4,345.656 million. Against the final budget, total expenditure of Rs 2,214.386 million was incurred by the District Health Authority during 2018-19. A lapse of Rs 2,131.270

million came to the notice of Audit due to inefficient financial management in release of budget by Additional Deputy Commissioner (F&P). No plausible explanation was provided by PAO and management of the District Health Authority (**Annexure-B**).



### 3.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 267.472 million were raised as a result of this audit. This amount also includes recoverable amount of Rs 137.712 million. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount (Rs.) <sup>4</sup>
1	Non Production of record	48.353
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	34.558
B	Procurement related irregularities	30.801
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	38.889
5	Others	114.871



### **3.2.4 Comments on the Status of Compliance with PAC directives**

The Audit Reports pertaining to following year were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee so far.

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	13	PAC not constituted
2	2018-19	24	PAC not constituted

### 3.2.5 AUDIT PARAS

#### 3.2.5.1 Non Production of Record

##### 3.2.5.1.1 Non production / maintenance of record – Rs 48.353 million

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts.

Various DDOs under jurisdiction of CEO (DHA) RYK neither maintained nor produced record despite repeated requests under different objects / codes of classification amounting to Rs 48.353 million during 2018-19. Detail is given below:

(Rupees in million)			
Sr. No.	DDOs	Description	Amount
1	CEO(DHA) RYK	Service records, Tour programs, History Sheet Registers, Unserviceable Stock etc.	-
		Cash Book of DHA	-
2	DHO RYK	Service Record, General duty, Health Council and auction record etc.	-
3	ZHO RYK	Arrear Bills of pay & allowances	3.432
		Cash Book, Log book, Stock Registers, History Sheet Registers, Vouched Accounts and TA/DA etc.	2.950
4	MS THQ hospital Sadiq Abad	Arrear Bills of pay & allowances	10.658
		Health Council, unserviceable stock and auction record etc.	0
5	MS THQ hospital Khan Pur	Arrear Bills of pay & allowances	7.600
		TA/DA	0.168
6	SMO RHC Kot Samaba	Arrear Bills of pay & allowances	2.131
		Budget & Expenditure, log books, history sheet registers, Vouched accounts, health council record etc.	-
7	SMO RHC Manthar	Arrear Bills of pay & allowances	3.537
		Vouched accounts,	17.877
<b>Total</b>			<b>48.353</b>

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non production of record created doubts regarding legitimacy of expenditure incurred for Rs 48.353 million.

The matter was reported to CEO RYK and the concerned DDOs in August & September, 2019. CEO (DHA) RYK, MS THQ Hospital Sadiq Abad and SMO RHC Kot Samaba replied that all record was already available for verification. DHO RYK did not submit reply. ZHO RYK, MS THQ KPR and SMO RHC Manthar replied that drawls were correct and related to current year against newly appointed doctors and class-IV. Replies were not tenable as relevant record was neither produced at the time of audit nor at the time of verification.

DAC in its meeting held in December 2019, directed to get the relevant record verified from audit within a week. No further progress was intimated till finalization of this Report.

Audit recommends that desired record be produced for verification at the earliest and necessary action be initiated against the person(s) at fault.

[AIR Paras. 23, 20, 23, 6, 17, 19, 25, 31, 36, 5, 20, 3, & 31]

### 3.2.5.2 Irregularities

#### 3.2.5.2.1 Irregular expenditure due to non-compliance of PPRA Rules – Rs 13.788 million

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2009 and the Punjab Procurement Rules 2014, procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA's website. Procurement opportunities over Rs 100,000 and upto Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Following DDOs working under the administrative control of CEO (DHA) RYK incurred expenditure of Rs 13.788 million on purchase of medicine, stationery and different store items. Annual requirement of procurement opportunities was neither determined nor planned procurements were advertised on PPRA's website to achieve benefits of competitive bidding. Moreover, the indents were split-up to avoid fair tendering process. Detail is given below:

**(Rupees in million)**

Sr. No.	DDOs	Description	Amount
1	CEO (DHA) RYK	Misc. Store Items	1.397
2	DHO RYK	Stationery	0.347
3	ZHO RYK	Stationery & Misc. Store Items	4.321
4	MS THQ Hospital Khan Pur	Misc. Store Items	0.622
5	SMO RHC Kot Samaba	Printing, Bedding & Clothing etc.	2.364
6	SMO RHC Manthar	X-Rays film and misc. store items	3.562
		Consumable store items	1.175
<b>Total</b>			<b>13.788</b>

Due to financial indiscipline, purchases were made without observing PPRA rules.

Non observance of PPRA rules resulted in irregular expenditure amounting to Rs 13.788 million.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. CEO (DHA) RYK replied that all purchases were made after tendering process. DHO RYK did not submit reply. ZHO RYK replied that department was receiving budget on quarterly basis and all purchases were made on need basis according to the demand. MS THQ hospital Khan Pur replied that PPRA rules were followed and items were purchased either on single quotation or three quotations and same were provided on emergency basis. SMO RHC Kot Samaba and SMO RHC Manthar replied that no irregularity committed for local purchase of different logistics on need basis. Replies were not tenable as PPRA rules were not followed.

DAC in its meeting held in December 2019, directed to get the expenditure regularized from the competent authority within a month. No further progress was intimated till finalization of this Report.

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

[AIR Paras. 1, 1, 10, 18, 6, 26 & 28]

### **3.2.5.2.2 Irregular expenditure on pay and allowances due to shifting of Headquarter – Rs 13.785 million**

According to the Government of Punjab Finance Department Notification No. FD/SRIV-8-1/76(PROV) dated 16.03.1988, shifting of Headquarter of a civil servant for the period exceeding three months can only be allowed with the prior approval of the Finance Department as all posts are created by the Finance Department after full justification given by the Departments. If the incumbent of the post is working at a place other than his place of posting it means that there is no need of such post. The proper way is that the Finance department may be approached for creation of posts at required station by abolishing the corresponding post.

Nine (09) employees working under control of following three (03) DDOs were posted temporarily for the period of more than three months in violation of above rules. DDOs neither cancelled their orders of temporary duty nor approval of

the Finance Department was obtained in this regard and they were allowed to draw pay without performing duties of the posts. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>No. of employees</b>	<b>Amount</b>
1	ZHO RYK	1	8.014
2	MS THQ Hospital Khan Pur	3	1.421
3	SMO RHC Manthar	5	4.350
<b>Total</b>		<b>9</b>	<b>13.785</b>

Due to weak managerial controls, temporary posting of employees for more than three months was made without approval of the Finance Department.

General / temporary duties without approval of Finance Department resulted in irregular expenditure amounting to Rs 13.785 million.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. ZHO RYK replied that ratio of patients at Rural Dispensary Nehal Khan was very low, so in emergency situation services of personnel of RHC Ahmad Pur Lamma were borrowed in the best interest of needy patients. MS THQ hospital Khan Pur replied that letter was served to CEO (DHA) RYK for regularization and progress would be shown later on. SMO RHC Manthar disagreed with audit observation in his reply. Replies were not tenable as relevant rule was not followed.

DAC in its meeting held in December 2019, directed to get the expenditure regularized from the competent authority besides posting of incumbent at his original place of posting within a month. No further progress was intimated till finalization of this Report.

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

[AIR Paras. 8, 3 & 2]

### 3.2.5.2.3 Defective method of procurement of LP medicine and consumption thereof - Rs 11.118 million

According to Government of the Punjab, Primary & Secondary Healthcare Department notification No.PSHD-TC0-1 (M) 6-14/2017 dated 16.12.2017, in order to ensure transparency, a local on line purchase portal has been designed with various features and requirements as total allocated budget for medicines for local purchase, budget consumed and budget remaining, a password and login will be issued to In-charge pharmacist/ medical superintendent / consultant for data entry on local purchase portal and locally purchased items will be posted on portal on daily basis. Purchase order may be emailed to the LP supplier through LP portal. Contractor will submit invoice/bill with supply on daily basis. The tender should be awarded to the contractor as per Punjab Procurement Rules, 2014 offering maximum discount on medicines of multinational manufacturers, local manufacturers and for surgical/disposable items. Further, a formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic.

Following DDOs working under the administrative control of CEO (DHA) DHA RYK incurred expenditure amounting to Rs 11.118 million on local purchase of medicines beyond the approved formulary of P&SHD. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Period</b>	<b>Amount</b>
1	MS THQ Hospital Sadiq Abad	2018-19	4.129
2	MS THQ Hospital Khan Pur	2017-19	5.216
3	SMO RHC Manthar	2007-19	1.773
<b>Total</b>			<b>11.118</b>

Due to weak monitoring controls, the medicines were purchased and consumed in irregular manner.

Irregular purchase and consumption of medicines resulted in violation of rules as well as doubtful consumption of the same.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. MS THQ Hospital Sadiq Abad replied that efforts were made in the best interest of patients. MS THQ Hospital Khan Pur replied that available budget for local purchase was consumed for medicine. SMO RHC Manthar replied that local purchase of medicine was made according to LP guideline. Replies were not tenable as LP guidelines were not followed and no record was produced for verification.

DAC in its meeting held in December 2019, directed to get the relevant record verified from audit within a week. No further progress was intimated till finalization of this Report.

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

[AIR Paras: 11, 27 & 19]

#### **3.2.5.2.4 Irregular payment of incentive allowance to the doctors – Rs 10.637 million**

According to the Government of Punjab Health Department letter No.SO (B&A)3-28/2015 dated 29-05-2016, Specialists posted at DHQ Hospital Bahawalnagar have been allowed incentive allowance @ Rs 55,000 per month. Moreover, as per instructions of Govt. of the Punjab Health Department Primary and Secondary Health Care Department, 40 per cent of the existing allowance shall be paid subject to the conduct of evening rounds in hospitals. The consultants shall checkout from morning shift through Bio Metric attendance system after 02:00 pm and shall check in again after 05:00 pm. The consultant shall remain in hospital at least for one hour and shall conclude the round by checking out again. Their attendance and evening round timings shall be strictly monitored through biometric attendance system.

Two (02) DDOs working under the administrative control of CEO DHA RYK made payment of Incentive Allowance to twenty nine (29) consultant doctors without ensuring their attendance through biometric attendance system. Furthermore,



40% of the allowance amounting to Rs 10.637 million was not recovered from their salaries violation of above rule. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>Period</b>	<b>No. of employees</b>	<b>Amount of Incentive Allowance @ 40%</b>
1	MS THQ Hospital Sadiq Abad	2018-19	18	6.340
2	MS THQ Hospital Khan Pur	2018-19	11	4.297
<b>Total</b>			<b>29</b>	<b>10.637</b>

Due to weak administrative controls, incentive allowance was paid to the doctors without attending hospitals in evening.

Non deduction of 40 per cent incentive allowance resulted in irregular payment of Rs 10.637 million.

The matter was reported to CEO RYK and DDOs concerned in September, 2019. MS THQ Hospital Sadiq Abad replied that doctors were intimated to remain on call. MS THQ Hospital Khan Pur replied that this office requested the concerned doctors to deposit the recovery. Reply was not tenable as no record in support of reply was produced.

DAC in its meeting held in December 2019, directed to get the relevant record verified or make recovery within a week. No further progress was intimated till finalization of this Report.

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

[AIR Paras: 6 & 10]

### **3.2.5.2.5 Irregular drawl of arrears without provision of additional Budget - Rs 6.069 million**

According to Rule 2.27 of PFR Vol-I, no payment of pay and allowances be made on account of arrear of pay and allowances until additional budget hereby caused has been duly sanctioned and provided in the budget estimates.

CEO (DHA) RYK and two (02) DDOs working under the administrative control made payment amounting to Rs 6.069 million on account of arrears of pay and allowances without obtaining additional budget in violation of above rule. Detail is given below:

(Rupees in million)			
Sr. No.	DDOs	Description	Amount
1	CEO (DHA) RYK	Arrears of pay & allowances	1.498
2	DHO RYK		2.122
3	MS THQ Hospital Sadiq Abad		2.449
<b>Total</b>			<b>6.069</b>

Due to financial indiscipline, arrear bills were drawn without availability of additional budget.

Drawl of arrear bills without availability of additional budget resulted in irregular payments.

The matter was reported to CEO (DHA) RYK and DDOs concerned in August and September, 2019. CEO (DHA) RYK and MS THQ hospital Sadiq Abad replied that arrears were paid without additional budget as funds were available. DHO RYK did not submit reply. Replies were not tenable as additional budget was required to clear pending liabilities in current financial year.

DAC in its meeting held in December 2019, directed to get the relevant record verified within a week or to get the expenditure regularized from the competent authority within a month. No further progress was intimated till finalization of this Report.

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

[AIR Paras.13, 13 & 18]

### **3.2.5.2.6 Withdrawal of funds without pre-audit - Rs 4.255 million**

According to Para No. 5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund

and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe.

MS THQ hospital Khan Pur incurred expenditure of Rs 4.255 million from Health Council Accounts without pre-audit in violation of above rules.

Due to weak financial controls, funds were drawn without pre-audit.

Drawl of funds without pre-audit resulted in irregular expenditure.

The matter was reported to CEO (DHA) RYK and DDO concerned in September, 2019. DDO replied that no directions were communicated from apex office to pre audit the expenditure. Reply was not tenable as rules were violated.

DAC in its meeting held in December 2019, directed to refer the matter to the Finance Department to seek clarification regarding pre-audit of health council within a month. No further progress was intimated till finalization of this Report.

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

[AIR Para. 22]

### **3.2.5.2.7 Expenditure on irregular adjustment of doctors - Rs 2.931 million**

According to appointments orders No. SO (WMO) 20/Aug-2018 (Adhoc) dated 04.09.2018 issued by the Government of the Punjab Primary & Secondary Health Care Department Lahore “the doctors are hereby appointed MO/WMOs on adhoc basis for a period of one year with immediate effect against an existence vacancy or till the availability of regular incumbent through Punjab Public Service Commission”.

MS THQ hospital Khan Pur made payment of Rs 2.931 million to six (06) doctors appointed as MO (BS -17) and adjusted against the post of SMO/SWMO in BS-18 despite having vacant posts. Appointment of doctors was made on adhoc basis and could be removed on arrival of regular incumbents.

Due to financial indiscipline, adjustment of doctors was made on the posts of SMO/SWMOs despite having vacant posts of MO/WMOs.

Adjustment of doctors on the posts of SMO/SWMOs despite having vacant posts of MO/WMOs resulted in irregular payment of salaries.

The matter was reported to CEO (DHA) RYK and DDO concerned in September, 2019. DDO replied that these appointments were made by the competent authority. Reply was not tenable as adjustment of adhoc doctors was not allowed against the regular posts.

DAC in its meeting held in December 2019, directed to refer the matter to the Finance Department to seek clarification regarding posting of Adhoc doctors against higher posts within a month. No further progress was intimated till finalization of this Report.

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

[AIR Para. 30]

### **3.2.5.2.8 Irregular expenditure due to purchase of medicine in violation of local purchase policy – Rs 1.640 million**

According to letter No.SO(EP&C)3-5/2016, dated 26<sup>th</sup> October 2017 the Secretary Government of the Punjab Primary & Secondary Healthcare Department Lahore issued directions that the against the funds bulk purchase Medicine (75%) will be provided through Central Purchase and the funds for local purchase (15%) Natural Calamities (10%) will be allocated by concerned District Health Authorities out of its own resources. The distribution of budget of Medicine & Surgical disposable items for the year 2017-18 for all THQs of Primary and secondary Healthcare Department of Punjab as under for strict compliance.

MS THQ hospital Khan Pur incurred expenditure of Rs 5.239 million on locally purchased medicines out of total budget of Rs 24 million. DDO did not keep

budget of Rs 3.6 million @ 15% of total budget of medicine for local purchase which resulted excess expenditure of Rs 1.640 million in violation of above rule. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>Total Budget</b>	<b>Amount</b>	<b>15% for LP</b>
1	MSD	24.000	3.600
<b>Total Expenditure of LP</b>			<b>5.240</b>
<b>Over Expenditure of LP</b>			<b>1.640</b>

Excess expenditure of Rs. 1.640 million was incurred on LP medicines due to non observing prescribed policy.

Consumption of budget in violation of policy resulted in irregular expenditure.

The matter was reported to CEO (DHA) RYK and DDO concerned in September, 2019. DDO replied that DHA RYK delayed tendering of bulk purchase that was why LP medicine was procured in excess for the patients. Reply was not tenable as record in support of reply was not produced during verification.

DAC in its meeting held in December 2019, directed to get the matter regularized from the competent authority within a month. No further progress was intimated till finalization of this Report.

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

[AIR Para. 33]

### **3.2.5.2.9 Irregular appointment of daily wages / contingent paid staff – Rs 1.136 million**

According to Para 3 of Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, it has also come to the notice of the Department that the Local Governments in Punjab are appointing the work charge / daily wages employees without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

Therefore, it has been decided that in future no work charge / daily wages employee will be appointed without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

MS THQ hospital Sadiq Abad made payment of Rs 1.136 million on account of salaries of daily wages / contingent paid staff during 2018-19 without advertisement. For appointments of those employees minutes of Departmental Selection Committee (DSC) and allied record was not available.

Audit is of the view that appointment of contingent paid staff was made without observing the prescribed rules.

Appointment of contingent paid staff without observing prescribed rules resulted in irregular expenditure of Rs 1.136 million.

The matter was reported to CEO (DHA) RYK and DDO concerned in September, 2019. DDO replied that all formalities were fulfilled and entire record was available for verification. Reply was not tenable as neither record was produced at the time of audit nor at the time of verification.

DAC in its meeting held in December 2019, directed to get the expenditure regularized from the competent authority within a month. No further progress was intimated till finalization of this Report.

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

[AIR Para. 21]

### **3.2.5.3 Value for money and service delivery issues**

#### **3.2.5.3.1 Loss due to non allotment of designated residences – Rs 14.644 million**

According to Para 6 of the Government of the Punjab Finance Department letter No.FD(M-1)-15/82-P-1 dated 15.01.2000, in case of designated residence, the officer/official for which the residence is meant for cannot draw house rent

allowance and will have to pay 5% of house rent even if he does not avail the facility. Moreover, according to para No. 4 of clarification issued by Government of the Punjab Finance Department letter No. FD.S.R-I 9-4/86 (P) PR dated 04.12.12, the employees who were residing in the residential colonies situated within work premises were not entitled to the facility of Conveyance Allowance”.

Various DDOs working under the jurisdiction of CEO (DHA) RYK did not allot designated residences to the concerned employees resulting in loss of Rs 14.644 million. Residences were lying vacant and were being deteriorated with the passage of time. Detail is given below:

(Rupees in million)				
Sr. No.	DDOs	No. of Employees	Period	Amount
1	MS THQ Hospital Sadiq Abad	39	2018-19	0.673
2	MS THQ Hospital Khan Pur	20	2017-19	0.673
3	SMO RHC Manthar	16	2007-19	8.480
4	SMO RHC Kot Samaba	13	2009-19	4.818
<b>Total</b>				<b>14.644</b>

Due to weak administrative controls, designated residences were kept vacant.

Non allotment of designated residences resulted in non deduction of allowances and deterioration of costly buildings.

The matter was reported to CEO (DHA) RYK and DDOs concerned in August and September, 2019. MS THQ hospital Sadiq Abad, MS THQ hospital Khan Pur, SMO RHC Kot Samaba and SMO RHC Manthar replied that all stated residences were dangerous and not residable. Reply of the department was not tenable as no certificate of building department was produced in support of replies.

DAC in its meeting held in December 2019, directed to inquire the matter and submit report alongwith complete documentary evidences within 15 days. No further progress was intimated till finalization of this Report.

Audit recommends recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Paras: 5, 13, 15 & 13]

### **3.2.5.3.2 Non rotation of duties of consultants / specialists – Rs 8.859 million**

According to government of the Punjab Primary & Secondary Healthcare Department Lahore order no. SO (H&D) 7-1/2017, dated 30.01.2017, duties of the Consultant / Specialist Cadre at DHQs / THQs hospitals of the Punjab, was defined / outlined as under, in order to discourage the practice of on-call duty:

- i) In case of three (03) or more Consultant / Specialist, they will perform duty in three equal shifts on rotation basis (Morning + Evening +Night).
- ii) In case of two (02) Consultants / Specialists, they will perform duty in Morning & Evening shift on rotation basis. In case of any emergency at night shift, the Consultant / Specialist performing day duty shall be available on call.
- iii) In case of one (01) Consultant / Specials, he will perform his duty at Morning shift (however, he shall be available on-call to meet any emergency).

M.S. THQ Hospital Sadiq Abad assigned duties to various consultants without rotations. The record showed duties were assigned in evening & night shifts of the consultants/specialists as all were working in morning shift in violation of above rules and spirit of above notification was wasted.

Due to malafide intention and undue favor, duties of specialists / consultants were not rotated.

Non rotation of duties of consultants / specialist violated instruction of the department and resulted in unjustified payment of pay & allowances.

The matter was reported to CEO RYK and DDO concerned in September, 2019. DDO replied that all doctors remained on call during second and third shifts. Reply of the department was not tenable as relevant record in support of reply was not produced.



DAC in its meeting held in December 2019, directed to get the irregularity condoned from the competent authority within a month. No further progress was intimated till finalization of this Report.

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

[AIR Para: 22]

### **3.2.5.3.3 Loss due to theft of electricity from hospital connection – Rs 8.660 million**

According to Rule 2.33 of Punjab Financial Rules 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.

Following DDOs working under the administrative control of CEO RYK allowed the resident officers / officials to use electricity of hospital amounting to Rs 8.660 million for their residences since 2007. Audit physically inspected residences and found that all residents were using electricity meter of the hospital instead of having their own connections. Detail is given below:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>DDOs</b>	<b>No. of Employees</b>	<b>Period</b>	<b>Amount</b>
1	SMO RHC Manthar	20	2007-19	7.910
2	SMO RHC Kot Samaba	02	2009-19	0.750
<b>Total</b>				<b>8.660</b>

Due to wilful negligence, electricity theft was occurred.

Theft of electricity resulted in loss of Rs 8.660 million.

The matter was reported to CEO RYK and DDOs concerned in September, 2019. DDOs disagreed with the objection in their replies. Reply of the department was not tenable as only a few meters were installed at residences from 2015 but residences were allotted since 2001. Reply was not tenable as dully signed inspection report was taken at the time of audit.

DAC in its meeting held in December 2019, directed to inquire the matter and submit report alongwith complete documentary evidence within 15 days. No further progress was intimated till finalization of this Report.

Audit recommends inquire / recovery of Rs 8.660 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Paras. 10 & 21]

#### **3.2.5.3.4 Unauthorized / illegal occupation of government residences – Rs 2.592 million**

According to Government of the Punjab Finance Department letter No. SO (W) MISC-93 dated 05.11.1993, if the Government residence is not vacated within two months from the date of transfer, the penal rent @ 60% of pay should be charged in order to discourage un-authorized occupants of Government residential buildings.

Senior Medical Officer RHC Manthar did not take action against unauthorized occupation of 10 residences by outsiders and retired employees.

Due to weak administrative controls no action was taken against unauthorized occupants of government residences.

Un-authorized occupations of government residences resulted in loss.

The matter was reported to CEO RYK and DDO concerned in September, 2019. SMO RHC Manthar replied ambiguously and disagreed with audit observation. Reply of the department was not tenable as no solid proof was provided regarding occupancy of designated residences.

DAC in its meeting held in December 2019, directed to inquire the matter and submit report alongwith complete documentary evidences within 15 days. No further progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter besides fixing responsibility on the persons at fault along with recovery of collected amount and vacation of the residences at earliest.

[AIR Para: 14]

### **3.2.5.3.5 Doubtful expenditure due to non consumption / distribution of stock – Rs 1.535 million**

According to Rule 15.1 of PFR Vol-1 lays down that the departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct record and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody. Moreover, Rule 15.4(a) of PFR Vol-1, stipulates that all materials received should be examined, counted, measured and weighed as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant. Further, according to rule 15.5 of the PFR Vol-1, stores only may be issued against indents on form 26 duly signed by authorized person.

ZHO Rahim Yar Khan incurred expenditure of Rs 1.535 million on purchase of different items in doubtful manner during 2017-19. The record showed that only record entry was made in the relevant stock register but no issuance and consumption record was on record. **Annexure-C/DHA RYK**

Due to weak internal controls, disbursement of stock was not recorded in the relevant stock register.

Non issuance and non availability of items may lead to the doubts of misappropriation.

The matter was reported to CEO RYK and DDO concerned in October, 2019. DDO replied that all consumption entries were available in the stock registers. Reply was not tenable as relevant record in support of reply i.e. indents, issuance, stock register of concerned dispensaries etc. was not provided.

DAC in its meeting held in December 2019, directed to get the relevant record verified from audit within a week. No further progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter at appropriate level besides fixing responsibility on the person(s) at fault.

[AIR Para. 12]

### **3.2.5.3.6 Unjustified expenditure on various items – Rs 1.526 million**

According to Rule 2.33 of the 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 through fraud or negligence on his part.”

SMO RHC Manthar incurred expenditure of Rs 1.526 million on account of repair for different items in unjustified manner. Log Books and requisitions were not produced to reconcile the tours as per dates. **Annexure-D/DHA RYK**

Due to weak internal control and negligence of the department unjustified drawl of Rs 1.526 million was made.

Unjustified drawl of bills resulted in loss of Rs 1.526 million.

The matter was reported to CEO RYK and DDO concerned in September, 2019. SMO RHC Manthar replied that all purchases were vetted by DDO and entered in relevant stock registers. Reply of the department was not tenable as no solid evidences were provided in support of reply.

DAC in its meeting held in December 2019, directed to get the relevant record verified from audit within a week. No further progress was intimated till finalization of this Report.

Audit recommends that the matter be probed into at an appropriate level and any loss to Government be made good through recovery from the responsible person.

[AIR Para. 29]

### **3.2.5.3.7 Purchase of POL from unregistered Pump – Rs 1.073 million**

According to Rule 2.33 of Punjab Financial Rules Vol-1, 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. Rule 60 (i) and 61(i) of the Punjab District Governments & TMAs Budget Rules 2003 stipulate that, “Each local government shall efficiently and effectively manage the resources made available to the local government and the Heads of Offices shall be

responsible for controlling and managing expenditure from the Grants placed at their disposal.

SMO RHC Manthar purchased POL of Rs 1.073 million from M/S Mantahr Petroleum Services (PSO) which was not registered. Loss in shape of excess rates may be calculated at departmental level on the basis of other nearest pumps as no record of said petrol pump is available at OGRA website.

Due to weak internal control and negligence of the department, POL was purchased from unregistered petrol pump.

Making purchases from unregistered petrol pump resulted in irregular expenditure at higher rates than the rates fixed by OGRA.

The matter was reported to CEO RYK and DDO concerned in September, 2019. SMO RHC Manthar replied that petrol pump was registered and rate charged as per OGRA rates. Reply of the department was not tenable as the said pump was not available in the list of OGRA web site.

DAC in its meeting held in December 2019, directed to get the relevant record verified from audit within a week. No further progress was intimated till finalization of this Report.

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

[AIR Para. 30]

### 3.2.5.4 Others

#### 3.2.5.4.1 Non-recovery of CA/HRA on allotment of government residences – Rs 46.584 million

According to Government of the Punjab Finance Department (Monitoring Wing) notification No.FD(M.I) 1-15/82-P-J dated 15.01.2000, in case of designated residence the officer / official for which residence is meant cannot draw house rent allowance. He will have to pay 5% maintenance charges even if he does not avail the facility and residence remains vacant during the period. Moreover, according to para No. 4 of clarification issued by Government of the Punjab Finance Department letter No.FD.S.R-I 9-4/86 (P) PR dated 04.12.12, the employees who were residing in the residential colonies situated within work premises were not entitled to the facility of "Conveyance Allowance". Furthermore, according to clarification issued by Government of the Punjab, Finance Department letter No. FD.SR 1.9.4/66(P) (PR) dated 21.04.2013, Conveyance allowance was not admissible to any officer who was availing the facility of official vehicle either sanctioned or pool w.e.f. 01.03.2014.

Five (05) DDOs working under the administrative control of CEO (DHA) RYK allowed payment of Rs 46.584 million to 812 employees during 2018-19 on account of HRA and CA despite the fact that all posts had designated residences in the health facilities and such allowances were not admissible. Detail is given below:

(Rupees in million)					
Sr. No.	DDOs	No. of Employees	CA	HRA	Total
1	DHO RYK	612	21.028	17.561	38.589
2	ZHO RYK	163	2.948	0	2.948
3	THQ Hospital Khan Pur	15	0	0	0.990
4	RHC Kot Samaba	18	1.086	0.516	1.602
5	RHC Manthar	4	1.637	0.818	2.455
<b>Total</b>		<b>812</b>	<b>26.699</b>	<b>18.895</b>	<b>46.584</b>

Due to weak administrative controls, inadmissible allowances were paid despite having official residences.

Payment of inadmissible allowances despite having official residences resulted in loss of Rs 46.584 million.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. DHO RYK did not submit reply. ZHO RYK replied that the matter was pending due to stay orders of Lahore High Court Bahawalpur Bench Bahawalpur. MS THQ Hospital Khan Pur and SMO RHC Manthar and SMO RHC Kot Samaba replied that recovery process was in progress. Replies of the department were not tenable as relevant record was not produced.

DAC in its meeting held in December 2019, directed to get the relevant record verified from audit or recovery from concerned within a week. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 46.584 million from concerned besides fixing responsibility on the person(s) at fault.

[AIR Paras. 20, 3, 12, 14 & 16]

#### **3.2.5.4.2 Loss due to non recovery of penal rent from unauthorized occupants of Government residences – Rs 30.355 million**

According to the Government of the Punjab, Finance Department letter No. FD (M.1)1-15/82-P-1 dated 15.01.2000 and House Allotment Policy at District level, penal rent @ 60% of basic pay shall be charged from unauthorized and illegal occupants of Government residences.

Two (2) DDOs working under the administrative control of CEO (DHA) RYK did not vacate the residences from twenty one (21) illegal occupants. Further, penal rent of Rs 30.355 million was not got recovered on account of illegal retention. Detail is given below:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>DDOs</b>	<b>No. of Persons</b>	<b>Period</b>	<b>Amount</b>
1	MS THQ Hospital Khan Pur	05	2017-19	0.720
2	SMO RHC Manthar	16	2007-19	29.635
<b>Total</b>		<b>21</b>		<b>30.355</b>

Due to weak internal controls, penal rent was not recovered from unauthorized occupants of the government residences.

Non recovery of penal rent resulted in loss to the government exchequer amounting to Rs 30.355 million.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. MS THQ Hospital Khan Pur and SMO RHC Manthar replied that notices were issued to residents for vacation but no progress was shown.

DAC in its meeting held in December 2019, directed to recover the amount from the employees concerned besides vacation of residences from un-authorized occupants and allotment of those to the staff concerned within 15 days. No progress was intimated to Audit till finalization of this Report.

Audit recommends to effect recovery besides initiating disciplinary action against the person(s) at fault.

[AIR Paras. 16 & 13]

#### **3.2.5.4.3 Un-authorized drawl of inadmissible allowances by the LCS Doctors – Rs 8.427 million**

According to Health Department letter No. S.O(ND) 2-26 2004(P-II) dated July 12, 2007 and letter No. S.O(ND) 2-26 2012, Health Professional Allowance was allowed to the doctors working in Primary and Secondary Health Care Department at prescribed rates.

ZHO RYK made payment of Rs 8.427 million on account of inadmissible allowances of Health Professional Allowance and Special Health Care Allowance. Scrutiny of the record showed that these allowances were not admissible to doctors working under ZHO resulting in un-authorized payment of Rs 8.427 million.

Due to weak financial controls, allowances were paid without approval of the Secretary Local Government.



Payment of allowances without approval of the competent authority resulted in over payment of Rs 8.427 million.

The matter was reported to CEO RYK and DDO concerned in October, 2019. ZHO RYK replied that these allowances for Local Council Services (LCS) Doctors were admissible according to government instructions. Reply was not tenable as no evidences were produced in support of reply.

DAC in its meeting held in December 2019, directed to produce the relevant record or recovery from the concerned within a month. No further progress was intimated till finalization of this Report.

Audit recommends either regularization of expenditure from the competent authority or recovery of said amount from the concerned.

[AIR Para: 2]

#### **3.2.5.4.4 Loss due to purchase of medicines on higher rates – Rs 7.307 million**

According to Rule 2.33 of Punjab Financial Rules 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.

Various DDOs working under the administrative control of DHA RYK made excess payment of Rs 7.307 million on purchase of medicines and other store items on comparatively higher rates than the rates approved by MSD and rate paid by other entities. Detail is given below:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Period</b>	<b>Amount</b>
1	CEO (DHA) RYK	Misc. store items	2018-19	0.095
		Medicine	2018-19	5.517
2	THQ Hospital Sadiq Abad	Medicine	2018-19	0.685
		Misc. store items	2018-19	0.223
3	THQ Hospital Khan Pur	Medicine	2017-19	0.486
				0.093
4	RHC Kot Samaba	Medicine	2009-19	0.208
<b>Total</b>				<b>7.307</b>

Due to financial indiscipline, purchases were made on higher rates.

Purchases on higher rates resulted in loss of Rs 7.307 million.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. CEO (DHA) RYK replied that higher rates were paid due to fluctuation in market rate. MS THQ Hospital Sadiq Abad and Khan Pur replied that all items were purchased at lowest rates and were entered in relevant stock registers. SMO RHC Kot Samaba replied that no misappropriation was made and no loss was sustained by the government. Replies of DDOs were irrelevant.

DAC in its meeting held in December 2019, directed to get the relevant record verified from audit alongwith inquiry of the matter within 15 days. No further progress was intimated till finalization of this Report.

Audit recommends early finalization of inquiry proceedings besides fixing responsibility against the person(s) at fault.

[AIR Para No. 6, 19, 13, 16, 17, 24 & 9]

#### **3.2.5.4.5 Excess payment of inadmissible allowances – Rs 7.168 million**

According to Government of the Punjab, Health Department Notification No.PO(P&E-I)19-113/2004(v) dated 13.04.2007, HSRA at DHQ/THQ Hospitals was admissible to Anesthetist, Radiologist, Medical Officer, WMO, Medical Superintendent, Dental Surgeon and other specialists only. Further, according to Government of the Punjab, Health Department letter No.SO(ND)2-26/2004(Vol-II) dated 20.02.2015, Health Risk Allowance was sanctioned to the employees of Health Department in (BS-01 to BS-04) with immediate effect.

Six (06) DDOs working under the administrative control of CEO (DHA) RYK allowed to draw HSRA, Adhoc Relief Allowances, NPA, PCA, SSB and Personal Allowance to the employees either without admissibility or at excessive rates. Resultantly, excess amount of Rs 7.168 million was paid to employees during 2007-19. Detail is given below:

(Rupees in million)

Sr. No.	Name of Formation	HSRA	ARA	NPA	SSB	PCA	Personal All.	Misc.	Total
1	CEO (DHA) RYK	0.352	0	1.981	-	0.733	0.029	0.199	3.294
2	DHO RYK	-	-	-	-	-	0.673	-	0.673
		-	-	-	-	-	-	0.225	0.225
3	ZHO RYK	-	-	0.399	-	-	-	-	0.399
		-	-	-	-	0.644	-	-	0.644
4	MS THQ Hospital Sadiq Abad	-	-	1.224	-	-	-	-	1.224
5	SMO RHC Kot Samaba	-	-	0.167	-	-	-	-	0.167
6	SMO RHC Manthar	-	-	-	-	0.542	-	-	0.542
<b>Total</b>									<b>7.168</b>

Due to financial indiscipline, payment of inadmissible allowances was made.

Payment of inadmissible allowances to various employees resulted in overpayment of Rs 7.168 million.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. CEO (DHA) RYK replied that employees concerned were directed to deposit the overdrawn amount at the earliest. DHO RYK did not submit reply. All other DDOs replied that the matter was being sorted out and progress would be made. Replies were not tenable as no progress was shown.

DAC in its meeting held in December 2019, directed to recover the amount from the employees concerned and to seek clarification from Finance Department within a month. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs 7.946 million from the concerned, at the earliest.

[AIR Paras: 7, 04, 22, 4, 5, 1, 1 & 7]

### 3.2.5.4.6 Doubtful expenditure due to doubtful billing – Rs 5.633 million

According to Rule 2.33 of Punjab Financial Rules 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.

Four (04) DDOs working under administrative control of CEO (DHA) RYK incurred expenditure of Rs 5.633 million on account of contingent expenditure during 2018-19. The expenditure was doubtful as serial numbers of invoices contradicted with dates of bills. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	CEO (DHA) RY Khan	Stationery & misc. store items	1.695
2	DHO RYK	Stationery & misc. store items	1.330
3	MS THQ Hospital Sadiq Abad	Stationery, purchase of medicine and misc. store items	1.832
4	SMO RHC Kot Samaba	Printing, bedding & clothing , stationery etc.	0.776
<b>Total</b>			<b>5.633</b>

Due to intention of misappropriation and weak internal control, doubtful bills were drawn.

Drawl of bills in doubtful manner created doubt on the authenticity of purchase process.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. CEO (DHA) RYK replied that concerned suppliers used different bill books with same serial numbers. DHO RYK did not submit reply. MS THQ hospital SDK replied that all the bills were genuine and received form registered supplier. SMO RHC Kot Samaba replied that no doubtful billing was made as contradiction of serial numbers would be at the end of supplier. Replies of DDOs were not tenable as no record in support of reply was produced during verification of record.

DAC in its meeting held in December 2019, directed to inquire the matter within 15 days. No further progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Paras: 3, 3, 15 & 8]

### **3.2.5.4.7 Non-accountal into stock – Rs 3.723 million**

According to rule 15.4 & 15.5 of PFR Vol-I all material received must be taken into stock and its issuance be shown accordingly.

Various DDOs working under the administrative control of CEO RYK, incurred expenditure of Rs 3.723 million for purchase of stationery and different store items during 2007-19 but those items were not entered / accounted for in relevant books of accounts. Detail is given below:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Period</b>	<b>Amount</b>
1	ZHO RYK	Store & Stationary Items	2014-19	3.182
2	SMO RHC Manthar	Consumable store items	2007-19	0.541
<b>Total</b>				<b>3.723</b>

Due to weak internal controls, items were consumed without entries in stock register.

Non accountal of stock in relevant stock registers resulted in loss of Rs 3.723 million.

The matter was reported to CEO RYK and DDOs concerned in September and October, 2019. ZHO RYK and SMO RHC Manthar replied that all the relevant record was available with this office which could be verified. Replies of the DDOs were not tenable as no documents in support of replies were produced during verification.

DAC in its meeting held in December 2019, directed to recover the said amount from the concerned within 15 days. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 3.723 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Paras. 11 & 27]

### 3.2.5.4.8 Overpayment of inadmissible allowances during leave periods – Rs 3.400 million

According to Rule 1.15 of the Punjab Travelling Allowance Rules 1976, conveyance allowance is not admissible during any kind of leave except casual leave. Further, according to the Government of Punjab, Finance Department letter No. 106 I-SO (SR) IV/7 dated 18.08.1977, conveyance allowance is not admissible during vacations. According to letter No. IT (FD) (ESTT-II) 8-8/2015 dated 25.04.2018 issued by the Inspectorate of Treasuries & Accounts Government of the Punjab Finance Department, Conveyance Allowance being wrongly drawn will be discontinued from the date of issuance of order i.e. 16.03.2018.

Four (04) DDOs working under the jurisdiction of CEO, DHA RYK made payment of Rs 3.400 million on account of different inadmissible allowances during leave period. Detail is given below:

(Rupees in million)

Sr. No	DDOs	Period	No. of employees	Conveyance Allowance during leave	HSRA during leave	Incentive Allowances during leave	Misc. Allowances	Total
1	MS THQ Hospital Sadiq Abad	2018-19	13	0.296	0.267	0.083	-	0.646
2	MS THQ Hospital Khan Pur	2017-19	24	0.170	0.159	0.528	-	0.857
3	SMO RHC Kot Samaba	2009-19	32	0.165	0.184	-	-	0.349
4	SMO RHC Manthar	2007-19	57	0.384	0.374	0.172	0.618	1.548
				<b>Total</b>				<b>3.400</b>

Due to weak administrative controls, inadmissible allowances were paid during leave periods.

Payment of inadmissible allowances during leave periods resulted in loss of Rs 3.400 million.

The matter was reported to CEO RYK and DDOs concerned in August and September, 2019. All DDOs replied that letters were issued to the concerned to deposit the amount. Replies of the DDOs were not tenable as no progress was shown till finalization of this report.

DAC in its meeting held in December 2019, directed to effect recoveries and produce verified status within a month. No further progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 3.268 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Para No. 7, 7, 10 & 1]

#### **3.2.5.4.9 Unjustified payment of POL for field visits - Rs 2.274 million**

According to letter No. PA/AST/MISC/2016 dated 28.01.2017 “In order to ensure effective service delivery, you are directed to handover fit ambulances, identified by District Emergency Officers to the Punjab Emergency Service. Furthermore drivers, POL and repair & maintenance funds may also be shifted to District Emergency Officers”. Further, according to Rule 2.31(a) of PFR Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges.

DHO RYK claimed extraordinary POL for official vehicles regarding field visits during 2018-19. The record showed that all BHUs were outsourced to PHFMC at the time of establishment of “Health Authority” and being managed by the company but extensive travelling and monitoring of BHUs was shown by DHO and POL was drawn as well as contradiction was observed between log book entries and statements of hospital managements.

Due to weak financial control, unjustified payment of POL was made.

Unjustified payment of POL amounting to Rs 2.274 million may result in misuse of funds.

The matter was reported to CEO RYK and DDO concerned in August, 2019. DDO neither submitted working papers nor attended DAC meeting.

Audit recommends recovery of Rs 2.274 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Para. 12]



## 4. District Health Authority (DHA) D. G. Khan

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit (Distt.Govts.) Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority D.G.Khan on annual basis. Following observations surfaced during the audit of financial year 2018-19.

##### Sectoral Analysis

##### vi. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the CEO (DHA) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	1,265.520	1,236.944	(28.576)	(2)
Non-Salary	429.320	377.906	(51.414)	(12)
<b>Total</b>	<b>1,694.84</b>	<b>1,614.850</b>	<b>(79.990)</b>	<b>(5)</b>

(Source: Appropriation Accounts 2018-19)

Analysis of non development budget and expenditure revealed that:

- An amount of Rs 85.221 million was provided for purchase of medicines against which, only Rs 62.963 million was utilized resulting in lapse of Rs 22.258 million (26%).
- An amount of Rs 8.069 million was provided for procurement of life saving medical supplies against which an amount of Rs 7.927 million was utilized resulting in lapse of Rs 0.142 million (2%).

Financial data shows that funds were not utilized to achieve the targets. A huge amount of Rs 79.990 million was lapsed due to inefficient management.

### **Analyses of Appropriation Accounts and Financial Statements (Certification Audit 2019-20)**

During Certification Audit of DHA D.G.Khan for the Audit Year 2019-20, it was noticed that there was difference in trust and public receipt and payment figures of SAP and Financial Statements.

The Appropriation Accounts and Financial Statements of DHA D.G.Khan for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authority, D.G.Khan as at 30<sup>th</sup> June 2019.

The following issues surfaced during Certification Audit of District Health Authority D.G.Khan.

- Difference of trust & public receipt & payment in SAP data and Financial Statements - Rs 35.146 million

#### **vii. Analysis of Targets and Achievements**

Sectoral analysis of DHA D.G.Khan was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

<b>Sr. No.</b>	<b>Indicators</b>	<b>Target 2018-19</b>	<b>Achievement 2018-19</b>	<b>Remarks</b>
1	Outdoor Patients	2,375,945	2,639,939	Targets achieved
2	Indoor Patients	51,014	56,682	Targets achieved
3	Surgical Cases	10,319	11,465	Targets achieved

<b>Sr. No.</b>	<b>Indicators</b>	<b>Target 2018-19</b>	<b>Achievement 2018-19</b>	<b>Remarks</b>
5	Diagnostic Services (Laboratory, Radiology)	221,789	246,132	Targets achieved
6	Family Planning Activities	26,975	29,972	Targets achieved

\*Source: Data received from CEO (DHA) D.G.Khan

### **viii. Serious Financial Irregularities and Findings**

The following serious irregularities were found during field audit execution for Audit Year 2019-20.

- Record of expenditure amounting to Rs 30.416 million was not produced in 01 case.
- Recoverables and overpayment amounting to Rs 25.413 million were pointed out in 04 cases.
- Violations of Procurement, Financial and Delegation of Power rules amounting to Rs 97.563 million were observed in 10 cases.
- Value for Money and Service Delivery Issues of Rs 228.224 million was found in 05 cases.

### **ix. Service Delivery Issues**

In view of the above target achievement table, it could be observed that DHA did not set the targets for cardiac coronary, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

### **x. Expectation Analysis and Remedial Measures**

#### **District Health Authority**

CEO (DHA) failed to prepare realistic budget as per needs as the budget was not optimally utilized, various funds of medicines and cost of other stores remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as

intended in the indicators since most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering process and judicious use of funds.
- There is lack of equipment, medical facilities and doctors in various facilities particularly in primary healthcare facilities. The same may be assessed and provided.
- Availability of Doctors is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement Rules and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

## 4.1.1 AUDIT PARAS

### 4.1.1.1 Difference in SAP data and financial statement for trust & public receipts and payment – Rs 35.146 million

**Risk Categorization:** High

#### **Observations:**

As per rule 2.2 of PFR Vol.1, all cash transactions should be entered in the cash book and attested in token of check and the cash book should be completely checked and closed regularly. In token of check of cash book the last entry checked therein should be initialed (with date) by the Govt. servant concerned on each occasion.

During course of financial attest audit of District Health Authority D.G.Khan for the financial year 2018-19 it was noticed that DAO did not reconcile properly and huge difference between SAP data and Financial Statements in closing balance as per detailed below was observed:

(Rupees in million)

Head of Account	DHA ACCOUNT -VI		
	Amount as per SAP	Amount as per Financial Statement	Difference
Trust & other public account-Payment	2,786.772	2,768.639	18.133
Trust & other public account-Receipts	2,784.824	2,767.811	17.013
<b>Total</b>			<b>35.146</b>

#### **Implications**

- Misrepresentation of figures of closing balance

#### **Management Response**

In DAC meeting held on 18.10.2019, DAO replied that the necessary rectification in the financial statement of District Health Authority D.G.Khan has been made which will be received to audit through A.G Punjab, Lahore. Para may kindly be settled.

#### **Recommendations**

It is recommended that trust and public receipt & payment should be reconciled.

## Chapter 2

### DHA, D.G.Khan

#### 4.2.1 Introduction:

District Health Authority (DHA), D.G.Khan was established on 01.01.2017 under Punjab Local Government Act 2013. CEO is the Principal Accounting Officer of the Authority. He is responsible to ensure that the business of the DHA group of offices is carried out in accordance with the laws and to coordinate the activities for coherent planning, development, effective and efficient functioning of health institutions.

DHA D.G.Khan manages the following primary and secondary healthcare facilities and institutes:

<b>Description</b>	<b>No. of health facility/ institute</b>
Basic Health Unit	52
Government Rural Dispensary	03
Civil Dispensaries	14
Civil Hospital	02
MCH Center	05
Rural Health Centre	10
Tehsil Head Quarter Hospital	01
Paramedical School	01
District Health Development Centre	01
District Health Officer	01

The detail of Audit jurisdiction in respect of District Health Authority D.G.Khan is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Description</b>	<b>Total No.</b>	<b>Audited</b>	<b>Expenditure audited F.Y. 2018-19</b>	<b>Revenue /Receipts audited F.Y. 2018-19</b>
1	Formations	19	08	1,294.524	3.242
2	Assignment Accounts (Excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

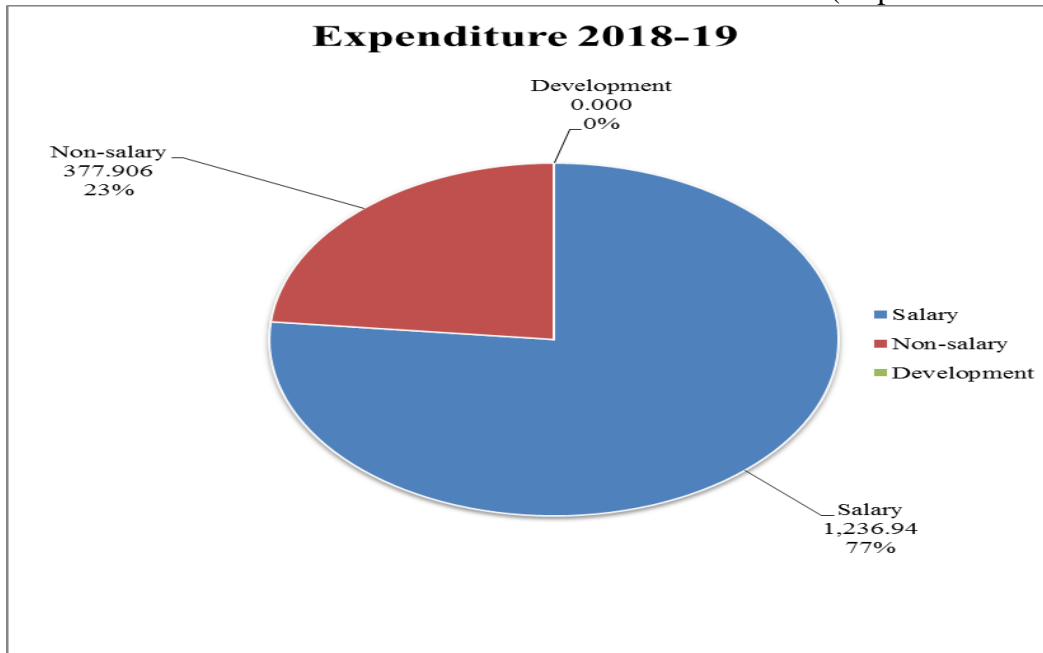
#### 4.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

<b>Particulars</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Lapse (-)</b>	<b>Lapse (Per Cent)</b>
Salary	1,265.520	1,236.944	(28.576)	(2)
Non-Salary	429.320	377.906	(51.414)	(12)
<b>Total</b>	<b>1,694.840</b>	<b>1,614.850</b>	<b>(79.990)</b>	<b>(5)</b>

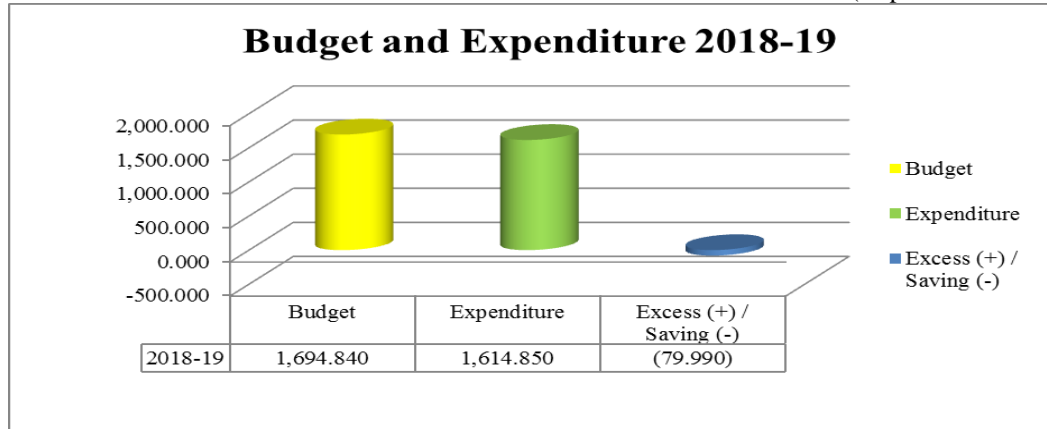
(Rupees in million)



As per the Appropriation Accounts 2018-19 of the District Health Authority, Dera Ghazi Khan, total original budget (Development and Non-Development) was Rs 1,694.480 million. Against the budget, total expenditure of Rs 1,614.850 million was incurred by the District Health Authority during 2018-19. Lapse of funds amounting to Rs 79.990 million came to the notice of Audit due to inefficient financial management in release of budget by Deputy Director (Finance). No plausible explanation was provided by the PAO and management of the District Health Authority Dera Ghazi Khan. (Annexure-B)



(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 51.414 million (12 per cent).

#### 4.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 381.616 million were raised as a result of this audit. This amount also includes recoverables of Rs 25.413 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	30.416
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	30.951
B	Procurement related irregularities	92.025
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	228.224
5	Others	-

#### **4.2.4 Comments on the Status of Compliance with PAC Directives**

The Audit Reports pertaining to the following years was submitted to the Governor of the Punjab but has not been presented to the Public Accounts Committee.

##### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	07	PAC not constituted
2	2018-19	18	PAC not constituted

## 4.2.5 AUDIT PARAS

### 4.2.5.1 Non-Production of Record

#### 4.2.5.1.1 Non-production of record – Rs 30.416 million

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for keeping of initial and subsidiary accounts.

The following DDOs incurred expenditure of Rs 30.416 million during 2018-19, but vouched accounts along with supporting documents of the expenditure of development works, procurement, contingent expenditure, store items and salaries were not produced for Audit verification.

(Rupees in million)

Sr. No.	DDOs	Nature of Record	Amount
1	CEO (DHA)	Development work grant	21.573
2	DO (Health)	Logbooks	0.311
3	SMO RHC Shadan Lound	Arrears of Pay and Allowances	2.247
4	SMO RHC Sarwar Wali		0.833
5	MS THQ Hospital Taunsa		2.406
6	SMO RHC Choti		1.453
7	MS THQ Hospital Kot Chutta		1.593
<b>Total</b>			<b>30.416</b>

Audit is of the view that due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure of Rs 30.416 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that all the record was available. The reply was not tenable because no record was produced for verification.

DAC directed the DDOs to produce the record without further delay. No progress was intimated to Audit till finalization of this report.

Audit recommends to inquire the matter, fix responsibility and disciplinary action against the person(s) at fault for non-production of record and to ensure that the record is produced to Audit for scrutiny.

[AIR paras:1,24,2,7,19,5,14]

## 4.2.5.2 Irregularities

### 4.2.5.2.1 Mis-procurement of miscellaneous items – Rs 51.796 million

According to Rule 9 of the Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website. Moreover, rule 10(1) of the ibid states that a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage.

The following DDOs purchased various items valuing Rs 51.796 million during 2018-19 without tender advertisement. The procurement was neither advertised on the PPRA's website nor in two national newspapers. The DDOs incurred expenditure on quotations basis by splitting up the bills to avoid tendering process. Furthermore, in case of CEO (DHA) the qualification of bidders and technical criteria were not adopted according to PPRA and bidding documents.

(Rupees in million)

Sr. No.	DDOs	Items	Remarks	Amount	
1	CEO (DHA)	Medicine	Irrational criteria of last year minimum turnover	12.563	
2			Qualification of bidders without meeting the criteria	6.379	
3		Stationery	Without advertisement	1.417	
4	DO (Health)	Medicine, stores		3.130	
5	MS THQ Hospital Taunsa	Medicine		17.667	
6		Stores items		3.214	
7		Plants		0.348	
8	MS THQ Hospital Kot Chutta	Medicine		2.745	
9		Stores		3.183	
10		X-Ray films		0.437	
11		Bedding clothing		0.713	
<b>Total</b>				<b>51.796</b>	

Audit is of the view that due to weak financial management, purchases were made without observing procurement rules.

Non observance of procurement rules resulted in unauthorized expenditure of Rs 51.796 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that all the procurement was made in the light of procurement rules and instructions from the P&SHC Department. The reply was not tenable because the PPRA Rules were not observed.

DAC directed the DDOs to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:4,5,9,12,1, 34,49,6,10,17,28]

#### **4.2.5.2.2 Non-maintenance of stock registers and consumption record of medicines - Rs 21.264 million**

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant.

The following DDOs purchased medicine, stationery and store items of Rs 21.264 million during 2018-19, but the stock entry, proof of actual receipt of items and consumption/ issuance record along with approved indents was not available.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of item</b>	<b>Amount</b>
1	DO (Health)	Medicine	1.601
2		Stationery, store items	2.397
3	MS THQ Hospital Taunsa	Medicine	0.176
4		Stationery, store items	14.579
5			0.559
6	SMO RHC Choti	Medicine	0.759
7	MS THQ Hospital Kot Chutta		0.757

Sr. No.	DDOs	Nature of item	Amount
8	SMO RHC Shah Sadar Din		0.236
9			0.200
<b>Total</b>			<b>21.264</b>

Audit is of the view that due to weak financial management, proper stock entry of items and consumption record was not maintained.

Incurrence of the expenditure without maintenance of stock register and consumption record resulted in inauthentic expenditure of Rs 21.264 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that all the record has been maintained. The reply was not tenable because maintenance of stock related record after the pointation of audit could not be accepted.

DAC directed the DHO (MS) to inquire the matter and report within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of any loss, if established.

[AIR Paras:2,27,2,23,26,6,2,6,8]

#### **4.2.5.2.3 Overpayment on account of house rent allowance, maintenance charges and conveyance allowance - Rs 15.835 million**

According to Government of the Punjab, Finance Department letter No.FD.SR.1.9-4/86(P)(PR) dated 04.12.2012, the employees who have been sanctioned official vehicles or residing in the colonies situated within their work premises are not entitled to the facility of Conveyance Allowance. Furthermore, according to Government of the Punjab, Finance Department letter No. FD(M-11)1-15/82-PT-I dated 15.01.2000, in case of availability of designated residence, the Government servants for whom these are meant cannot draw house rent allowance and shall pay maintenance charges 5% even if they do not reside in that house.

Various DDOs under the administrative control of CEO (DHA) allowed payment of Rs 15.835 million on account of house rent allowance, maintenance

charges and conveyance allowance during 2018-19 to the employees, who were either residing in hospital colony, had designated residences or used official vehicles. **(Annexure-C/DGK)**

Audit is of the view that due to weak financial controls, inadmissible allowances were paid to the employees.

Grant of inadmissible allowances resulted in unauthorized payment of Rs 15.835 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that recovery is in process.

DAC directed the DDOs to finalize the recovery within two month. No progress was intimated to Audit till finalization of this report.

Audit recommends recovery of Rs 15.835 million besides fixing responsibility on the person(s) at fault.

[AIR Paras:1,4,16,23,3,4,5,10,14,15,10,11,15,4,15,18,30,7,17,22]

#### **4.2.5.2.4 Payment of inadmissible allowances - Rs 6.364 million**

According to Government of the Punjab, Health Department letter No.PO (P&E-I) 19-113/2004(V) dated 10.03.2007, the Specialist Doctors drawing HSRA will be allowed only hospital based practice after duty hours. Furthermore, as per Finance Department Notification No.SOX(H-I) 6-91 2004-1 dated 14.07.2008, HSRA is not admissible to the staff proceeding on leave or not working in the concerned RHC / BHU. Moreover, according to Rule 1.15 (2) of Punjab Traveling Allowance Rules, conveyance allowance will not be admissible during leave or joining time.

Various DDOs under the administrative control of CEO (DHA) allowed Health Sector Reform Allowance, Conveyance Allowance, Social Security Benefit, Uniform and Dress Allowance, Practice Compensatory Allowance and other inadmissible allowances of Rs 6.364 million during 2018-19. The employees were not entitled to draw the said allowances. **(Annexure-D/DGK)**



Audit is of the view that due to weak financial management, inadmissible allowances were paid.

The payment of inadmissible allowances resulted in loss of Rs 6.364 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that the recovery of the employees is in process through pay roll.

DAC directed the DDOs to finalize the recovery within two month. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 6.364 million.

[AIR Paras: 18,20,3,11,14,15,17,18,22,28,30,32,1,5,7,10,13,14,18,29,30,1,10,11, 13,14,20,1,8,12,13,19,3,4,5,16,18]

#### **4.2.5.2.5 Irregular withdrawl of pay due to shifting of headquarter - Rs 6.047 million**

According to Government of the Punjab, Finance Department Notification No.FD/SRIV-8-1/76(PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department.

Contrary to the above, the following DDOs incurred expenditure of Rs 6.047 million on account of pay and allowance during 2018-19. The employees were working at the stations other than their place of posting since long.

(Rupees in million)

Sr. No.	DDOs	No. of employees	Amount
1	District Officer (Health)	03	3.782
2	SMO RHC Shadan Lound	01	1.228
3	SMO RHC Choti	03	0.845
4	MS THQ Hospital Kot Chutta	01	0.192
<b>Total</b>			<b>6.047</b>

Audit is of the view that due to weak financial management, employees were adjusted on general duty at the stations other than their place of posting.

Shifting of headquarters without prior approval was unauthorized.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that temporary posting was made by the competent authority i.e CEO/DH(HR). The reply was not shifting of headquarter was not allowed.

DAC directed the DDOs to get the matter regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:10,8,18,29]

**4.2.5.2.6 Unjustified payment on the basis of partial supply - Rs 5.831 million**

According to clause II of Annex-F (Payment Schedule) of the bidding document, part supply and part payment is not allowed as per contract/purchase order. The payment will only be made after the receipt of complete supply as per schedule mentioned in schedule of requirement within due time

CEO (DHA) made payment of Rs 5.831 million to the suppliers who made the partial supply of medicine during 2018-19, without observing the above condition. The detail is given below:

(Amount in rupees)

Document No.	Document Date	Supplier	Items supplied	Bill date	Bill No	Supply order date	Amount Paid
1900125229	20.06.2019	Bosch Pharma	Calamox 1gm	17.05.19	7292	29.01.19	348,750
5100133018	26.06.2019	Lisko	Paracetamol susp. 120ml	13.06.19	1394	03.04.19	3,464,175
5100109025	26.06.2019	Lisko	Paracetamol susp. 120ml	13.06.19	1399	11.04.19	519,626
5100103059	28.06.2019	Lisko	Paracetamol susp. 120ml	13.06.19	1397	03.04.19	839,800
5100103058	28.06.2019	Bosch Pharma	Paracetamol, calamox	05.04.19	292	08.03.19	658,500
<b>Total</b>							<b>5,830,851</b>

Audit is of the view that due to weak financial management, payment was made without receipt of complete supply.

Incurrence of the expenditure without receipt of complete supply/ medicine resulted in irregular expenditure of Rs 5.831 million.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 11.12.2019, CEO replied that the performance securities of the suppliers have not been returned.

DAC directed that the securities of the suppliers should be forfeited. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiring the matter and fixing responsibility on the person(s) at fault besides forfeiture of performance guaranty of the suppliers.

[AIR Para:6]

**4.2.5.2.7 Unauthorized payment for medicines without DTL report - Rs 3.134 million.**

According to Government of the Punjab Health Department letter No. SO (P-I) H/RC2001-2002/01 dated 29.09.2001, payment of cost of medicine is subject to receipt of DTL (drug testing laboratory) report.

MS THQ Hospital Taunsa, made payment of Rs 3.134 million on account of supply of medicine, used in dialysis, without DTL report during 2018-19. The said medicine were also utilized without obtaining the result of Drug Testing Laboratory, in violation of the above mentioned instructions.

Audit is of the view that due to weak financial management, payment was made without DTL report.

Payment and utilization of medicine without DTL report resulted in unauthorized payment of Rs 3.134 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 11.12.2019, DDO replied that DTL was not required

for dialysis medicine. The reply was not tenable because no such provision exist in the Health Department guidelines.

DAC directed the DDO to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Para:20]

#### **4.2.5.2.8 Inauthentic consumption of POL – Rs 2.730 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 following DDOs incurred an expenditure of Rs 2.730 million on account of POL for generators and vehicles during 2018-19. POL was drawn without maintaining log books, visits tour dairy, MPG and monthly consumption reports.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	CEO (DHA)	POL for generator, vehicle	0.689
2	District Officer (Health)	POL for vehicle	0.651
3	MS THQ Hospital Taunsa	POL for generator	1.390
<b>Total</b>			<b>2.730</b>

Audit is of the view that due to weak financial management, POL was consumed on assumption basis and logbooks were not maintained properly.

Consumption of POL on the basis of assumption resulted in inauthentic consumption of POL of Rs 2.730 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that all the record relating to consumption of POL was available. The reply was not tenable because no record was produced for verification.

DAC directed the DHO(MS) to inquire the matter and submit report within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends that the matter may be investigated and responsibility be fixed at person(s) at fault.

[AIR Paras:16,5,40]

**4.2.5.3.9 Withthdrawl of pay and allowances without performing duties–  
Rs 2.705 million**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The following DDOs paid an amount of Rs 2.705 million on account of pay and allowances to employees during 2018-19. The said employees drew pay and allowances without performing duties, either, left the job, adhoc/ contract expired or relieved and were transferred to other offices/institutions but their pay was not discontinued. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Description	Amount
1	SMO RHC Sawar wali	1	Relieved for PGR training	0.052
2		1	Absent	0.429
3	MS THQ Hospital Taunsa	1	Drawing pay after expiry of contract	0.047
4		5	One month pay after resignation	0.241
5		16	Drawing pay after transfer	1.249
6		3	During leave without pay	0.085
7	SMO RHC Choti	1	Drawing pay after termination of contract	0.103
8	MS THQ Hospital Kot Chutta	1	Drawing pay after expiry of contract	0.273
9	SMO RHC Shah Sadar Din	1	Drawing pay after expiry of adhoc.	0.165
10		1	Absent	0.061
<b>Total</b>				<b>2.705</b>

Audit is of the view that due to weak financial controls, pay and allowances were paid without performing duties.

Non-stoppage of pay of employees after expiry of contract/transfer resulted in unauthorized payment of Rs 2.705 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied notice for recovery has been sent to the concerned employees.

DAC directed the DDOs to expedite the recovery and report within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault besides the pay of the staff transferred should be got adjusted/ recovered.

[AIR Paras: 3, 9, 6, 8, 16, 22, 2, 5, 1, 10]

#### **4.2.5.2.10 Non-deduction of GST, income tax and withholding tax – Rs 1.908 million**

According to Section 153(1)(c) of Income Tax Ordinance, 2001, every prescribed person, while making a payment in full or part, shall deduct tax at the specified rate from the gross amount payable. Furthermore, according to Clause 1.3 of Sales Tax Special Procedure (Withholding) Rules, 2007, withholding agents are required to deduct an amount equal to 1/5<sup>th</sup> (20 percent) of the total Sales Tax. Moreover, according to Rule 5 of Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall deduct Sales Tax at the applicable rate of the value of taxable services provided to him from the payment due to the service provider.

The following DDOs made payments against supply of goods, rendering of services and execution of contracts during 2018-19. However, an amount of Rs 1.908 million on account of Income Tax, General Sales Tax and Punjab Sales Tax on Services was not /less deducted from the payments. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	GST	Income Tax	WHT on Services	Total
1	District Officer (Health)	0.466	0.178		0.644
2	SMO RHC Shadan Lound	0.016			0.016
3	SMO RHC Sarwar Wali	0.017			0.017
4	MST THQ Hospital Taunsa		0.091		0.061
5	SMO RHC Choti		0.019		0.019
6		0.044			0.044
7	MS THQ Hospital Kot Chutta		0.197		0.197
8				0.036	0.036
9		0.787			0.787
10	SMO RHC Shah Sadar Din		0.042		0.042
11				0.45	0.045
<b>Total</b>					<b>1.908</b>

Audit is of the view that due to non-compliance of tax laws, taxes were not deducted / withheld at specified rates.

Non-deduction of taxes at specified rates resulted in excess payment of Rs 1.908 million to the suppliers/service providers/contractors.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that the notices have been sent to suppliers for provision of proof of taxes.

DAC directed the DDOs to get the proof of deposit of taxes, otherwise ensure the recovery and its deposit into Government treasury. No progress was intimated to Audit till finalization of this report.

Audit recommends recovery of Rs 1.908 million besides fixing responsibility on the person(s) at fault.

[AIR Paras: 25,11,5,24,16,17,23,24,25,12,14]

#### **4.2.5.2.11 Irregular expenditure on repair of machinery and equipment - Rs 1.570 million**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowance, contingent expenditure or any other

expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The following DDOs incurred expenditure of Rs 1.570 million on account of repair of machinery and equipment during 2018-19. The repair work was done without demand from machinery in-charge, history sheet, NOC from Government workshop and proof of actual satisfactory work done report from operator/ in-charge. Old replaced parts record was also not maintained.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	MS THQ Hospital Taunsa	1.101
2	MS THQ Hospital Kot Chutta	0.229
3	SMO RHC Shah Sadar Din	0.240
<b>Total</b>		<b>1.570</b>

Audit is of the view that due to weak financial management, amounts were drawn without documentary evidence of expenditure.

Withdrawal of amount without proof of repair work resulted in irregular expenditure of Rs 1.570 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that the maintenance work was done in urgency. The reply was not tenable because no record was produced for verification.

DAC directed the DDOs to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:35,26,19]



#### **4.2.5.2.12 Unauthorized expenditure on repair and maintenance of building - Rs 1.407 million**

According to Paragraph 4.5 of B & R Code, no payment should be made without detailed measurement in the measurement book. Furthermore, according to Government of the Punjab, Primary and Secondary Healthcare Department Notification No. PSO/Secry. P&SH/05/2016 of dated 02.07.2016, the secretary shall prepare estimate of repair and maintenance of building and after approval from Health Council, the scheme shall be executed using local expertise. The Health Council shall inspect the work for quality assurance and minimize the cost.

The MS THQ Hospital Taunsa incurred an expenditure of Rs 1.407 million during 2018-19, on account of repair and maintenance, white washing and construction of shed without rough cost estimates, TS estimate and measurement, in violation of the above quoted rule.

Audit is of the view that due to weak financial management, expenditure was incurred without observing codal formalities.

Non-observance of rule resulted in unauthorized expenditure of Rs1.407 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 11.12.2019, DDO replied that the expenditure was incurred by the Health Council by observing the legal requirement. The reply was not tenable because it could not be verified from estimate and measurement record.

DAC directed the DDO to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Para:27]

#### **4.2.5.2.13 Non-recovery of Government receipts – Rs 1.306 million**

According to Rule 14 (d) of the Punjab District Authorities (Accounts) Rules 2017, the primary obligation of the Collecting Officers shall be to collect receipts in

the transparent manners and guard against misappropriation, fraud, embezzlement or compromise.

The following DDOs did not realize / deposit an amount of Rs 1.306 million on account of Hospital receipts, registration fee and license fee during 2018-19. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Nature of receipts	Amount
1	SMO RHC Shadan Lound	Residential electricity charges	0.156
2		Hospital receipt	0.056
3	CEO (DHA)	Registration fee	0.560
4	MS THQ Hospital Taunsa	Cost of X-Ray film	0.389
5		MLC fee	0.025
6	MS THQ Hospital Kot Chutta	Cost of X-Ray film	0.040
7		Hospital receipt	0.008
8		MLC fee	0.045
9	SMO RHC Shah Sadar Din	Hospital receipt	0.018
10		MLC fee	0.009
<b>Total</b>			<b>1.306</b>

Audit is of the view that due to weak financial management, Government receipts were not realized / deposited.

Non-realization / deposit of the receipts resulted in loss of Rs 1.306 million to the Government exchequer.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that outstanding amount would be deposited into Government treasury and compliance would be should at the time of next meeting.

DAC directed the DDOs to ensure the deposit of receipts within a week. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.306 million.

[AIR Paras: 6,9,23, 4,32, 4,7,21,2,20]

#### 4.2.5.2.14 Unauthorized expenditure out of health council funds - Rs 1.079 million

According to Government of Punjab Health Council Policy circulated by Health Department, Punjab dated 11.05.2017, Secretary Health Council will be responsible for maintenance of records such as receipts, bills, cash book, resolution register of health council, record of development schemes, etc. Furthermore, as per notification No.PSO/Secy. P&SH/05/2016 of Government of the Punjab Primary and Secondary Healthcare Department dated 2<sup>nd</sup> July 2016, Secretary of the Health Council shall prepare M&R schemes, purchase and repair of machinery/equipment. After approval from Health Council, the schemes shall be executed using local expertise.

The following DDOs incurred an expenditure of Rs 1.079 million out of health council during 2018-19. The expenditure was incurred without approval of health council members, payment was made in cash, procurement was not advertised and inspection by the health council members was not carried out. The detail is given below:

(Rupees in million)

Sr. No	DDOs	Description	Amount
1	SMO RHC Choti	General Store Items	0.299
2	MS THQ Hospital Kot Chutta	Medical equipment	0.500
7	SMO RHC Shah Sadar Din	Medical equipment	0.280
<b>Total</b>			<b>1.079</b>

Audit is of the view that due to weak financial management, the expenditure was incurred without observing codal formalities and maintaining necessary record.

Non-observance of codal formalities resulted in unauthorized expenditure of Rs 1.079 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 11.12.2019, DDOs replied that the expenditure was incurred by the Health Council by observing the legal requirement. The reply was

not tenable because approval and inspection of the health council members was not on record.

DAC directed the DDOs to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends that the matter may be investigated and responsibility be fixed on the person(s) at fault for non-compliance besides regularization of the expenditure from the competent authority.

[AIR Paras:12,16,13]

### **4.2.5.3 Value for Money and Service Delivery Issues**

#### **4.2.5.3.1 Unjustified transfer of funds to PAF- Rs 210 million**

According to clauses as given below, of the agreement between PAF (Pakistan Air Force) and CEO (DHA) D.G.Khan for operation of THQ Hospital Fort Munro:

- 1.2 GoPb (Government of Punjab) shall provide development and non-development expenditure of the Hospital in accordance with the budgetary requirement submitted by PAF.
- 4.11. PAF shall open and maintain a separate bank account under the title of “NPF Fort Munro” for carrying out the financial transaction under this agreement and shall be responsible to utilize the funds received from GoPb in a judicious manner.
- 4.13. PAF shall provide services and facilities to the patients in the Hospital at the applicable charges to be notified by GoPb and such amount shall be adjusted towards the annual budgetary expenditure of PAF.
- 4.17. PAF may receive donations and shall utilize in performance of their functions under this Agreement.
- 5.2. GoPb shall evaluate the performance and output of PAF on the basis of defined KPIs (Key Performance Indicators) on annual basis.
- 8.1. For the purpose of receiving and disbursing of funds under this Agreement, PAF shall use separate bank account maintained under clause 4.11.
- 8.2. All development and non development expenditure shall be budgeted and presented to GoPb for its concurrence.
- 8.3. For the budget of Financial Year 2018-19, PAF shall submit an annual budget estimates before the close of Financial Year 2017-18

Contrary to the above, CEO (DHA) D.G.Khan transferred an amount of Rs 210 million to PAF during 2018-19. Funds were transferred without any budgetary requirement submitted by PAF and no separate bank account was opened, all the funds were transferred to A/C No.04127902033901 HBL AHQ Peshawar. Furthermore, detail of hospital charges and donations received by PAF was not on record and no budgetary adjustment was made accordingly. Performance evaluation

of hospital management was never carried out by GoPb. The detail of payment is as below:

(Amount in rupees)

G/L Acc	G/L Acc Description	Document Date	Document No	Amount
A05270	To Others	24.01.2019	1900068100	105,000,000
A05270	To Others	22.04.2019	1900219103	52,500,000
A05270	To Others	22.06.2019	1900186569	52,500,000
<b>Total</b>				<b>210,000,000</b>

Audit is of the view that due to weak financial management, heavy amount was transferred without observing the formal requirements.

Non observing the formal requirement resulted in irregular and unauthorized expenditure.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 11.12.2019, CEO replied that no expenditure was incurred by his office. Only funds were released as per agreement. The reply was not tenable because the codal requirements before releasing the funds were not observed.

DAC directed to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Para:2]

#### **4.2.5.3.2 Unjustified holding of medicine - Rs 9.354 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.

MS THQ Hospital Khar, kept unutilized 60 different medicines valuing Rs 9.354 million in excess of requirement. The same were not utilized and returned on

3.10.2018 to the CEO(DHA) office for further distribution to other centers. Moreover, out of the returned medicines, some were expired during 2016 and others were near to expire.

Audit is of the view that due to weak internal controls, medicines were purchased in excess and were kept unused for long period.

Purchase of medicine in excess of requirement resulted in blockage of Government funds.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 11.12.2019, CEO replied that due to non-utilization of medicine, same were shifted to some needy institutions. The reply was not tenable because it keeping the medicine unutilized for long period could not be justified.

DAC directed the CEO(DHA) to inquire the matter and report within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry, fixing responsibility on the person (s) at fault and making the loss good from the concerned.

[AIR Para:24]

#### **4.2.5.3.3 Unjustified payment of salaries to drivers without availability of ambulances - Rs 3.975 million**

According to Rule 9 of Punjab District Authorities (Accounts) Rules 2017, in case any loss accrues to the District Authority through negligence of person or employee, he shall be personally responsible on his part and shall be liable to make good the loss.

CEO (DHA) allowed payment of Rs 3.975 million on account of pay and allowances of ten drivers during 2018-19. The ambulances of the following hospitals were permanently shifted to the Punjab Emergency Service (Rescue 1122) during 2016-17. However, the drivers posted in the hospitals were not shifted and their pay was being drawn out of cost centers of District Health Authority D.G.Khan. The detail is as below:

(Amount in rupees)

Pers.no.	Name of Employee	Cost Center	DDO	Amount
30347911	Muhammad Amin	DY9022	MS Kot Chutta DG Khan	468,504
30356339	Muhammad Iqbal	DY9005	SMO RHC Choti Zareen	402264
30608025	Abdul Majeed	DY9002	MS THQ Hospital Taunsa	493584
30608110	Ghulam Muhammad	DY9003	SMO RHC Sarwarwali	539,136
30608209	Mitha Khan	DY9007	SMO RHC Shadan Lund	456156
30608229	Paveez Akhtar	DY9008	SMO RHC Tibi Qaisrani	303858
30707749	Muhammad Sadiq	DY9010	SMO RHC Barthi	305,928
30722190	Ghulam Saddique	DY9011	SMO RHC Shah Sadar Din	503,244
31613338	Abdul Shakoor	DY9009	SMO RHC Vehova	276288
31757381	Jamshaid Akmal	DY9002	MS THQ Hospital Taunsa	226,224
<b>Total</b>				<b>3,975,186</b>

Audit is of the view that due to weak financial management, pay and allowances were paid without performing duties.

Payment of pay and allowances without performing duties resulted in unjustified payment of Rs 3.975 million.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 11.12.2019, it was replied that the drivers are performing duty with Rescue Department. The reply was not tenable because the salary expenditure of DHA for Rescue department could not be admitted.

DAC directed the DDO to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility besides the matter may be taken with the Rescue Department for shifting of salary otherwise the driver may be surrendered to Secretary Health for further utilization of their services.

[AIR Para:19]



**4.2.5.3.4 Unauthorized retention of public money in DDO account -  
Rs 3.095 million**

According to Rule 2.10(5) of PFR Vol-I, no money is withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance.

District Officer (Health) withdrew an amount of Rs 3.095 million out of the Government treasury, the same was not disbursed to the concerned claimants till June 2019. A heavy closing balance was being shown in the bank statements concerned.

Audit is of the view that due to weak financial management, Government funds drawn from the Government treasury were not promptly disbursed to the concerned claimants.

Delay in disbursement of the Government money resulted in unauthorized retention of public money of Rs 3.095 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 11.12.2019, DDO replied the closing balance in the bank was due to some un-presented cheques. The reply was not tenable because no bank reconciliation was provided.

DAC directed the DDO to get the difference reconciled and produce evidence. No progress was intimated to Audit till finalization of this report.

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

[AIR Para:31]

**4.2.5.3.5 Non-installation and non-utilization of precious machinery–  
Rs 1.800 million.**

According to Rule 16.10(xiii)(b) of Budget Manual , incurring of expenditure on purchases largely in excess of requirement is irregular.

SMO RHC Choti failed to install the following machines having estimated cost of Rs 1.800 million and purchased years ago. The warranty period of equipment was lapsed and the articles were still not functionalized. The detail is as below:

(Rupees in million)

<b>Sr. No</b>	<b>Machinery</b>	<b>Estimated Cost</b>
1	X-Ray machine	0.500
2	Ultrasound machine	0.800
3	Dental X-Ray machine	0.500
<b>Total</b>		<b>1.800</b>

Audit is of the view that due to lack of management, precious machines were not installed.

Non installation of the equipment resulted in blockage of Government money and non delivery of better service to community.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 11.12.2019, DDO replied that all the machinery has been installed. The reply was not tenable because no proof of output of machinery was provided.

DAC directed the DHO(MS) to inquire the matter and submit report within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends that responsibility be fixed for negligence, blockage of funds and failure in service delivery to general public/patients.

[AIR Para:19]

## 5. District Health Authority (DHA) Layyah

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit (Distt. Govts.) Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Layyah on annual basis. Following observations surfaced during the audit of financial year 2018-19.

##### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by Government of the Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	2,578.593	1,736.572	(842.021)	(33)
Non-Salary	785.460	494.833	(290.627)	(37)
Development	1.900	1.792	(0.108)	(6)
<b>Total</b>	<b>3,365.953</b>	<b>2,233.197</b>	<b>(1,132.756)</b>	<b>(34)</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 355.935 million was provided for purchase of medicines against which only Rs 192.587 million was utilized resulting in lapse of Rs 163.348 million (46%).
- An amount of 43.234 million was provided for procurement of life saving medical supplies against which an amount of Rs 35.477 million was utilized resulting in lapse of Rs 7.757 million (18%).

- An amount of Rs 91.710 million was provided for procurement of machinery and equipment against which an amount of Rs 44.737 million was utilized resulting in lapse of Rs 46.973 million (51%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 1,132.756 million was lapsed due to inefficient management.

### **Analyses of Appropriation Accounts and Financial Statements (Certification Audit 2019-20)**

During Certification Audit of DHA Layyah for the Audit Year 2019-20, it was noticed that cash closing balances in the monthly SBD (State Bank Deposits) statement, financial statement and local bank branch remained un-reconciled till close of the financial year.

The Appropriation Accounts and Financial Statements of DHA Layyah for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authority, Layyah as at 30<sup>th</sup> June 2019.

The following issues surfaced during Certification Audit of District Health Authority Layyah.

- For the month of June final 2019, the reconciled SBD (State Bank Deposit) showed a bank balance of Rs 58.056 million whereas the local bank branch confirmed it as Rs 57.735 million leaving an un-reconciled amount of Rs 0.321 million. Whereas DAO taken the figures of closing balance as Rs 106.942 million which was also not reconciled with his own office SBD.

#### **ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Layyah was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No.	Indicators	Target 2018-19	Achievement 2018-19	Remarks
1	Outdoor Patients	4,950,000	3,085,244	Target not achieved
2	Indoor Patients	200,000	169,477	Target not achieved
3	Surgical Cases	20,000	18,840	Target not achieved
4	Cardiac Coronary Unit	35,516	33,516	Target not achieved
5	Diagnostic Services (Laboratory, Radiology)	550,000	511,451	Target not achieved
6	Family Planning Activities	40,000	38,296	Target not achieved
7	Peads	300,000	250,207	Target not achieved
8	Surgery	100,000	85,582	Target not achieved
9	T.B Chest Treatment	1,000	759	Target not achieved
10	Free Medicine to Patients	100%	100%	Target achieved
11	EPI Vaccination	100%	98%	Target not achieved
12	Sanctioned Posts (Doctors/Specialists)	453	303	Target not achieved
13	Gazetted Staff/ Technical Staff	1,477	1,099	Target not achieved
14	Other Staff	1,276	931	Target not achieved

\*Source: Data received from CEO (DHA) Layyah

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution for Audit Year 2019-20.

- Record of expenditure amounting to Rs 15.060 million was not produced in 01 case.
- Recoveries and overpayment amounting to Rs 57.111 million were pointed out in 05 cases.
- Violation of Procurement, Financial and Delegation of Power rules amounting to Rs 182.048 million was observed in 20 cases.
- Value for Money and Service Delivery Issues of Rs 65.668 million was found in 03 cases.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient service, indoor patient services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

**v. Expectation Analysis and Remedial Measures**

**District Health Authority**

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of medicines, cost of other stores and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary healthcare facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

## 5.1.1 AUDIT PARAS

### 5.1.1.1 Difference in DAO and Bank cash closing balance figures - Rs 321,184

**Risk Categorization: High**

#### **Observation**

As per rule 2.2 of PFR Vol.1, all cash transactions should be entered in the cash book and attested in token of check and the cash book should be completely checked and closed regularly. In token of check of cash book the last entry checked therein should be initialed (with date) by the Govt. servant concerned on each occasion.

During course of financial attest audit of District Account Office Layyah of DHA for the financial year 2018-19 it was noticed that DAO reconciliation statement & NBP had huge difference of closing balance as detailed below:

(Amount in rupees)

DAO reconciliation balance	Local Bank	Difference
58,055,810	57,734,626	321,184

#### **Implications**

The non reconciled cash closing balance caused the misrepresentation of figures.

#### **Management response**

Compliance will be shown on next meeting.

#### **Recommendations**

It is recommended that cash closing balance should be reconciled.

### 5.1.1.2 Difference of closing balances as per FS and SBD - Rs 48.886 million

**Risk Categorization: High**

#### **Observation**

As per rule 2.2 of PFR Vol.1, all cash transactions should be entered in the cash book and attested in token of check and the cash book should be completely

checked and closed regularly. In token of check of cash book the last entry checked therein should be initialed (with date) by the Govt. servant concerned on each occasion.

During course of financial attest audit of District Account Office Layyah of DHA for the financial year 2018-19 it was noticed that closing balances have huge difference of Rs 48.886 million between Financial statement of DHA Layyah & State Bank deposit Reconciled bank statement figure as detailed below:

(Rupees in million)

<b>Balance as per FS</b>	<b>Balance as per SBD</b>	<b>Difference</b>
106.942	58.056	48.886

### **Implications**

The non reconciled cash closing balance caused the misrepresentation of figures.

### **Management response**

Compliance will be shown on next meeting as reconciliation is in process.

### **Recommendations**

It is recommended that cash closing balance should be reconciled.



## Chapter 2

### DHA, Layyah

#### 5.2.1 Introduction:

District Health Authority (DHA), Layyah was established on 01.01.2017 under Punjab Local Government Act 2013. CEO is the Principal Accounting Officer of the Authority. He is responsible to ensure that the business of the DHA group of offices is carried out in accordance with the laws and to coordinate the activities for coherent planning, development, effective and efficient functioning of health institutions. DHA Layyah manages following primary and secondary healthcare facilities and institutes:

Description	No. of health facility / institute
Basic Health Units	37
Government Rural Dispensary	24
MCH Centers	02
Rural Health Centre	04
Tehsil Head Quarter Hospitals	06
District Headquarter Hospital	01
Nursing School	01
District Health Development Centre	01
District Health Officer	01

The detail of Audit jurisdiction in respect of District Health Authority Layyah is given below:

(Rupees in million)

Sr. No.	Description	Total No.	Audited	Expenditure audited F.Y. 2018-19	Revenue /Receipts audited F.Y. 2018-19
5	Formations	21	08	1,347.842	1.829
6	Assignment Accounts (Excluding FAP)	-	-	-	-
7	Authorities /	-	-	-	-

	Autonomous Bodies etc. under the PAO				
8	Foreign Aided Projects (FAP)	-	-	-	-

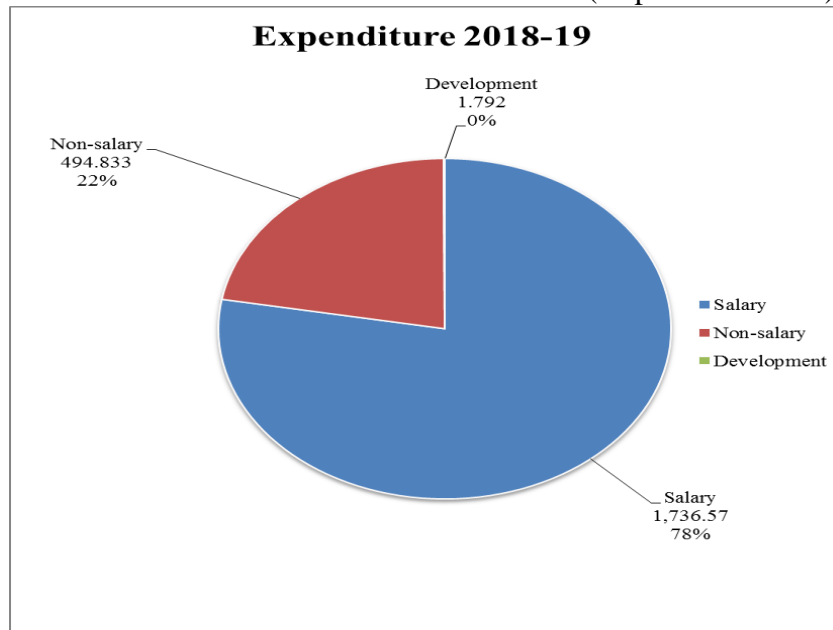
### 5.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	2,578.593	1,736.572	(842.021)	(33)
Non-Salary	785.460	494.833	(290.627)	(37)
Development	1.900	1.792	(0.108)	(6)
<b>Total</b>	<b>3,365.953</b>	<b>2,233.197</b>	<b>(1,132.756)</b>	<b>(34)</b>

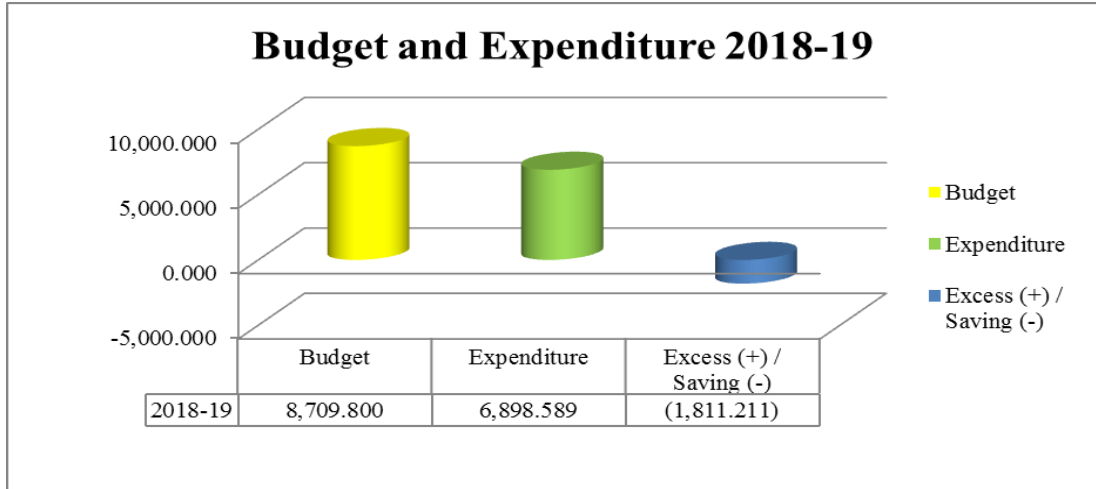
(Rupees in million)



As per the Appropriation Accounts 2018-19 of the District Health Authority, LAYYAH, total original budget (Development and Non-Development) was Rs 3,365.953 million. Against the budget, total expenditure of Rs 2,233.197 million was

incurred by the District Health Authority during 2018-19. Lapse of funds amounting to Rs 1,132.756 million came to the notice of audit due to inefficient financial management in release of budget by Deputy Director (Finance). No plausible explanation was provided by PAO and management of the District Health Authority Layyah. (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), major portion of funds lapsed as detailed below:

- (i) Excessive budget was blocked by allocating heavy amounts in salary portion which resulted in lapse of Rs 842.021 million (33 per cent).
- (ii) Excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 290.627 million (37 per cent).

### 5.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 319.887 million were raised as a result of this audit. This amount also includes recoverables of Rs 57.111 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Classification</b>	<b>Amount</b>
1	Non-production of record	15.060
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	111.471
B	Procurement related irregularities	127.688
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	65.668
5	Others	-

#### **5.2.4 Comments on the Status of Compliance with PAC Directives**

The Audit Report pertaining to the following years was submitted to the Governor of the Punjab but has not been presented to the Public Accounts Committee.

##### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	19	PAC not constituted
2	2018-19	25	PAC not constituted

## 5.2.5 AUDIT PARAS

### 5.2.5.1 Non-Production of Record

#### 5.2.5.1.1 Non-Production of record – Rs 15.060 million

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for keeping of initial and subsidiary accounts.

The following DDOs incurred expenditure of Rs 15.060 million during 2018-19, but vouched accounts of the expenditure of procurement, repair work and salaries were not produced to Audit. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Nature of Record	Amount
1	DO (Health)	Arrears of Pay and Allowances	4.956
2	MS THQ Hospital Chowk Azam	Arrears of Pay and Allowances	6.986
3	MS THQ Hospital Choubara	Medicine, Repair work	0.742
4		Arrears of Pay and Allowances	2.376
<b>Total</b>			<b>15.060</b>

Audit is of the view that due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure of Rs 15.060 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that all the record was available. The reply was not tenable because no record was produced for verification.

DAC directed the DDOs to produce the record without further delay. No progress was intimated to Audit till finalization of this report.

Audit recommends to inquire the matter, fix responsibility and disciplinary action against the person(s) at fault for non-production of record and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras: 30,33,9,21]

## **5.2.5.2 Irregularities**

### **5.2.5.2.1 Unauthorized withdrawal of arrears - Rs 58.305 million**

According to clause 9 of Punjab District Authorities (Accounts) Rules 2017, that DDO and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

During course of audit of District Officer Health Layyah for the year 2018-19, it was noticed that amounting to Rs 58.305 million was drawn against the arrears of pay and allowances of Lady Health Workers out of cost center LL9019. The said cost center operates the DO(Health) as DDO. Scrutiny of the record revealed that all the arrears bills were signed/sanctioned by the District Coordinator(IRMNCH) instead of DOH. District Coordinator was the controlling officer of the lady health worker and has no financial controls/powers. So drawl of arrears of pay and allowances without the sanction of DO(Health) were unauthorized.

Due to weak financial management, the expenditure was sanctioned by the officer other than DDO.

The incurrence of expenditure without sanction of competent authority resulted utilization of funds Rs 58.305 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, District Officer (Health) replied that the expenditure was sanctioned by the concerned DDO. The reply was not tenable as the expenditure was sanctioned by District Coordinator.

DAC directed to get the matter regularized from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility against the concerned besides regularization of the expenditure.

[AIR Para:11]

#### **5.2.5.2.2 Un-authorized payment of previous year liabilities – Rs 32.020 million**

According to Rule 17.18 of PFR Vol.I, expenditure incurred in one year, should not be left over to be met out of the budget for the next year.

The following DDOs of District Health Authority paid expenditure of Rs 32.020 million pertaining to the previous year was met out budget of the current financial year. The detail is as below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Detail</b>	<b>Amount</b>
1	DO (Health)	POL, strychnine	0.241
2	MS DHQ Hospital	Stores, lab items	29.609
3	MS THQ Hospital Karor	LP medicine	1.588
4	MS THQ Hospital Chowk Azam	Stores	0.582
<b>Total</b>			<b>32.020</b>

Due to weak financial management, the expenditure of previous year was met out of current year allocation.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that payment was made as per instruction of the Secretary Health. Reply was not tenable as liabilities were paid without inclusion in annual budget of current financial year and approval from the Competent Authority.

DAC directed for regularization of expenditure from the competent authority. No progress was intimated to Audit till finalization of this Report.

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

[AIR Paras: 10,11,6,23]



### **5.2.5.2.3 Payment of inadmissible pay and allowances – Rs 22.038 million**

According to Government of the Punjab, Health Department letter No.PO (P&E-I) 19-113/2004(V) dated 10.03.2007, the Specialist Doctors drawing HSRA will be allowed only hospital based practice after duty hours. Furthermore, as per Finance Department Notification No.SOX(H-I) 6-91 2004-1 dated 14.07.2008, HSRA is not admissible to the staff proceeding on leave or not working in the concerned RHC / BHU. Moreover, according to Rule 1.15 (2) of Punjab Traveling Allowance Rules, conveyance allowance will not be admissible during leave or joining time.

Various DDOs under the administrative control of CEO (DHA) allowed payment of Rs 22.038 million on account of Health Sector Reform Allowance, Conveyance Allowance, Social Security benefit, Uniform and Dress Allowance, Incentive Allowance, Health Risk Allowance, Practice Compensatory Allowance and other inadmissible allowances during 2018-19. The employees were not entitled to draw the said allowances. **(Annexure-C/LY)**

Audit is of the view that due to weak financial management, inadmissible allowances were paid.

The payment of inadmissible allowances resulted in loss of Rs 22.038 million to the Government.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that the recovery has been started and compliance would be shown at the time of next meeting.

DAC directed the DDOs to ensure recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 22.038 million.

[AIR Paras:6,17,18,19,20,21,22,23,26,27,,1,2,4,5,8,12,15,16,18,22,24,25,27, 31,33,36,37,38,39,44,46,47,55,3,4,5,7,12,13,20,1,4,10,11,12,18,20,21,22,1,2,3,5,8,1 0,15,1,7,8,9, 10,12,1,6,7,8,9,16,17,18]

#### 5.2.5.2.4 Mis-procurement of miscellaneous items - Rs 21.318 million

According to Rule 9 of the Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

The following DDOs purchased various items valuing Rs 21.318 million during 2018-19, without advertisement. The procurement was neither advertised on the PPRA's website nor in two national newspapers. The DDOs incurred expenditure on quotations basis by splitting up the bills to avoid tendering process.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO (DHA)	Strychnine	0.399
2	DO (Health)	Stores	1.935
3		Strychnine	0.304
4	MS DHQ Hospital	Stores, LP medicine	2.806
5	MS THQ Hospital Karor	X-Ray films, stores	1.155
6		Stores, stationery	1.629
7	MS THQ Hospital Chowk Azam	Medicine	2.548
8	MS THQ Hospital Kot Sultan	Stores	3.547
9		Medicine	1.089
10	MS THQ Hospital Choubara	Stores	3.791
11	MS Thal Hospital Layyah	Stores	2.115
<b>Total</b>			<b>21.318</b>

Audit is of the view that due to weak financial management, purchases were made without advertisement and fair competition.

Procurement without advertisement resulted in irregular expenditure of Rs 21.318 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that the expenditure was incurred from time to time and in each case, the expenditure was below the tendering

limit. The reply was not tenable because the procurement rules were not observed being the expenditure beyond the quotation limit in a year.

DAC directed the concerned DDOs to get the expenditure regularized from the competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras: 9,1,16,6,1,22,5,13,18,4,11]

**5.2.5.2.5 Inadmissible grant of house rent allowance, maintenance charges and conveyance allowance - Rs 19.555 million**

According to Government of the Punjab, Finance Department letter No.FD.SR.1.9-4/86(P)(PR) dated 04.12.2012, the employees who have been sanctioned official vehicles or residing in the colonies situated within their work premises are not entitled to the facility of Conveyance Allowance. Furthermore, according to Government of the Punjab, Finance Department letter No. FD(M-11)1-15/82-PT-I dated 15.01.2000, in case of availability of designated residence the Government servants for whom these are meant cannot draw house rent allowance and maintenance charges 5% will be recovered even if they do not reside in house.

The following DDOs allowed payment of Rs 19.555 million on account of House Rent Allowance, maintenance charges and Conveyance Allowance during 2018-19 to the employees, who were either residing in hospital colony, had designated residences or allotted/ used official vehicles.

(Rupees in million)

Sr. No.	DDOs	Nature of allowance	Amount
1.	District Officer (Health)	HRA	3.588
2.		CA	5.494
3.		CA	0.607
4.	MS DHQ Hospital	CA, HRA, Maintenance charges	0.765
5.		HRA	0.535
6.		Penal rent	4.281
7.	MS THQ Hospital Karor	HRA	0.481
8.		HRA	0.032
9.	MS THQ Hospital Chowk Azam	HRA	0.377
10.		CA	0.853
11.		Maintenance charges	0.190
12.		Maintenance charges	1.058
13.	MS THQ Hospital Kot sultan	HRA	0.415
14.		HRA	0.328
15.	MS Thal Hospital Layyah	CA, HRA	0.277
16.		Maintenance charges	0.274
<b>Total</b>			<b>19.555</b>

Audit is of the view that due to weak financial management, inadmissible allowances were paid to the employees.

Grant of inadmissible allowances resulted in loss of Rs 19.555 million to the Government.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that the recovery has been started and compliance would be shown at the time of next meeting.

DAC directed the DDOs to ensure recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends recovery of Rs 19.555 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Paras: 24,25,29,41,42,43,10,16,14,15,16,17,4,5,3,4]

**5.2.5.2.6 Un-authorized payment of medicines without obtaining DTL report - Rs 8.307 million**

According to Government of the Punjab, Health Department letter No. SO (P-I) H/RC2001-2002/01 dated 29.09.2001, payment of cost of medicine is subject to receipt of DTL report

The CEO (DHA) Layyah made payment of Rs 8.307 million against purchase of medicines during 2018-19. Payment against medicines was made without obtaining Drug Testing Laboratory reports. The detail is as below:

(Rupees in million)

Item	Batch No.	Amount
Naibuphine Inj.,	A-608	0.892
Omeprazole Inj.	L-229	0.800
Metronidazole Inj. 500mg	I-237	0.245
Ceftriaxone Inj. (Sodium 1mg)	VP-126	3.920
Ciprofloxacin Tab 500 mg	T-099	0.180
Diclofenac Sodium Inj. 75 mg	A-633	0.235
Ceftriaxone (Sodium 250 Inj.)	P-127	0.900
Metoclopramide Inj. 10 mg	A-632	0.780
Calamox 625	C19928	0.182
Quinoflox eye drop 0.3%	QE19008	0.105
Calamox 100mg	C19900	0.068
<b>Total</b>		<b>8.307</b>

Audit is of the view that due to weak financial management, payment of medicines was made without obtaining DTL reports.

Incurrence of expenditure without DTL report resulted irregular expenditure and un-assured quality of medicine.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 18.11.2019, DDO replied that DTL will be shown at next meeting.

DAC directed for regularization of expenditure from the competent authority

Audit recommends that matter may be inquired for payment of medicines without DTL reports and expenditure under observation may be got regularized with the sanction of competent authority.

[AIR Para:1]

**5.2.5.2.7 Expenditure on repair and maintenance of building without estimate and measurements - Rs 8.176 million**

According to Paragraph 4.8, 4.5 of B & R Code, no payment should be made without detail measurement in the measurement book. Furthermore, according to Government of the Punjab Primary and Secondary Healthcare Department dated notification No. PSO/Secy. P&SH/05/2016 of 0.2.07.2016, the secretary shall prepare estimate of repair and maintenance of building and after approval from Health Council, the scheme shall be executed using local expertise. The Health Council shall inspect the work for quality assurance and minimize the cost.

The following DDOs incurred an expenditure of Rs 8.176 million out of Health Council funds during 2018-19, on account of repair and maintenance and construction work without rough cost estimates, TS estimate, measurement, quality and quantity verified by the Health Council. The detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDO</b>	<b>Description</b>	<b>Amount</b>
1	MS THQ Hospital Karor	P/L porcelain tiles	4.997
2	MS THQ Hospital Chowk Azam	P/L porcelain tiles	1.082
3	MS DHQ Hospital	Repair & maintenance work	1.690
4		RCC foundation, repair & maintenance	0.407
<b>Total</b>			<b>8.176</b>

Audit is of the view that due to weak internal controls, expenditure was incurred without observing codal formalities.

Non-observance of rule resulted in unauthorized expenditure of Rs 8.176 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that the expenditure was incurred in accordance with Health Council guidelines. The reply was not tenable as expenditure was incurred without detailed measurement and health council approval.

DAC directed the DDOs to get the matter regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras: 29,27,30,57]

#### **5.2.5.2.8 Unauthorized expenditure against purchase of medical equipment - Rs 6.540 million**

According to rule 2.10(a)(1) of the 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.

CEO (DHA) Layyah purchased medical equipment and furniture costing Rs 6.540 million during 2018-19 for the up gradation of BHU 161-A/TDA. The said equipment and furniture was shown as received from the suppliers but after the lapse of considerable time the same has not been issued to concerned center. The detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Items</b>	<b>Cost</b>
1	Hamatology Analyser	0.541
2	Dental X-Ray	0.360
3	Dental Auto Calve	0.580
4	Dental chair	2.350
5	Dental instruments	0.150
6	Furniture	0.200
7	Furniture	0.380
8	Air Conditioners	0.680
9	Bedding clothing	0.149
10	Furniture	1.150
	<b>Total</b>	<b>6.540</b>

Audit is of the view that due to weak financial management, furniture and equipment were not issued to the concerned center.

Non-issuance of furniture and equipment resulted in to deprive the patients from the benefits provided by the Government.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 18.11.2019, CEO replied that the equipment have been received late and same will be issued soon to the concerned centers. The reply was not tenable as equipment was not received till date of audit.

DAC directed to inquire the matter within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiring and fixing responsibility on the person(s) at fault besides issuance of equipment to concerned centers.

[AIR Para:14]

#### **5.2.5.2.9 Unauthorized expenditure out of health council funds - Rs 5.133 million**

According to Government of the Punjab, Primary and Secondary Healthcare Department notification No. PSO/Secry. P&SH/05/2016 of dated 2.07.2016, Secretary of the Health Council shall prepare schemes for M&R, purchase and repair of machinery/equipment. After approval from Health Council, the scheme shall be executed using local expertise. Furthermore, according to Health Department notification No. SO(B&A)1-24/2016, the DDO will notify the inspection committee for the physical verification of store items.

The following DDOs transferred an amount of Rs 4.339 million to Executive Engineer (Buildings) for the false ceiling of hospital buildings. Proof of open tender and fair competition among contractors was not on record. Vouched account i-e agreement with contractor ,measurement book, contractor bill was not available to verify authenticity of the expenditure. The detail is given below:



(Amount in million)

Sr. No.	DDOs	Nature of work	Amount
1	MS THQ Hospital Kot Sultan	False ceiling of hospital	4.338
2	MS Thal Hospital Layyah	False ceiling of hospital	0.795
<b>Total</b>			<b>5.133</b>

Due to weak financial management, the expenditure was incurred without codal formalities.

Non observance of codal formalities resulted in irregular expenditure.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that the expenditure was incurred on the urgency and necessity basis. The reply was not tenable as the expenditure was incurred without fulfillment of codal formalities.

DAC directed for regularization of expenditure from the competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:19, 19]

#### **5.2.5.2.10 Inauthentic consumption of POL - Rs 4.422 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 following DDOs incurred an expenditure of Rs 4.422 million on account of POL for generator and vehicles without maintaining log book, visits tour dairy/programme, MPG and the consumption detail. Furthermore, WAPDA/MEPCO load shedding schedule was not available to verify the authenticity of consumption of POL for generators.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	District Officer (Health)	POL for vehicle	0.349
2	MS THQ Hospital Karor	POL for generator	0.653
3	MS DHQ Hospital		1.577
4	MS THQ Hospital Choubara		0.316
5	MS THQ Hospital Kot Sultan		0.703
6	MS Thal Hospital Layyah		0.824
<b>Total</b>			<b>4.422</b>

Due to weak financial management, POL was consumed on assumption basis and logbook was not maintained as per load shedding schedule.

Consumption of POL on the basis of assumption resulted in unauthorized and inauthentic payment of Rs 4.422 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDO replied that the POL was consumed as per as per average consumption and unpredicted electricity load shedding. The reply was not tenable as POL consumption was not rational.

DAC directed to enquire the matter by CEO (DHA) and report in a month. No progress was intimated to Audit till finalization of this report.

Audit recommends that the matter may be investigated and responsibility be fixed at person(s) at fault beside regularization of the expenditure from the competent authority.

[AIR Paras:9,8,35,23,24,22]

#### **5.2.5.2.11 Unauthorized promotion of computer operators - Rs 4.190 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.

District Officer (Health) promoted 20 computers operators from BS-12 to BS16 as senior computers operators. Repeated requests were made to the DDO and his staff to provide the supporting documents on the basis of which promotion was

made, but the required record i.e B.A/M.A degrees verification and experience certificate was not produced to audit, without which the authenticity of the expenditure Rs 4.190 million could not be verified.

Audit is of the view that due to weak financial controls, inadmissible pay and allowances were paid to the employees.

Grant of inadmissible increments/ allowances resulted in over payment of Rs 4.190 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, DDO replied that all the documents relating to promotion were available which may be verified. The reply was not tenable as no proof was provided for justifying the promotion.

DAC directed the DDO to justify the act with rules. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing of responsibility against the concerned for no production of record besides production of required record.

[AIR Para:5]

#### **5.2.5.2.12 Irregular expenditure by splitting and without sanction of competent authority - Rs 3.222 million**

According to Sr.No.3 (b) (vii) of the Punjab Delegation of Financial Powers Rules 2016, the Officer in category-I were empowered to accord the sanction of expenditure for printing at private presses other than Government press upto Rs 1.00 million in each case. According to Rule 15.2(iii) of PFR Vol-I, purchase order should not be split up so and avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

MS DHQ Hospital Layyah incurred expenditure amounting to Rs 3.222 million on printing of the following items through splitting bills mere to avoid the sanction of higher authority. The expenditure was incurred beyond competency. The detail is given below:

(Rupees in million)

Document Date	Document No	Detail of Major items	Amount
23.01.2019	1900075145	Bed Head Ticket Gyanecology	0.780
15.04.2019	1900210067	Medical Allied Book	0.480
15.04.2019	1900210069	Gyanee Book	0.450
15.04.2019	1900210071	OPD Register + central point register	0.052
19.06.2019	1900187256	Gynae Book	0.155
19.06.2019	1900187257	Medical Book for color printing	0.620
20.06.2019	1900164210	Discharge slip color print	0.010
20.06.2019	1900173645	Surgical Bed Head Book	0.352
20.06.2019	1900237429	Gynee Bed Head Book	0.310
21.06.2019	1900216367	Pathology Pads	0.013
<b>Total</b>			<b>3.222</b>

Audit if of the view that due to weak financial management, expenditure was incurred beyond competency through splitting the order mere to avoid the sanction of competent authority.

Incurrence of expenditure without observing codal formalities resulted in irregular utilization of funds.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, MS DHQ Hospital replied the expenditure was incurred from time to time. The reply was not tenable as bills were split up to avoid sanction from higher authority.

DAC directed for regularization of expenditure from the competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility on officers concerned besides regularization of the expenditure from the competent authority.

[AIR Para:28]

#### **5.2.5.2.13 Unauthorized expenditure on renovation of hospital – Rs 2.904 million**

According to Government of the Punjab, Primary and Secondary Healthcare Department notification No.PSO/Secry. P&SH/05/2016 dated 02.07.2016, Secretary of the Health Council shall prepare M&R scheme and after approval from Health Council, the scheme shall be executed using local expertise. Furthermore, according

to Government of the Punjab Primary and Secondary Healthcare Department, notification No So(B&A)1-48/2017-18 dated 20.11.18, serial No.4, development funds can be incurred on repair and maintenance. Further As per Para 54 to 58 of CPWD Code read with Para 209 of CPWA Code, no work should be commenced or liability incurred without administrative approval and technical sanction estimate. According to Government of the Punjab Local Government & Rural Development Department Notification No.SOV(LG) 5-33/2002 dated 06-07-2005, the payment shall be made only after the assessment of work and recording of its measurement in the measurement book

MS THQ Hospital Choubara incurred Rs 2.904 million on renovation of hospital but no tender record i.e advertisement, number of participant, sealed tender rate, financial bid was available. Only comparative statement was on record. Moreover, the expenditure was incurred without approval of members of Health Council. The Work order was issued on 09.07.18 to complete with 2 months but despite lapse of 1 year, work in progress. No penalty was imposed on contractor.

Audit is of the view that due to weak financial management, the expenditure was incurred without codal formalities.

Non observance of codal formalities resulted in irregular expenditure.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, MS THQ Choubara replied that the expenditure was incurred as per rule. The reply was not tenable as codal formalities were not followed.

DAC directed for regularization of expenditure from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends probing the matter in detail to fix the responsibility on the person(s) at fault besides regularization of the expenditure from the competent authority.

[AIR Para:24]

**5.2.5.2.14 Unauthorized payment of pay and allowances, TA/DA and POL without sanctioned post – Rs 2.511 million**

According to Sr. No.1, Second Schedule of the Punjab Delegation of Financial Power Rules 2016, the power to create posts rest with the Administrative Department subject to the concurrence of Finance Department.

DO(Health) Layyah incurred an expenditure of Rs 2.511 million on account of pay and allowances, TA/DA and POL against the post of DOH (MS) during 2018-19. The said post was not sanctioned by the Finance Department. CEO (DHA) in its budget book allocated the budget for the said post without any proper sanctioned strength. The detail of drawl is given below;

(Rupees in million)

<b>Designation</b>	<b>Grade</b>	<b>Description</b>	<b>Amount</b>
District Health Officer (MS)	Grade 19	Pay and allowances	2.071
		POL Vehicle No.LY8581	0.350
		TA/DA	0.090
<b>Total</b>			<b>2.511</b>

Audit is of the view that due to weak financial management, expenditure were incurred against the post without concurrence of Finance Department.

Incurance of expenditure against the post without concurrence of Finance Department resulted in unauthorized expenditure of Rs 2.511 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, District Officer (Health) replied that the post was sanctioned. The reply was not tenable because concurrence of Finance Department was not obtained.

DAC directed for regularization of the expenditure. No progress was intimated to Audit till finalization of this Report.

Audit recommends fixing responsibility against the concerned besides regularization of the expenditure from the competent authority.

[AIR Para:8]

**5.2.5.2.15 Irregular pay due to shifting of headquarter - Rs 2.472 million**

According to Government of the Punjab, Finance Department notification No.FD/SRIV-8-1/76(PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department.

District Officer (Health) Layyah allowed the pay and allowances to the employees of BHUs for Rs 2.472 million during 2018-19. The employees were working at DC Office Layyah, which was unjustified because health cause is being affected due to such general duties. The detail is given below:

(Amount in rupees)

Sr. No.	Name	Place of Posting	Place of General Duty	Gross Pay	Period (months)	Irregular Pay
1	Abdul Rouf	BHU Chack No.151 TDA	DC Office Layyah	41,193	12	494,316
2	Muhammad Azhar Hussain	BHUChack No.366TDA		41,193	12	494,316
3	Shahzad Rahim	BHU Chack No.136 TDA		41,193	12	494,316
4	Mukhtar hussain	BHU Nawan Kot		41,193	12	494,316
5	Zahid Karim	BHU Chak No.339 TDA		41,193	12	494,316
<b>Total</b>						<b>2,471,580</b>

Audit is of the view that due to weak financial management, salaries were paid to the employees working on general duty for whole year.

Payment of salaries to the employees on general duty resulted in irregular expenditure of Rs 2.472 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, District Officer (Health) replied that general duty was assigned on the order of DC who is administrator of the authority. The reply was not tenable because the employees of Health Authority was posted in

irrelevant office.

DAC directed to take up the matter with the concern offices for compliance. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs 2.472 million besides fixing responsibility on the person(s) at fault.

[AIR Para:12]

#### **5.2.5.2.16 Unauthorized award of contract for local purchases of medicines - Rs 2.469 million**

According to Government of the Punjab, Finance Department notification No.FD(FR) 11-2/89 dated 01.11.2001, officers in District Government are now authorized to distribute the budget allocation for medicines in the following ratio

- i- 10% reserved for natural calamities / emergency to be purchased in bulk
- ii- 15% day to day purchase for normal medicines
- iii- 75% bulk purchase for normal medicines.

M.S.Thal Hospital Layyah incurred the expenditure of Rs 2.470 million on purchase of medicines during 2018-19. As per authorized ratio, the M.S. Hospital was required to incur the expenditure up to Rs 1.500 million as 15% day to day and 10% emergency medicines during the financial year.

Audit is of the view that due to weak financial management, the expenditure was incurred beyond prescribed ratio.

The incurrence of expenditure in excess of prescribed ratio resulted unauthorized purchases of medicines.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, MS THQ Hospital Thal replied that the expenditure was incurred with prescribed ratio. The reply was not tenable because it was not based on fact.

DAC directed for enquiry to fix the responsibility by the CEO (DHA). No progress was intimated to Audit till finalization of this Report.

Audit recommends that matter may be investigated for purchase of medicine beyond authorized limit and fixing responsibility on the person(s) at fault.

[AIR Para:25]



#### **5.2.5.2.17 Unjustified payment of pay & allowance without verification of degrees - Rs 2.400million**

According to clause (iii) of appointment order, the appointment order is subject to the verification of documents/degree from the issuing authority. Moreover, 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 MS THQ Hospital Choubara allowed salary for Rs 2.400 million during 2018-19 to 04 Medical Officers and Specialist without having verification of degree/academic record/ diploma from the concerned board university, by the DDO.

Audit is of the view that due to weak financial management, pay and allowances were paid without verification of degrees record.

Payment of pay and allowances without verification of degrees record resulted in unauthorized expenditure.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, MS THQ Hospital Choubara replied that verification is under process and will be shown at next meeting.

The DAC directed for provision of degree verification. No progress was intimated to Audit till finalization of this report.

Audit recommends probing the matter in detail and fixing of responsibility against the concerned besides verification of record/ degree of all employees under intimation to audit.

[AIR Para:11]

#### **5.2.5.2.18 Unauthorized Expenditure on construction of laundry room - Rs 2.337 million**

According to Government of the Punjab, Primary and Secondary Healthcare Department notification No.PSO/Secry.P&SH/05/2016 dated 02.07.2016, secretary of the Health Council shall prepare M&R scheme and after approval from Health Council, the scheme shall be executed using local expertise. Furthermore, according

to serial No.4 of notification No So(B&A)1-48/2017-18 dated 20.11.18 issued by Government of the Punjab, Primary and Secondary Healthcare Department , development funds can be incurred on repair and maintenance.

The MS DHQ Hospital Layyah incurred an expenditure of Rs 2.337 million during 2018-19 against construction of laundry room. The expenditure was incurred on newly construction work instead of repair and maintenance. Furthermore, there was no approval of members of Health Council.

Audit is of the view that due to weak financial management, the health council funds were utilized for the purpose that was not authorized.

Non observance of health council criteria resulted in unauthorized expenditure of Rs 2.337 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, DDO replied that expenditure was incurred with observing health council guidelines. The reply was not tenable as expenditure was incurred without approval and on new scheme.

DAC directed the DDO for regularization of expenditure from the competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends probing the matter in detail to fix the responsibility on Officers concerned besides regularization of the expenditure from the competent authority.

[AIR Para:19]

#### **5.2.5.2.19 Un-justified payment against DTL failed medicines - Rs 2.064 million**

According to Government of the Punjab, Health Department letter No. SO (P-I) H/RC2001-2002/01 dated 29-09-2001, payment of cost of medicine is subject to receipt of DTL report.

CEO (DHA) made payment of Rs 2.064 million during 2018-19 for purchase of 1,147,125 Diclofenac Sodium Tablets 50 mg. The said medicines was supplied by

the “M/S Bio Lab”. The DTL status of medicine was shown as failed and substandard. The said medicines was neither replaced nor amount was got refunded from the supplier.

Audit is of the view that due to weak internal financial management, payment was made without obtaining of DTL report.

Payment without DTL report resulted in unauthorized expenditure of Rs 2.604 million

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, District Officer (Health) replied that matter had been taken up with the supplier. Progress be shown at next meeting.

The DAC directed to recover the cost of DTL failed medicines. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility on person(s) at fault besides recovery of cost of medicine from the supplier.

[AIR Para:10]

#### **5.2.5.2.20 Non-deduction of GST , income tax and withholding tax – Rs 1.776 million**

According to Section 153(1) and 1(c) of Income Tax Ordinance, 2001, every prescribed person, while making a payment in full or part, shall deduct tax at the specified rate from the gross amount payable. Furthermore, according to Clause 1.3 of Sales Tax Special Procedure (Withholding) Rules, 2007, withholding agents are required to deduct an amount equal to 1/5<sup>th</sup> (20 percent) of the total Sales Tax. Moreover, according to Rule 5 of Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall deduct Sales Tax at the applicable rate of the value of taxable services provided to him from the payment due to the service provider.

The following DDOs purchased various items during 2018-19 but necessary deduction of GST, Income Tax and Withholding Tax on services was not made at source which resulted in loss of Rs 1.776 million to the Government. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	GST	Income Tax	WHT on Services	Total
1	CEO (DHA)	0.929	0	0	0.929
2		0	0.394	0	0.394
3	MS DHQ Hospital	0.087	0	0	0.087
4	MS THQ Hospital Karor	0	0	0.119	0.119
5	MS THQ Hospital Choubara	0	0.247	0	0.247
<b>Total</b>		<b>1.016</b>	<b>0.641</b>	<b>0.119</b>	<b>1.776</b>

Due to weak financial management, payments were made to suppliers without deduction of GST and Income Tax.

Non-deduction of GST and Income Tax resulted in loss of Rs 1.776 million to the Government exchequer.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that an amount of Rs 20,140 had been recovered and the remaining amount will be recovered at earliest.

DAC directed the DDOs to ensure recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.776 million.

[AIR Paras:11,19,52,9,20 ]

#### **5.2.5.2.21 Purchase of laboratory items without fresh tendering - Rs 1.310 million**

According to the rule 42(iv) of the Punjab Procurement Rule 2014, repeat order up to 15% of the first order may be issued and in case the quantity to be purchased is more than 15% of previous quantity, fresh tendering needs to be issued.

The MS DHQ Hospital Layyah issued supply orders for Rs 1.310 million during 2018-19 to the same suppliers who had already supplied the items in huge quantity. The limit of 15% for repeated order was not considered. The detail is given below:

(Amount in rupees)

Date of SO	Order No.	Item	Qty	Rate	Supplier	Amount 1st Supply order	Repeat Supply Order	%
30.06.18	237	Instant Virus DNA/RNA Extraction Kit	2	78,120	Chemical House	156,240		
		Robo Gene HCV RNA Quantification Kit	2	131,250		262,500		
10.07.18	244	Instant Virus DNA/RNA Extraction Kit	2	78,120		0	156,240	100
		Robo Gene HCV RNA Quantification Kit	2	131,250		0	262,500	100
17.07.18	254	Instant Virus DNA/RNA Extraction Kit	2	78,120		0	156,240	100
		Robo Gene HCV RNA Quantification Kit	2	131,250		0	262,500	100
03.04.18	444	Habs Ag kit	1980	27	M/S Aziz Sons	53,460		
		HCV Kit	1667	29		48,343		
		HIV Kit	2962	38		112,556		
21.04.18	486	Habs Ag kit	4065	27		0	109,755	205
		HCV Kit	4065	29		0	117,885	244
		HIV Kit	6440	38		0	244,720	217
<b>Total</b>						<b>1,309,840</b>		

Audit is of the view that due to weak financial management, the limit was not observed in repeat order.

Non observance of limit for repeat order, as prescribed in rules, resulted in unauthorized expenditure of Rs 1.310 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, MS DHQ Hospital replied that supply

order was issued keeping in view the demand of item and availability of funds. The reply was not tenable as the prescribed limit of repeated supply order was not observed.

The DAC directed regularization of the expenditure from the competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Para:23]

#### **5.2.5.2.22 Non-maintenance of stock registers and consumption record of medicines – Rs 1.210 million**

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant.

The following DDOs purchased medicine, stationery and store items of Rs 1.210 million, but the stock entry, proof of actual receipt of items and consumption/issuance record along with approved indents was not available.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of item</b>	<b>Amount</b>
1	MS THQ Hospital Karor	Bed sheets	0.275
2		Stores	0.056
3		Stores	0.162
4	MS THQ Hospital Choubara	Stores	0.190
5	MS THQ Hospital Kot Sultan	Medicine	0.308
6		Stores	0.150
7	MS Thal Hospital Layyah	Medicine	0.069
<b>Total</b>			<b>1.21</b>

Audit is of the view that due to weak financial management, proper stock entry of medicine was not maintained and no consumption record was maintained.

Incurrence of the expenditure without maintenance of stock register resulted in irregular expenditure of Rs 1.210 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that medicines consumption record has been maintained. The reply was not tenable as no record was produced.

The DAC directed the CEO to enquire the matter and fix responsibility within a month. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:21,27,28,18,21,22,21]

#### **5.2.5.2.23 Non-recovery of Government receipts – Rs 1.187 million**

According to Rule 14 (d) of the Punjab District Authorities (Accounts) Rules 2017, the primary obligation of the Collecting Officers shall be to collect receipts in the transparent manners and guard against misappropriation, fraud, embezzlement or compromise.

The following DDOs did not realize / deposit an amount of Rs 1.187 million during 2018-19 on account of Hospital receipts, registration fee and license fee. The detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of receipts</b>	<b>Amount</b>
1	MS DHQ Hospital	Hospital receipts	0.183
2		Canteen auction money	0.651
3		MLC fee	0.022
4	MS THQ Hospital Chowk Azam	M/Cycle stand, canteen auction money	0.200
5	MS THQ Hospital Kot Sultan	Hospital receipts	0.089
6		MLC fee	0.042
<b>Total</b>			<b>1.187</b>

Audit if is of the view that due to weak financial management, Government receipts were not realized / deposited.

Non-realization / deposit of the receipts resulted in loss of Rs 1.187 million to the Government exchequer.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that the recovery is in progress and compliance would be shown at next meeting.

DAC directed for recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.187 million, under intimation to Audit.

[AIR paras:17,32,54,28,2,3]

#### **5.2.5.2.24 Unauthorized expenditure out of health council funds – Rs 1.092 million**

According to Government of the Punjab, Health Council policy circulated by Health Department dated 11.05.2017, Secretary Health Council will be responsible for maintenance of records such as receipts, bills, cash book, resolution register of health council, record of development schemes, etc. Furthermore, as per notification No.PSO/Secry. P&SH/05/2016 of Government of the Punjab Primary and Secondary Healthcare Department dated 2<sup>nd</sup> July 2016, Secretary of the Health Council shall prepare M&R schemes, purchase and repair of machinery/equipment. After approval from Health Council, the schemes shall be executed using local expertise.

The MS THQ Hospital Karor incurred an expenditure of Rs 1.092 million on account of purchase of lab items and stores during 2018-19. The expenditure was incurred without approval of health council members. Furthermore, in some cases, no inspection of procurement/ repair was carried out by the health council members and purchases were without advertisement on PPRA website.

Audit is of the view that due to weak financial controls, the expenditure was incurred without observing codal formalities and maintaining necessary record.

Non-observance of codal formalities resulted in unauthorized expenditure of Rs 1.092 million.



The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, DDO replied that the expenditure was incurred on the urgency and necessity basis. The reply was not tenable as the expenditure was incurred without fulfillment of codal formalities.

DAC directed for regularization of expenditure from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends that the matter may be investigated and responsibility be fixed on the person(s) at fault for non-compliance of rules besides regularization of the expenditure from the competent authority.

[AIR Para:24]

#### **5.2.5.2.25 Unjustified laying of porcelain tile - Rs 1.082 million**

According to rule 2.10(a)(1) of the 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”.

The MS THQ Hospital Chowk Azam incurred huge expenditure of Rs. 1.082 million on P/L porcelain tile in hospital during 2018-19. The said hospital had newly constructed building i.e during 2013. So, incurrence of heavy expenditure on dismantling of existing flooring and P/L porcelain tile was loss of public money.

Audit is of the view that due to weak financial management, a wasteful expenditure was incurred.

Incurrence of wasteful expenditure resulted in loss to Government.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 18.11.2019, MS THQ Hospital Chowk Azam replied that expenditure was incurred due to need.

The DAC directed for enquiry by the CEO (DHA) to fix the responsibility. No progress was intimated to Audit till finalization of this report.

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

[AIR Para:24]

### 5.2.5.3 Value for Money and Service Delivery Issues

#### 5.2.5.3.1 Purchases in excess of requirement - Rs 30.060 million

According to Government of the Punjab, Health Department notification No. SO(P-1)7-1/2010(Pt-1) dated 03.11.2010, for bulk purchase of medicines, all procurements be made keeping in view the past utilization of the same item and estimated availability of the budget and where no past consumption data is available then, following parameters may be taken into consideration:

- i. Population and patient's attendance
- ii. Projected incidence of the disease
- iii. Standard treatment
- iv. Projected drug cost

The following DDOs purchased huge quantity of medicines amounting to Rs 30.060 million during 2018-19, under head bulk purchases. But it was observed from stock register that some medicines were transferred to other center for utilization while the others were near to expiry.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO DHA	Medicine	4.472
2	MS DHQ Hospital	Medicine	10.838
3	MS DHQ Hospital	Medicine	9.910
4	MS THQ Hospital Choubara	Medicine	4.840
<b>Total</b>			<b>30.06</b>

Audit is of the view that due to weak financial management, the expenditure was incurred on purchase without requirement.

Purchases/order of medicine in excess than requirement caused loss to Government and blockage of funds.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied the consumption record of medicine was available. Reply was not tenable as record was not produced at the time of audit.

DAC directed to produce consumption record of medicines. No progress was intimated to Audit till finalization of this Report.

Audit recommends disciplinary action against the person(s) at fault for demand /receiving of medicines in excess of requirement.

[AIR Paras:2, 21, 56, 12]

**5.2.5.3.2 Un-justified budget allocation resulted unspent balances - Rs 23.085 million**

According to rule 4(1)(e) & (i) of Punjab District Authorities (Budget) Rules 2017, the Chief Executive Officer shall act as Principal Accounting Officer of the Authority and shall regularly monitor budget execution; and shall ensure the utilization of funds in the public interest and on specific objects.

The CEO (DHA) allocated budget to various DDOs during the financial year 2018-19. Scrutiny of budget allocation and its utilization showed that heavy amount of Rs 23.085 million 60% to 100% remained unutilized.

Audit is of the view that due to weak financial management, funds were blocked in unnecessary object code.

Unjustified budget allocation resulted in blockage of funds of Rs 23.085 million.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 18.11.2019, CEO replied that the funds were allocated keeping in view the forecasted expenditure. The reply was not tenable as the funds allocation was not considered in revised budget also.

DAC directed to get the matter regularized from competent authority. No progress was intimated to Audit till finalization of this report

Audit recommends that responsibility may be fixed for defective preparation of budget and its poor monitoring against the standard instructions besides regularization of the matter by the competent authority.

[AIR Paras:16]

### 5.2.5.3.3 Withdrawal of pay and allowances without performing duties – Rs 12.252 million

According to Rule 9(b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The following DDOs paid an amount of Rs 12.252 million on account of pay and allowances to 41 No. employees during 2018-19. The said employees drawn pay and allowances without performing duties, either left the job, resignation, adhoc/ contract expired or were transferred to other offices/institutions but their pay was not discontinued. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Description	Amount
1.	CEO (DHA)	12	Without performing duties (drivers)	4.446
2.	MS THQ Hospital Karor	1	After transfer/ relieved	1.680
3.	MS THQ Hospital Chowk Azam	1	Without performing duty of EMO	1.000
4.		1	Absent	0.499
5.		1	Absent	0.274
6.	MS DHQ Hospital	7	EOL	0.494
7.		2	Left the job, transfer	0.240
8.		1	Absconder	1.794
9.		2	Resigned	0.063
10.		1	Adhoc/ contract expired	0.230
11.	MS THQ Hospital Choubara	1	Relieved/ transferred	0.682
12.		1	Adhoc/ contract expired	0.189
13.		2	Resigned	0.143
14.	MS THQ Hospital Kot sultan	6	Relieved/ transferred	0.440
15.	MS Thal Hospital Layyah	1	Adhoc/ contract expired	0.078
<b>Total</b>		<b>41</b>		<b>12.252</b>

Audit is of the view that due to weak financial management, pay and allowances were paid without performing duties.

Non-stoppage of pay of employees after transfer resulted in unjustified payment of Rs 12.252 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 18.11.2019, DDOs replied that the recovery is in progress and compliance would be shown at next meeting.

DAC directed the DDOs to ensure recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault besides the pay amounting Rs 12.252 million of the staff should be got adjusted/ recovered.

[AIR Paras: 20,25,2,3,30,7,13,20,50,51,6,13,17,6,10]

## 6. District Health Authority (DHA) Muzaffargarh

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit (Distt.Govts.) Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Muzaffargarh on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by Government of the Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	2,630.246	2,569.784	(60.462)	(2)
Non-Salary	883.037	701.028	(182.009)	(21)
Development	2.000	0	(2.000)	(100)
<b>Total</b>	<b>3,515.283</b>	<b>3,270.812</b>	<b>(244.471)</b>	<b>(7)</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 400.890 million was provided for purchase of medicines against which only Rs 318.036 million was utilized resulting in lapse of Rs 82.854 million (21%).
- An amount of Rs 64.653 million was provided for procurement of life saving medical supplies against which an amount of Rs 57.770 million was utilized resulting in lapse of Rs 6.883 million (11%).
- An amount of Rs 17.793 million was provided for procurement of machinery and equipment against which an amount of Rs 5.086 million was utilized resulting in lapse of Rs 12.707 million (71%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 244.471 million was lapsed due to inefficient management.

**Analyses of Appropriation Accounts and Financial Statements  
(Certification Audit 2019-20)**

During Certification Audit of DHA Muzaffargarh for the Audit Year 2019-20, it was noticed that there was difference in trust and public receipts figures of SAP and Financial Statements.

The Appropriation Accounts and Financial Statements of DHA Muzaffargarh for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authority, Muzaffargarh as at 30<sup>th</sup> June 2019.

The following issues surfaced during Certification Audit of District Health Authority Muzaffargarh.

- Difference of trust & public receipts in SAP data and Financial Statements - Rs 5.435 million

**ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Muzaffargarh was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No.	Sub-indicators	Target 2018-19	Achievement 2018-19	Remarks
1	Outdoor Patients	6,037,608	6,759,046	Target achieved
2	Indoor Patients	190,000	204,279	Target achieved
3	Surgical Cases	70,500	72,499	Target achieved
4	Cardiac Coronary Unit	13,500	15,365	Target achieved
5	Diagnostics Services (Laboratory, Radiology)	1,343,000	1,581,822	Target achieved



Sr. No.	Sub-indicators	Target 2018-19	Achievement 2018-19	Remarks
6	Family Planning Activities	156,408	120,853	Target not achieved
7	Peads	356,000	370,734	Target achieved
8	Surgery	57,500	61,551	Target achieved
9	T.B chest Treatment	11,524	7,342	Target not achieved
10	Free Medicine to Patients	6,037,608	6,963,325	Target achieved
11	EPI Vaccination	533,784	511,567	Target not achieved
12	Sanctioned Posts (Doctors/Specialists)	732	533	Target not achieved
13	Gazetted Staff/ Technical Staff	740	543	Target not achieved
14	Other Staff	248	168	Target not achieved

\*Source: Data received from CEO (DHA) Muzaffargarh

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution for Audit Year 2019-20.

- Record of expenditure amounting to Rs 35.701 million was not produced in 01 case.
- Recoveries and overpayment amounting to Rs 80.990 million were pointed out in 07 cases.
- Violation of Procurement, Financial and Delegation of Power rules amounting to Rs 224.706 million was observed in 12 cases.
- Value for Money and Service Delivery Issues of Rs 70.276 million was found in 03 cases.
- Other irregularities involving Rs 7.893 million was noticed in 01 case.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of family planning activities, T.B treatment, EPI vaccination, sanctioned posts, Gazetted Staff and other staff as intended in the indicators during 2018-19.

**v. Expectation Analysis and Remedial Measures**  
**District Health Authority**

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of medicines, cost of other stores and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary healthcare facilities. The same may be assessed and provided.

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Para No. 6.2.5.1.1

Para No. 6.2.5.2.1 to 6.2.5.2.19

Para No. 6.2.5.3.1 to 4.2.5.3.3

Para No. 6.2.5.4.1

- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

## 6.1.1 AUDIT PARAS

### 6.1.1.1 Difference in SAP data and financial statement for trust & public receipts - Rs 5.435 million

**Risk Categorization:** High

#### **Observations:**

As per rule 2.2 of PFR Vol.1, all cash transactions should be entered in the cash book and attested in token of check and the cash book should be completely checked and closed regularly. In token of check of cash book the last entry checked therein should be initialed (with date) by the Govt. servant concerned on each occasion.

During course of financial attest audit of District Health Authority Muzaffargarh for the financial year 2018-19 it was noticed that DAO did not reconcile properly and huge difference between SAP data and Financial Statements in closing balance as per detailed below was observed:

(Rupees in million)

Head of Account	Amount as per SAP data	Amount as per Financial Statement	Difference
Trust & other public account-Receipts	5,527.664	5,533.099	5.435

#### **Implications**

- Misrepresentation of figures of closing balance

#### **Management Response**

In DAC meeting held on 18.10.2019, DAO replied that the necessary rectification in the financial statement of District Health Authority Muzaffargarh has been made which will be received to audit through A.G. Punjab, Lahore. Para may kindly be settled.

#### **Recommendations**

It is recommended that trust and public receipts should be reconciled.

## Chapter 2

### DHA, Muzaffargarh

#### 6.2.1 Introduction:

District Health Authority (DHA), Muzaffargarh was established on 01.01.2017 under Punjab Local Government Act 2013. CEO is the Principal Accounting Officer of the Authority. He is responsible to ensure that the business of the DHA group of offices is carried out in accordance with the laws and to coordinate the activities for coherent planning, development, effective and efficient functioning of health institutions.

DHA Muzaffargarh manages following primary and secondary healthcare facilities and institutes:

Description	No. of health facility/ institute
Basic Health Units	72
Government Rural Dispensary	14
Rural Dispensaries	20
MCH Centers	06
Rural Health Centre	13
Tehsil Head Quarter Hospitals	04
District Headquarter Hospital	01
Nursing School	01
District Health Development Centre	01
District Health Officers	01

The detail of Audit jurisdiction in respect of District Health Authority Muzaffargarh is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Description</b>	<b>Total No.</b>	<b>Audited</b>	<b>Expenditure audited F.Y. 2018-19</b>	<b>Revenue /Receipts audited F.Y. 2018-19</b>
9	Formations	25	07	1,704.568	0.526
10	Assignment Accounts (Excluding FAP)	-	-	-	-
11	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
12	Foreign Aided Projects (FAP)	-	-	-	-

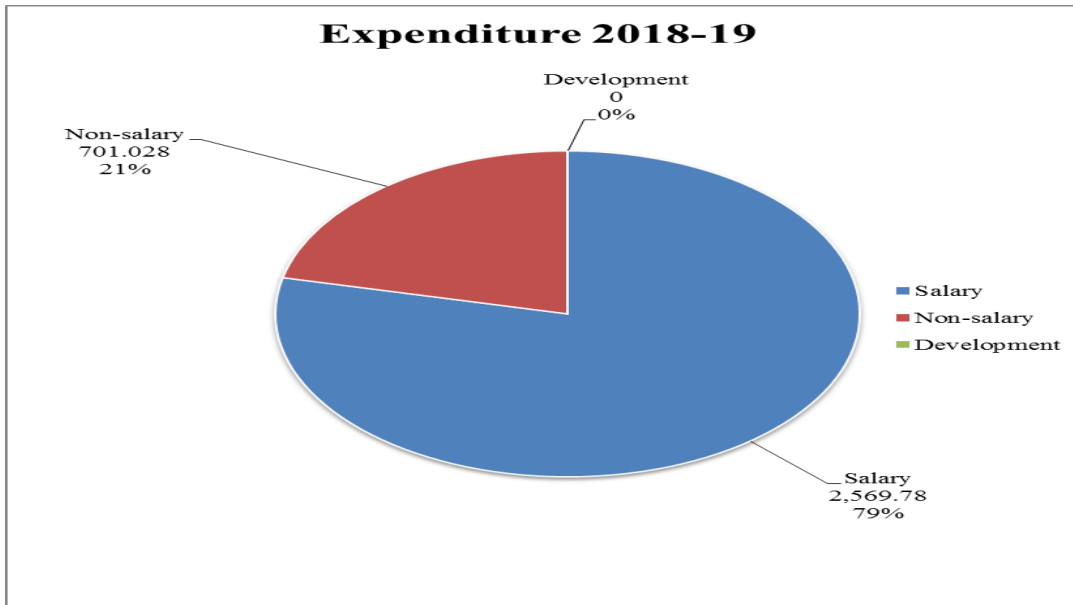
### **6.2.2 Comments on Budget and Accounts**

The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

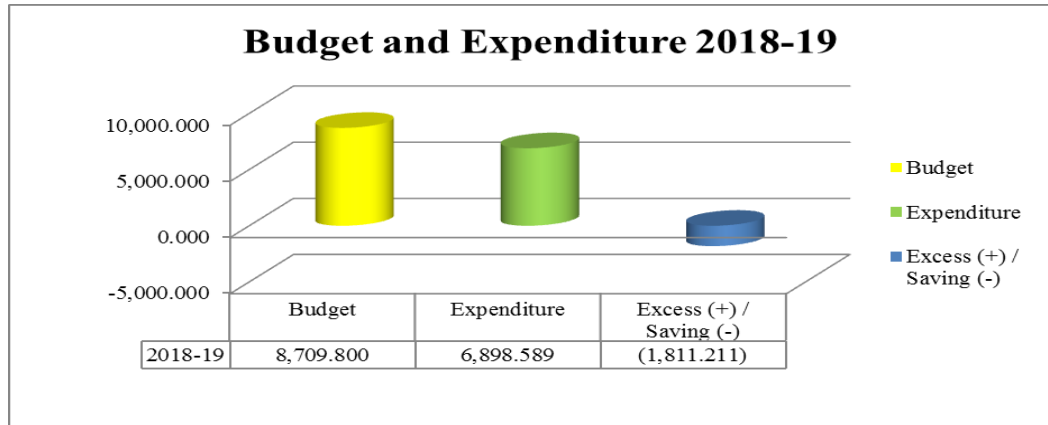
<b>Particulars</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Lapse (-)</b>	<b>Lapse (Per Cent)</b>
Salary	2,630.246	2,569.784	(60.462)	(2)
Non-Salary	883.037	701.028	(182.009)	(21)
Development	2.000	0	(2.000)	(100)
<b>Total</b>	<b>3,515.283</b>	<b>3,270.812</b>	<b>(244.471)</b>	<b>(7)</b>

(Rupees in million)



As per the Appropriation Accounts 2018-19 of the District Health Authority, Muzaffargarh, total original budget (Development and Non-Development) was Rs 3,515.283 million. Against the budget, total expenditure of Rs 3,270.812 million was incurred by the District Health Authority during 2018-19. Lapse of funds amounting to Rs 244.471 million came to the notice of audit due to inefficient financial management in release of budget by Deputy Director (Finance). No plausible explanation was provided by PAO and management of the District Health Authority Muzaffargarh. (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), major portion of funds lapsed as detailed below:

- (i) Excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 182.009 million (21 per cent).

An amount of Rs 2.000 million (100 per cent) remained unutilized under Grant 36 “Development” due to less development activities.

### 6.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 419.566 million were raised as a result of this audit. This amount also includes recoverables of Rs 80.990 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	35.701
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	88.580
B	Procurement related irregularities	217.116
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	70.276
5	Others	7.893

#### **6.2.4 Comments on the Status of Compliance with PAC Directives**

The Audit Report pertaining to the following years was submitted to the Governor of the Punjab but has not been presented to the Public Accounts Committee.

##### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	18	PAC not constituted
2	2018-19	33	PAC not constituted



## 6.2.5 AUDIT PARAS

### 6.2.5.1 Non-Production of Record

#### 6.2.5.1.1 Non-Production of record – Rs 35.701 million

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for keeping of initial and subsidiary accounts.

The following DDOs incurred expenditure of Rs 30.416 million during 2018-19, but vouched accounts of the expenditure of procurement, store items and salaries were not produced to Audit. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Nature of Record	Amount
1	DO (Health)	Medicine	0.114
2		Stores	1.878
3			17.280
4	MS THQ Hospital Alipur	Arrears of Pay and Allowances	6.031
5	MS THQ Hospital Kot Addu		7.575
6	MS THQ Level Hospital Chowk Sarwar		2.823
	Shaheed		
<b>Total</b>			<b>35.701</b>

Due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure of Rs 35.701 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that all the record was available. The reply was not tenable because no record was produced for verification.

DAC directed the DDOs to produce the record without further delay. No progress was intimated to Audit till finalization of this report.

Audit recommends to inquire the matter, fix responsibility and disciplinary action against the person(s) at fault for non-production of record and to ensure that the record is produced to Audit for scrutiny.

[AIR paras:8,15,37,41,31,9]

## 6.2.5.2 Irregularities

### 6.2.5.2.1 Unauthorized procurements without fair and transparent manners - Rs 65.600 million

According to Rule 4 of Punjab Procurement Rules 2014, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

CEO (DHA) incurred expenditure of Rs 59.400 million during the financial year 2018-19 against procurement of medicines without considering the minimum turnover criteria of last year. Furthermore, MS DHQ Muzaffargarh incurred expenditure of Rs 6.200 million against procurement of dialyzers. The procurements were made from LP supplier instead of open tender. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	CEO (DHA)	Medicine	59.400
2	MS DHQ Hospital	Dialyzer	6.200
<b>Total</b>			<b>65.600</b>

Due to weak financial management, purchases were made without advertisement and fair competition.

Procurement without advertisement resulted in irregular expenditure of Rs 63.600 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that procurement was made keeping in view the Health Department instructions and necessity of the matter. The reply was not tenable because no Health Department instructions were on record.

DAC directed the DDOs to get the matter regularized. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:4,30]

### 6.2.5.2.2 Mis-procurement of miscellaneous items - Rs 63.586 million

According to Rule 9 of the Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

The following DDOs purchased various items valuing Rs 63.586 million during 2018-19 without advertisement. The procurement was neither advertised on the PPRA's website nor in two national newspapers. The DDOs incurred expenditure on quotations basis by splitting up the bills to avoid tendering process. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO (DHA)	Stores	1.621
2		Medicine	3.237
3	DO (Health)	Medicine	6.178
4		Strychnine	2.321
5		Stationery	2.831
6		Printing	8.181
7		Stores	5.101
8		Bedding clothing	1.857
9		MS DHQ Hospital	Stores
10	Local purchase of medicine		4.177
11	MS THQ Hospital Alipur	Stores	4.604
12		Stationery	0.264
13	MS THQ Hospital Kot Addu	Bedding clothing	0.422
14		Stores	3.642
15	MS THQ Level Hospital Chowk Serwar Shaheed	Medicine	0.498
16		Printing stationery	0.541
17		Stores	2.754
18		Bedding clothing	0.271
19		Stores	1.578
<b>Total</b>			<b>63.586</b>

Audit is of the view that due to weak financial management, purchases were made without advertisement and fair competition.

Procurement without advertisement resulted in irregular expenditure of Rs 63.586 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the expenditure was incurred from time to time and in each case, the expenditure was below the tendering limit. The reply was not tenable because the PPRA Rules were not observed being the expenditure beyond the quotation limit in a year.

DAC directed the concerned DDOs to get the expenditure regularized from the competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras: 1,2,1,10,12,14,29,43,10,11,3,14,8,17,3,6,8,25,28]

**6.2.5.2.3 Un-authorized payment of previous year liabilities – 30.710 million**

According to Rule 17.18 of PFR Vol.I, expenditure incurred in one year, should not be left over to be met out of the budget for the next year.

The following DDOs incurred an expenditure of Rs 30.710 million during 2018-19 pertaining to the previous year, out of budget of the current financial year. The detail is as below:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO (DHA)	POL & Medicine	0.656
2	DO (Health)	Stores & POL	8.026
3	MS DHQ Hospital	Medicine	18.792
4	MS THQ Hospital Alipur	Medicine	1.218
5	MS THQ Hospital Jatoi	Medicine	0.784
6		Stationery	0.411
7	MS THQ Level Hospital CSS	Stores	0.823
<b>Total</b>			<b>30.710</b>

Audit is of the view that due to weak financial management, the expenditure of previous year was met out of current year allocation.

The payment of previous year expenditure from current year budget resulted in unauthorized expenditure of Rs 30.710 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that payment was made as per instruction of the Secretary Health. Reply was not tenable as liabilities were paid without inclusion in annual budget of current financial year and approval from the Competent Authority.

DAC directed for regularization of expenditure from the competent authority. No progress was intimated to Audit till finalization of this Report.

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

[AIR Paras:12,39,25,4,23,27,23]

#### **6.2.5.2.4 Inadmissible grant of house rent allowance, maintenance charges and conveyance allowance – Rs 25.226 million**

According to the Government of the Punjab Finance Department letter No.FD.SR.1.9-4/86(P)(PR) dated 04.12.2012, the employees who have been sanctioned official vehicles or residing in the colonies situated within their work premises are not entitled to the facility of Conveyance Allowance. Furthermore, according to the Government of Punjab, Finance Department letter NO. FD (M-I) 1-15/82-P-I, dated 15.06.2000, a Government servant shall pay house rent allowance, whether he lives there or not in case of availability of designated residence in the work premises.

Various DDOs under the administrative control of CEO (DHA) allowed payment of Rs 25.226 million on account of house rent allowance, maintenance charges and Conveyance Allowance during 2018-19 to the employees, who were either residing in hospital colony, had designated residences or allotted/ used official vehicles. **(Annexure-C/MGH)**

Audit is of the view that due to weak financial controls, inadmissible allowances were paid to the employees.

Grant of inadmissible allowances resulted in overpayment of Rs 25.226 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the recovery has been started and compliance would be shown at the time of next meeting.

DAC directed the DDOs to ensure recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends recovery of Rs 25.226 million besides fixing responsibility on the person(s) at fault.

[AIR Paras:27,28,31,6,7,8,9,6,7,27,28,29,20,21,22,23,32,3,4,6,21,17]

#### **6.2.5.2.5 Irregular appointment of contingent paid staff -Rs 18.598 million**

According to Government of the Punjab, Finance Department Notification No.FD.SO(GOODS)44-4/2016 dated 14.9.2017, contingent paid staff can be hired only in extremely emergent cases according to power specified in the Punjab Delegation of Financial Power Rules 2016.

The following DDOs paid an amount of Rs 18.598 million during 2018-19 to 120 number contingent paid staff on account of salaries. The said staff was hired for 90 days interval without observing codal formalities i.e advertisement of post, hiring committee, attendance sheet and were appointed. The detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDO</b>	<b>No. of employees</b>	<b>Amount</b>
1	DO (Health)	44	3.000
2	MS DHQ Hospital	15	2.366
3	MS THQ Hospital Alipur	15	3.673
4	MS THQ Hospital Kot Addu	13	3.758
5	MS THQ Hospital Jatoi	15	3.352
6	MS THQ Level Hospital Chowk Serwar Shaheed	18	2.449
<b>Total</b>		<b>120</b>	<b>18.598</b>

Audit is of the view that due to weak financial management, appointments were made without observing codal formalities.

Non-observance of codal formalities resulted in unauthorized expenditure of Rs 18.598 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the staff was hired at different occasion. The reply was not tenable as the expenditure was incurred without fulfillment of codal formalities.

DAC directed to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends that the matter may be investigated and responsibility may be fixed on the person(s) at fault besides regularization of expenditure.

[AIR Paras:2,21,42,28,16,13]

#### **6.2.5.2.6 Payment of inadmissible pay and allowances - Rs 15.579 million**

According to Government of the Punjab, Health Department letter No.PO (P&E-I) 19-113/2004(V) dated 10.03.2007, the Specialist Doctors drawing HSRA will be allowed only hospital based practice after duty hours. Furthermore, as per Finance Department notification No.SOX(H-I) 6-91 2004-1 dated 14.07.2008, HSRA is not admissible to the staff proceeding on leave or not working in the concerned RHC / BHU. Moreover, according to Rule 1.15 (2) of Punjab Traveling Allowance Rules, conveyance allowance will not be admissible during leave or joining time.

Various DDOs under the administrative control of CEO (DHA) allowed the Health Sector Reform Allowance, Conveyance Allowance, Social Security benefit, Uniform and Dress Allowance, Practice Compensatory Allowance and other inadmissible allowances of Rs 15.579 million during 2018-19. The employees were not entitled to draw the said allowances. (**Annexure-D/MGH**)

Audit is of the view that due to weak financial management, inadmissible allowances were paid.

The payment of inadmissible allowances resulted in loss of Rs 15.579 million.



The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the recovery has been started and compliance would be shown at the time of next meeting.

DAC directed the DDOs to ensure recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 15.579 million

[AIR Paras:4,11,19,22,30,33,42,3,17,18,16,17,18,19,21,23, 24,34,35,3,5,9,11,13,27,29, 2,10,12,13,14,19,32,2,4,7,11,14,18]

**6.2.5.2.7 Misclassification of expenditure – Rs 11.133 million**

According to para 12 (1) (5) of the Local Government Accounts Manual, 2003, the expenditure shall be classified into account heads relating to nature of item.

The following DDOs incurred and expenditure of Rs 11.133 million during 2018-19. The funds were utilized out of object code which was not relevant to the nature of expenditure

(Rupees in million)		
Sr. No.	DDO	Amount
1	MS DHQ Hospital	10.744
2	District Officer (Health)	0.389
<b>Total</b>		<b>11.133</b>

Audit is of the view that due weak financial management, expenditure was incurred without ensuring the relevant object head.

Non-observance of proper object code resulted in misclassification of expenditure for Rs 11.133million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDO replied that in future compliance will made. The reply was not tenable.

DAC directed to regularize the para from competent authority. No progress was intimated to Audit till finalization of this Report.

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

[AIR Paras: 12,35]

**6.2.5.2.8 Unauthorized expenditure out of health council funds – Rs 9.159 million**

According to Government of Punjab Health Council Policy circulated by Health Department, Punjab dated 11.05.2017, Secretary Health Council will be responsible for maintenance of records such as receipts, bills, cash book, resolution register of health council, record of development schemes, etc. Furthermore, as per notification No.PSO/Secy. P&SH/05/2016 of Government of the Punjab Primary and Secondary Healthcare Department dated 2<sup>nd</sup> July 2016, Secretary of the Health Council shall prepare M&R schemes, purchase and repair of machinery/equipment. After approval from Health Council, the schemes shall be executed using local expertise.

The following DDOs incurred an expenditure of Rs 9.159 million during 2018-19 out of health council funds. The expenditure was incurred without approval of health council members. From the bank statement it was observed that payments were made in cash. Furthermore, in some cases, no inspection of procurement/ repair was carried out by the health council members and purchases were without advertisement on PPRA website. The detail is given below:

(Rupees in million)

<b>Sr. No</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	MS DHQ Hospital	General store items, medical equipment	1.414
2	MS THQ Hospital	Repair works	4.246
3	Alipur	Printing	3.499
<b>Total</b>			<b>9.159</b>

Audit is of the view that due to weak financial controls, the expenditure was incurred without observing codal formalities and maintaining necessary record.

Non-observance of codal formalities resulted in unauthorized expenditure of Rs 9.159 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the expenditure was

incurred on the urgency and necessity basis. The reply was not tenable as the expenditure was incurred without fulfillment of codal formalities.

DAC directed to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends that the matter may be investigated and responsibility be fixed on the person(s) at fault for non-compliance besides regularization of the expenditure from the competent authority.

[AIR Paras:20,25,43]

**6.2.5.2.9 Non-deduction of GST , income tax and withholding tax – Rs 9.037 million**

According to the Government of Pakistan (Revenue Division) CBR (Sales Tax and Federal Excise Wing) letter No. 4/2-STB/207)PT) dated 13.08.2007, government / departments making purchase of goods liable to sales tax shall withhold 1/5<sup>th</sup> of sales tax while remaining 4/5<sup>th</sup> of the sales tax shall be paid to supplier and withheld amount will be deposited by the Government organization / department itself. Furthermore, as per section 153 of Income Tax Ordinance 2001, Income Tax at the prescribed rate shall be deducted from the supplier.

The following DDOs purchased various items during 2018-19 but necessary deduction of GST, Income Tax and Withholding Tax on services was not made at source which resulted in loss of Rs 9.037 million to the Government. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	GST	Income Tax	WHT on Services	Total
1	District Officer (Health)	5.235			5.235
2	MS DHQ Hospital			1.954	1.954
3	MS THQ Hospital Kot Addu		0.218		0.218
4	MS THQ Hospital Jatoi	1.168			1.168
5	MS THQ Level Hospital CSS		0.462		0.462
<b>Total</b>					<b>9.037</b>

Due to weak financial management, payments were made to suppliers without deduction of GST and Income Tax.

Non-deduction of GST and Income Tax resulted in loss of Rs 9.037 million to the Government exchequer.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the progress would be shown at next meeting.

DAC directed the DDOs to ensure recovery within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 9.037 million.

[AIR Paras: 16,13,19,28,27]

#### **6.2.5.2.10 Unauthorized local purchase of medicines - Rs 8.202 million**

According to Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised on PPRA website in case of over one hundred thousand rupees to 2 million rupees.

Medical Superintendent THQ Hospital Alipur, incurred an expenditure of Rs 8.202 million during 2018-19 on account of local purchase of medicines. All the medicines were purchased from the single supplier i.e Mohsin Medical store, due to which rates were not competitive. Furthermore, only generic name of medicines was mentioned on the bills due to which the actual price of the medicines could not be found.

Audit is of the view that due to weak financial management, the expenditure was incurred without observing procurement rules.

Non observance of procurement rules resulted in unauthorized expenditure of Rs 8.202 million

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 05.12.2019, DDO replied that the purchases were

made on competitive rates. The reply was not tenable because the purchases were made in violation of Procurement rules.

DAC directed the Dy. Dir (F&B), CEO (DHA), DO Health to inquire the matter and fix responsibility. No progress was intimated to Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility for local purchase of medicines without observing procurement rules and recovery of the loss, if established.

[AIR Para:13]

**6.2.5.2.11 Unauthorized Expenditure on repair and maintenance of building – Rs 7.518 million**

According to Paragraph 4.5 of B & R Code, no payment should be made without detail measurement in the measurement book. Furthermore, according to Government of the Punjab, Primary and Secondary Healthcare Department notification No. PSO/Secy. P&SH/05/2016, dated 02.07.2016, the secretary shall prepare estimate of repair and maintenance of building and after approval from Health Council, the scheme shall be executed using local expertise. The Health Council shall inspect the work for quality assurance and minimize the cost.

The following DDOs incurred an expenditure of Rs 7.518 million during 2018-19 on account of repair and maintenance and construction work without rough cost estimates, TS estimate and measurement. Quality and quantity was not measured. The detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDO</b>	<b>Description</b>	<b>Amount</b>
1	MS THQ Hospital Alipur	Repair work, flooring, provision of porcelain tiles	3.536
2	MS THQ Hospital Jatoi	Repair work, electric work, flooring	3.982
<b>Total</b>			<b>7.518</b>

Audit is of the view that due to weak financial management, expenditure was incurred without observing codal formalities.

Non-observance of rule resulted in unauthorized expenditure of Rs7.518 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the expenditure was incurred with detailed estimate and measurement. The reply was not tenable as no record was provided for verification.

DAC direct to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:26, 31]

#### **6.2.5.2.12 Unauthorized consumption of POL – Rs 4.911 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 following DDOs, incurred an expenditure of Rs 4.911 million on account of POL for generator and vehicle without proper maintaining logbook, visits tour dairy/programme, MPG and the consumption. Furthermore, vehicles were excessively used for field visits without allotment by the District Health Officer (HR).

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Detail</b>	<b>Amount</b>
1	CEO (DHA)		0.290
2	District Officer (Health)	POL for vehicle	0.796
3			0.948
4		POL for fogging machine/ vehicle	0.115
5	MS DHQ Hospital	POL for generator	0.947
6	MS THQ Hospital Jatoi		0.022
7	MS THQ Level Hospital Chowk Sarwar Shaheed		1.793
<b>Total</b>			<b>4.911</b>

Audit is of the view that due to weak financial management, POL was consumed on assumption basis and logbooks were not maintained as per load shedding schedule.

Consumption of POL on the basis of assumption resulted in unauthorized and inauthentic payment of Rs 4.911 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the POL was consumed as per as per average consumption and unpredicted electricity load shedding. The reply was not tenable as POL consumption was not rational.

DAC directed the Dy. Dir (F&B), CEO (DHA) and DO (Health) to inquire the matter and submit report within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends that the matter may be investigated and responsibility be fixed at person(s) at fault besides regularization of the expenditure from the competent authority.

[AIR Paras:10,3,5,6,23,7,20]

#### **6.2.5.2.13 Unauthorized payment of salaries during absent from duty period - Rs 2.579 million**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

MS THQ Hospital Alipur and Jatoi paid an amount of Rs 2.579 million on account of salaries during 201819. The officers/officials were absent from duty as evident from the biometric attendance/ attendance registers. Leave without pay was not sanctioned from the competent authority and the salaries were also not stopped in time. The detail is as below:

(Rupees in million)

Sr. No.	DDOs	No. of employees	Description	Amount
1	MS THQ Hospital Alipur	60	Absent	2.503
2	MS THQ Hospital Jatoi	38	Absent	0.076
<b>Total</b>				<b>2.579</b>

Audit is of the view that due to weak financial management, salaries were paid to the employees for the absent period.

The payment of salaries for the absent period resulted in loss to Government for Rs 2.579 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the recovery is in progress and compliance would be shown at next meeting.

DAC directed the DDOs to recover the remaining amount within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.579 million.

[AIR Paras:46,24]

#### **6.2.5.2.14 Non-maintenance of stock registers and consumption record of medicines - Rs 2.262 million**

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant.

The following DDOs purchased medicine, stationery and store items of Rs 2.262 million, but the stock entry, proof of actual receipt of items and consumption/issuance record along with approved indents was not available.



(Rupees in million)

Sr. No.	DDOs	Nature of item	Amount
1	DO (H)	Homeopathy medicine	0.199
2	MS DHQ Hospital	Medicine, surgical items	0.609
3	MS THQ Hospital Alipur	Electric material	0.709
4	MS THQ Hospital Kot Addu	X-Ray films	0.510
5	MS THQ Hospital Jatoi	Sores	0.033
6		Dental medicine	0.202
<b>Total</b>			<b>2.262</b>

Audit is of the view that due to weak financial management, proper stock entry and consumption record was not maintained.

Incurrence of the expenditure without maintenance of stock register resulted in irregular expenditure of Rs 2.262 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that store record has been maintained. The reply was not tenable as no record was produced for verification.

The DAC directed for recovery within two months. No progress was intimated to Audit till finalization of this report.

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

[AIR Paras:24,22,30,12,17,33]

#### **6.2.5.2.15 Non-recovery of Government receipts – Rs 1.971 million**

According to Rule 14 (d) of the Punjab District Authorities (Accounts) Rules 2017, the primary obligation of the Collecting Officers shall be to collect receipts in the transparent manners and guard against misappropriation, fraud, embezzlement or compromise.

The following DDOs did not realize / deposit an amount of Rs 1.971 million during 2018-19 on account of tender fee, hospital receipts and auction money. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Nature of receipts	Amount
1	CEO (DHA)	Tender fee	0.099
2	MS THQ Hospital Alipur	Radiologist share	0.063
3		Cycle stand fee	0.227
4		Indoor, Lab fee	0.127
5	MS THQ Hospital Kot Addu	M/Cycle stand, canteen action money	0.904
6	MS THQ Hospital Jatoi	MLC Fee	0.013
7		M/Cycle stand, canteen action money	0.215
8	MS THQ Level Hospital CSS	Hospital Receipt	0.191
9		MLC Fee	0.012
10		M/Cycle stand, canteen action money	0.120
<b>Total</b>			<b>1.971</b>

Audit is of the view that due to weak financial management, Government receipts were not realized / deposited.

Non-realization / deposit of the receipts resulted in loss of Rs 1.971 million to the Government exchequer.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the recovery is in progress and compliance would be shown at next meeting.

DAC directed to recover the amount within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.971 million.

[AIR paras:13,8,15,38,1,8,9,1,19,26]

#### **6.2.5.2.16 Unauthorized payment of SSB in case of regular employees - Rs 1.804 million**

According to Government of the Punjab Service and General Administration Department Notification No. DS(O&M) 5-3/2004/contract (MF) dated 10.11.2010, upon regularization of services of employees working on contract basis in various department, the pay is to be fixed at the initial of the respective pay scale and services period of contract shall not be counted for any purpose pension, gratuity, leave, etc. These appointees shall not be entitled to the payment of 30% SSB.

During audit of DHA Muzaffargarh, it was observed that the DDOs of various offices paid the Social Security Benefit and arrears amounting Rs 1.804 million during 2018-19. The employees were regularized from date of joining or appointed under Rule 17-A of the Punjab Civil Servant Rules, 1974 and were not entitled to draw the said allowance.

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Nature of Allowance	Amount
1	CEO DHA	11	SSB	1.366
2	DO (Health)	7	SSB	0.246
3	MS THQ Hospital Jatoi	1	SSB	0.033
4	MS THQ Level Hospital CSS	3	SSB	0.159
<b>Total</b>				<b>1.804</b>

Audit is of the view that due to weak financial management, inadmissible allowance was paid.

The payment of inadmissible allowance resulted in loss of Rs 1.804 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the recovery is in progress and compliance would be shown at next meeting.

DAC directed the DDOs to recover the remaining amount within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.804 million.

[AIR Paras:14,25,1,12]

#### **6.2.5.2.17 Unjustified payment of HSRA to the staff not working at BHUs - Rs 1.794 million**

According to Government of the Punjab, Health Department notification No. PO(F&E-4) 19-13/2004 (III) dated 20.06.2006, the SMO, MO, WMO and Dental Surgeons working on regular basis at RHC and BHUs are also entitled to draw the following allowances under Health Sector Reform Programme.

1	Health Sector Reforms Allowance	Rs. 12,000/- P.M
2	Practice Compensatory Allowance	Rs. 2500/- P.M

Furthermore, as per Government of the Punjab, Health Department notification No. PO(RE-1)19-113/200 (V) dated 22.11.2006, HSRA is granted @ 30% of basic salary for Nursing, paramedical and allied staff, already posted or to be posted in future in RHCs and BHUs.

District Officer (Health) allowed HSRA to 70 employees amounting to Rs 1.794 million during 2018-19. The staff was not working at BHU or RHC due to which the allowance was inadmissible.

Audit is of the view that due to weak financial management, inadmissible allowance was paid.

The payment of inadmissible allowance resulted in loss of Rs 1.794 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 05.12.2019, DDO replied that the recovery is in progress and compliance would be shown at next meeting.

DAC directed the DDO to recover the remaining amount within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.794 million.

[AIR Para:26]

#### **6.2.5.2.18 Irregular expenditure without detailed measurement - Rs 1.523 million**

According to Paragraph 4.5,4.7 of B&R Code, every measurement must be recorded in the measurement book at the time it is taken and no where else. No payment should be made without detail measurement in the measurement book. The description of the work must be lucid so as to admit of easy identification and check.

Medical Superintendent THQ Hospital Kot Addu, made a payment of Rs 1.523 million on account of development schemes during 2018-19. The payment was made without detailed measurement and without calling tender. No physical verification of work done after completion of work was carried out by hospital authority. The detail is given below:

(Amount in rupees)

Acceptance letter NO. Date	Type of work	Contractor	Amount
811-13 dt. 11.04.19	P/L RCC sever	Muhammad Saleem	75,233
929-31 dt. 08.04.19 Bill dt. 13.04.19	Distemper	M/S Haji & Sons	86,647
999-100 dt. 06.05.19 Bill dt. 13.05.19	Distemper/paint		74,732
747-49 dt. 11.04.19	P/L RCC pipe 12" dia (200 Rft)	Muhammad Saleem	65,465
983-85 dt. 27.04.19	Weather shield paint	M/S Haji & Sons	83,212
889-91 dt. 26.03.19	Weather shield paint		81,397
Bill dt. 29.03.19	Tuff tile		1,056,283
<b>Total</b>			<b>1,522,969</b>

Audit is of the view that due to weak financial management, payment was made without verification of work.

The payment without verification of work resulted in inauthentic expenditure of Rs 1.523 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 05.12.2019, DDO replied that all the documents are available for verification. The reply was not tenable because it was not supported by the requisite documents.

DAC directed the DDO to get the expenditure regularized from the competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility against the persons at fault besides regularization of expenditure from competent authority.

[AIR Para:25]

#### **6.2.5.2.19 Non-forfeiture of performance guarantee - Rs 1.484 million**

According to clause 10 of the frame work contract signed between CEO (Health) and suppliers, wherein supplier fails to make delivery as per designed contract and purchase order within stipulated time specified in the schedule of requirement, the amount of performance Guaranty / Security to the extent of non delivered portion of the supplies shall be forfeited.

The CEO (DHA) issued supply orders to the following suppliers for purchase of medicines during 2018-19. The suppliers failed to supply the medicines even lapse of considerable time due to which patient suffered for facility of important medicines. The CEO (DHA) neither forfeited performance guaranty / security of the firm amounting to Rs 1.484 million nor firm was got blacklisted.

(Amount in rupees)

Medicine	Supplier	Supply Order Date	Amount of Supply Order	Performance Security
Captopril 25mg tab.	Bio Labs	09.02.2019	320,000	156,155
Silver Sulphadiazine 1% cream	Bio Labs	09.02.2019	1,276,000	156,155
Dextrose 25% ampoule	Shahzaib Pharma	09.02.2019	510,000	247,425
Ringer's Lactate (1000ml) infusion	Shahzaib Pharma	09.02.2019	3,200,000	247,425
Permethrin 1% lotion	Bio Labs	09.02.2019	1,056,000	156,155
Anti-Rabies Vaccine (PVRV) inj.	Atlantic Pharma	02.03.2019	1,099,680	288,666
Insulin comp 70/30 inj.	Novo Nordisk	02.03.2019	432,000	232,800
<b>Total</b>			<b>7,893,680</b>	<b>1,484,781</b>

Audit is of the view that due weak financial management, performance guarantee was non forfeited.

The non forfeiture of performance guarantee resulted in loss of Rs 1.484 million.

The matter was reported to the CEO in September, 2019. In DAC meeting held on 05.12.2019, CEO replied that performance guarantees of the suppliers has not been returned.

DAC directed to deposit the performance guarantees into the Government account without further delay. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault besides, forfeiture of earnest money.

[AIR Para:16]

### 6.2.5.3 Value for Money and Service Delivery Issues

#### 6.2.5.3.1 Unauthorized local purchases of medicines in excess of permissible limit - Rs 66.094 million

According to Government of the Punjab, Finance Department notification No.FD(FR) 11-2/89 dated 01.11.2001, Officers in District Government are now authorized to distribute the budget allocation for medicines in the following ratio

- iv- 10% reserved for natural calamities / emergency to be purchased in bulk
- v- 15% day to day purchase for normal medicines
- vi- 75% bulk purchase for normal medicines.

MS DHQ Hospital Muzaffargarh incurred an expenditure of Rs 114.784 million on purchase of medicines during 2018-19. MS incurred an expenditure of Rs 66.094 million (57% of total budget) on local purchases of medicine in excess of permissible. Furthermore, it was noticed that only two suppliers were participated in tender of local purchases which minimized the fair competition of medicine procurement. The detail is below:

(Rupees in million)

Head	Amount	Less Liabilities of 17-18	Add Pending liabilities of 18-19	Net Expenditure for 18-19	%age of Expenditure	Admissible limit of L.P. 25% and Bulk 75%	Excessive / less Expenditure
Local Purchases	78.094	18	6	66.094	57.5812	28.696	-37.398
Bulk Purchases	48.69	0	0	48.69	42.4188	86.088	37.398
<b>Total</b>	<b>126.784</b>	<b>18</b>	<b>6</b>	<b>114.784</b>	<b>100</b>	<b>114.784</b>	<b>0</b>

Audit is of the view that due to weak financial management, the expenditure was incurred beyond prescribed ratio.

The incurrence of expenditure in excess of prescribed ratio resulted in unauthorized purchases of medicines of Rs 66.094 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 05.12.2019, DDO replied that the medicines were purchased as per requirement of the hospital. The reply was not tenable as the funds utilization ratio was not observed.

DAC directed the DDO to get the expenditure regularized from competent authority. No progress was intimated to Audit till finalization of this report.

Audit recommends that matter may be investigated for purchases of medicine beyond authorized limit as well as regularization of expenditure from competent authority.

[AIR Para:31]

**6.2.5.3.2 Drawl of pay and allowances without performing duties –  
Rs 2.100 million**

According to Rule 9(b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The following DDOs paid an amount of Rs 2.100 million on account of pay and allowances to employees during 2018-19. The said employees drawn pay and allowances without performing duties, resigned the job, adhoc/ contract expired, were absconded or relieved and were transferred to other offices/institutions but their pay was not discontinued. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Description	Amount
1	DO (Health)	1	Resignation	0.087
2	MS DHQ Hospital	4	Relieved	0.238
3	MS THQ Hospital Alipur	2	After transfer/ death	0.301
4		1	After termination of contract	0.035
5	MS THQ Hospital Kot Addu	1	Relieved	0.387
6	MS THQ Hospital Jatoi	4	After left the job	0.110
7		2	Relieved	0.837



Sr. No.	DDOs	No. of Employees	Description	Amount
8	MS THQ Hospital Chowk Serwar Shaheed	1	Relieved	0.105
<b>Total</b>				<b>2.100</b>

Audit is of the view that due to weak financial controls, pay and allowances were paid without performing duties.

Non-stoppage of pay of employees in due time resulted in unjustified payment of Rs 2.100 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. In DAC meeting held on 05.12.2019, DDOs replied that the recovery is in progress and compliance would be shown at next meeting.

DAC directed to recover the amount within two months. No progress was intimated to Audit till finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault besides the pay amounting Rs 2.100 million of the staff should be got adjusted/ recovered

[AIR Paras:18,2,32,39,14,5,20,10]

#### **6.2.5.3.3 Loss due to delay in finalization of procurement contract - Rs 2.028 million**

According to clause 9 of Punjab District Authorities (Accounts) Rules 2017, that DDO and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Medical Superintendent THQ Hospital Alipur, incurred an expenditure of Rs 2.028 million on local purchase of medicine during 2018-19. The procurement contract was awarded during February, 2019. Due to delay in finalization of central contract for seven month, the medicines were purchased from local market on higher rate.

Audit is of the views that due to weak financial management, medicine were purchased locally without finalizing contract.

Non finalizing of procurement contract resulted in purchase of medicine at higher rate Rs 2.028 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 05.12.2019, MS THQ Hospital Alipur replied that purchases were made from local suppliers at competitive rates. Reply was not tenable because excess rates were charged.

DAC directed to inquire the matter and fix responsibility within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends take up the matter on priority and fixing responsibility against the concerned.

[AIR Para:12]

#### **6.2.5.4 Others**

##### **6.2.5.4.1 Unjustified payment of pay & allowance without verification of degrees - Rs 7.893 million**

According to Clause 9 of Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Medical Superintendent THQ Hospital Kot Addu, paid an amount of Rs 7.893 million on account of pay and allowances to the 13 medical officers without having verification of degree/academic record from the concerned board/ university.

Audit is of the view that due to weak financial and management, pay and allowances were paid without verification of degrees/ record.

Payment of pay and allowances without verification of degrees record resulted in unjustified expenditure of Rs 7.893 million.

The matter was reported to the CEO and DDO concerned in September, 2019. In DAC meeting held on 05.12.2019, DDO replied that verification is under process and will be shown at next meeting.

The DAC directed to get the verification of academic record/ degrees from the concerned university within a month. No progress was intimated to Audit till finalization of this report.

Audit recommends probing the matter in detail and fixing responsibility against the concerned besides verification of record/ degree of all employees.

[AIR Para:30]

## 7. District Health Authority (DHA) Rajanpur

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit (Distt.Govts.) Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Rajanpur on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by Government of the Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	1,074.878	1,081.653	6.775	1
Non-Salary	435.063	345.767	(89.296)	(21)
Development	0	0	-	-
<b>Total</b>	<b>1,509.941</b>	<b>1,427.42</b>	<b>(82.521)</b>	<b>(5)</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 167.629 million was provided for purchase of medicines against which only Rs 143.703 million was utilized resulting in lapse of Rs 23.926 million (14%).
- An amount of Rs 29.522 million was provided for procurement of life saving medical supplies against which an amount of Rs 27.905 million was utilized resulting in lapse of Rs 1.617 million (5%).
- An amount of Rs 38.500 million was provided for procurement of machinery and equipment against which an amount of Rs 9.794 million was utilized resulting in lapse of Rs 28.706 million (75%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 82.521 million was lapsed due to inefficient management.

### **Analyses of Appropriation Accounts and Financial Statements (Certification Audit 2019-20)**

During Certification Audit of DHA Rajanpur for the Audit Year 2019-20, it was noticed that receivables were shown negative in financial statements which is not possible.

The Appropriation Accounts and Financial Statements of DHA Rajanpur for the financial year 2018-19 properly present, in all material respects, the financial position of the District Health Authority, Rajanpur as at 30<sup>th</sup> June 2019.

The following issues surfaced during Certification Audit of District Health Authority Rajanpur.

- Unjustified balance of receivables in negative - Rs (10.652) million

#### **ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Rajanpur was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

<b>Sr. No.</b>	<b>Indicators</b>	<b>Target 2018-19</b>	<b>Achievement 2018-19</b>	<b>Remarks</b>
1	Outdoor Patients	1,738,200	2,206,500	Target achieved
2	Indoor Patients	0	53,679	Target achieved
3	Surgical Cases	0	26,123	Target achieved
4	Cardiac Coronary Unit	0	19,721	Target achieved
5	Diagnostic Services (Laboratory, Radiology)	0	370,616	Target achieved

Sr. No.	Indicators	Target 2018-19	Achievement 2018-19	Remarks
6	Family Planning Activities	48,097	37,283	Target not achieved
7	Peads	0	144,707	Target achieved
8	Surgery	0	8,993	Target achieved
9	T.B Chest Treatment	0	16,890	Target achieved
10	Free Medicine to Patients	1	1	Target achieved
11	EPI Vaccination	1,995,958	1,896,160	Target not achieved
12	Sanctioned Posts (Doctors/Specialists)	0	433	Target achieved
13	Gazetted Staff/ Technical Staff	0	494	Target achieved
14	Other Staff	0	1,629	Target achieved

\*Source: Data received from CEO (DHA) Rajanpur

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- Record of expenditure amounting to Rs 71.344 million was not produced in 01 case.
- Recoveries and overpayment amounting to Rs 48.166 million were pointed out in 10 cases.
- Violation of Procurement, Financial and Delegation of Power rules amounting to Rs 78.223 million was observed in 09 cases.
- Value for Money and Service Delivery Issues of Rs 28.896 million was found in 04 cases.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of family planning and EPI vaccination as intended in the indicators during 2018-19.

### v. Expectation Analysis and Remedial Measures District Health Authority

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development

remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary healthcare facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

## **7.1.1 AUDIT PARAS**

### **7.1.1.1 Unjustified balance of receivable- Rs (10,651,899)**

#### **Risk Categorization: High**

#### **Observation**

As per rule 2.2 of PFR Vol.1, all cash transactions should be entered in the cash book and attested in token of check and the cash book should be completely checked and closed regularly. In token of check of cash book the last entry checked therein should be initialed (with date) by the Govt. servant concerned on each occasion.

During the course of financial attest audit of DEA Rajanpur for the financial year 2018-19, it was observed that the Receivable receipt as per financial statement of District Health Authority as on 01.07.2018 was Rs(5,331,293) and on 30.06.2019 Receipt Rs 5,320,606/- as per page No.12 of finance account but the payment is nil as the difference is Rs(10,651,899) which is impossible.

#### **Implications**

Misrepresentation of figures of closing balance

#### **Management response**

In DAC meeting held on 18.10.2019, DAO replied that the amount of receivable is system auto generated and the matter has been taken for rectification with CGA. The rectification is in process. The progress will be shown in next meeting.

#### **Recommendations**

It is recommended that receipt and payment of funds should be reconciled.



## Chapter 2

### DHA, Rajanpur

#### 7.2.1 Introduction:

District Health Authority (DHA), Rajanpur was established on 01.01.2017 under Punjab Local Government Act 2013. CEO is the Principal Accounting Officer of the Authority. He is responsible to ensure that the business of the DHA group of offices is carried out in accordance with the laws and to coordinate the activities for coherent planning, development, effective and efficient functioning of health institutions.

DHA Rajanpur manages following primary and secondary healthcare facilities and institutes:

Description	No. of health facility/ institute
Basic Health Units	32
Government Rural Dispensary	12
Rural Health Centre	07
Tehsil Head Quarter Hospitals	02
District Headquarter Hospital	01
Nursing School	01
District Health Development Centre	01
District Health Officers	01

The detail of Audit jurisdiction in respect of District Health Authority Rajanpur is given below:

(Rupees in million)

Sr. No.	Description	Total No.	Audited	Expenditure audited F.Y. 2018-19	Revenue /Receipts audited F.Y. 2018-19
13	Formations	16	08	1,116.422	3.931
14	Assignment Accounts (Excluding FAP)	-	-	-	-
15	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-

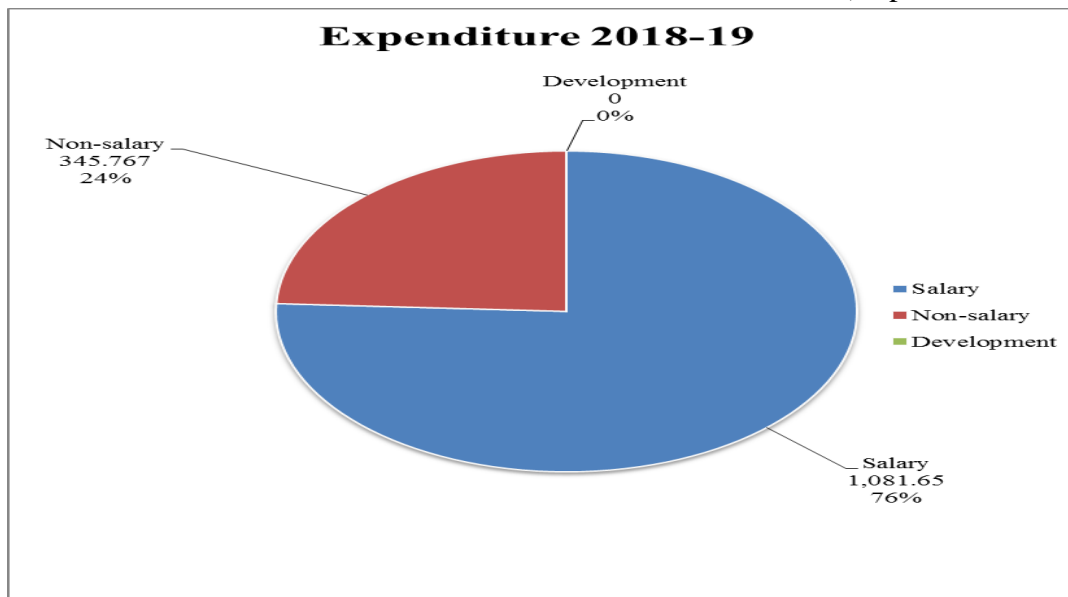
## 7.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	1,074.878	1,081.653	6.775	1
Non-Salary	435.063	345.767	(89.296)	(21)
<b>Total</b>	<b>1,509.941</b>	<b>1,427.420</b>	<b>(82.521)</b>	<b>(5)</b>

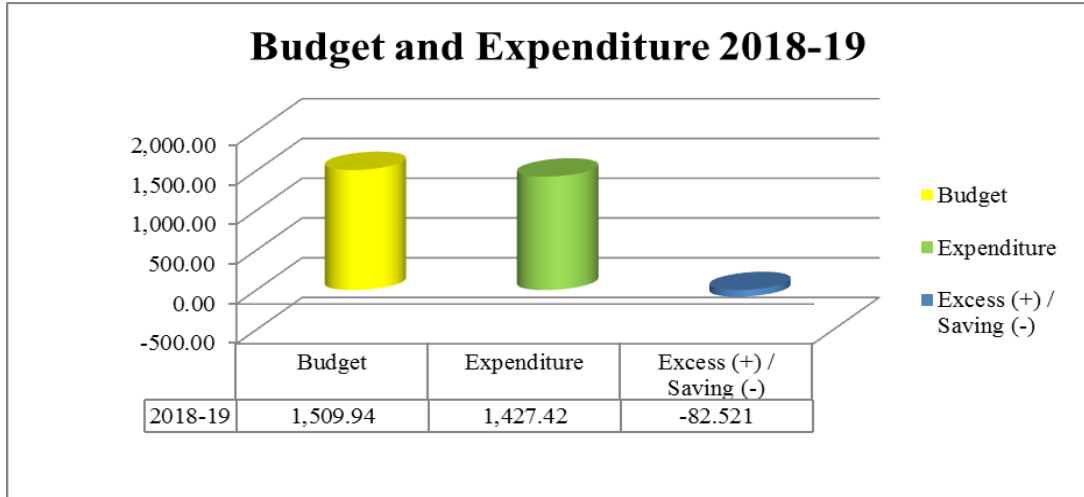
(Rupees in million)



As per the Appropriation Accounts 2018-19 of the District Health Authority, Rajanpur, total original budget (Development and Non-Development) was Rs 1,509.941 million. Against the budget, total expenditure of Rs 1,427.420 million was incurred by the District Health Authority during 2018-19. Lapse of funds amounting to Rs 82.521 million came to the notice of audit due to inefficient financial management in release of budget by Deputy Director (Finance). No plausible

explanation was provided by PAO and management of the District Health Authority Rajanpur. (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Deputy Director (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 89.296 million (21 per cent).

### 7.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 226.629 million were raised as a result of this audit. This amount also includes recoverables of Rs 48.166 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	71.344
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	41.175
B	Procurement related irregularities	85.214
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	28.896
5	Others	-

#### **7.2.4 Comments on the Status of Compliance with PAC Directives**

The Audit Report pertaining to the following years was submitted to the Governor of the Punjab but has not been presented to the Public Accounts Committee.

##### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	11	PAC not constituted
2	2018-19	23	PAC not constituted

## 7.2.5 AUDIT PARAS

### 7.2.5.1 Non-Production of Record

#### 7.2.5.1.1 Non-production of record – Rs 71.344 million

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for keeping of initial and subsidiary accounts.

The following DDOs incurred expenditure of Rs 71.344 million during 2018-19, but vouched accounts of the expenditure of procurement, development work, contingencies, store items, and pay were not produced for audit verification.

(Rupees in million)

Sr. No.	DDOs	Nature of Record	Amount
1	CEO (DHA)	Development Work	22.056
2		Pay and allowances	20.306
3	District Officer (Health)	Health council record	11.553
4		Log book	2.020
5			0.519
6	MS THQ Hospital Jampur	Pay and allowances	5.735
7	MS THQ Hospital Rojhan	POL, cost of others, repair & maintenance	0.724
8		Health council record	2.395
9		Arrear of pay and allowances	3.679
10	SMO RHC Fazilpur	Vouched account	1.542
11	SMO RHC Muhammad pur		0.815
<b>Total</b>			<b>71.344</b>

Audit is of the view that due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure of Rs 71.344 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras: 1,20,7,21,29,19,7,13,21,9,3]

## 7.2.5.2 Irregularities

### 7.2.5.2.1 Procurement of without advertisement – Rs 23.374 million

According to Rule 9 of the Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

The following DDOs purchased various items valuing Rs 23.374 million during 2018-19, without advertisement. The procurement was neither advertised on the PPRA's website nor in two national newspapers. In most cases, the DDOs incurred expenditure on quotations basis by splitting up the bills to avoid tendering process.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO (DHA)	Stationery, printing , GS items & local purchase of medicine	18.284
2	MS THQ Hospital Rojhan	Purchase of medicine	2.865
3		Machinery	0.100
4		Bedding & Clothing	0.229
5	SMO RHC Kotmithan	Air cooler, Pedestal fan	0.296
6	MS DHQ Hospital	Water plant	1.600
<b>Total</b>			<b>23.374</b>

Audit is of the view that due to weak financial management, purchases were made without advertisement and fair competition.

Procurement without advertisement resulted in irregular expenditure of Rs 23.374 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry, fixing responsibility and action on the person(s) at fault besides regularization of the expenditure from the competent authority, under intimation to Audit.

[AIR Paras:2,4,8,17,9,26]

**7.2.5.2.2 Un-authorized payment of previous year liabilities – Rs 20.492 million**

According to Rule 17.18 of PFR Vol.I, expenditure incurred in one year, should not be left over to be met out of the budget for the next year.

The following DDOs paid expenditure of Rs 20.492 million pertaining to the previous years out of budget of the current financial year 2018-19. The detail is as below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Detail</b>	<b>Amount</b>
1	CEO (DHA)	Purchase of medicine	5.844
2	DOH	POL	1.194
3	MS THQ Hospital Jampur	Medicine, POL	0.961
4	MS THQ Hospital Rojhan	Medicine, IT equipment	2.845
5	MS DHQ Hospital	BP apparatus, POL, GS item	9.648
<b>Total</b>			<b>20.492</b>

Audit is of the view that due to weak financial management, irregular expenditure was made to discharge old liabilities.

Payment against previous year liabilities without special allocation resulted in unauthorized expenditure of Rs 20.942 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras:7,25,8,6,2]



**7.2.5.2.3 Unauthorized payment of inadmissible pay and allowances –  
Rs 12.012 million**

According to Government of the Punjab, Health Department letter No.PO (P&E-I) 19-113/2004(V) dated 10.03.2007, the Specialist Doctors drawing HSRA will be allowed only hospital based practice after duty hours. Furthermore, as per Finance Department notification No.SOX(H-I)6-91/2004-1 dated 14.07.2008, HSRA is not admissible to the staff proceeding on leave or not working in the concerned RHC / BHU.

Various DDOs under the administrative control of CEO (DHA) allowed payment of Rs 12.012 million on account of Health Sector Reform Allowance, Conveyance Allowance, Mess & Uniform Allowance, Health Professional Allowance and inadmissible allowances during 2018-19, while working at other than actual place of posting, having private practice or were posted where the said allowance was not admissible. The employees were not entitled to draw the said Allowances. **(Annexure-C/RP)**

Audit is of the view that due to weak financial management, inadmissible allowances were paid.

The payment of inadmissible allowances resulted in loss of Rs 12.012 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 12.012 million.

[AIR Paras:1,2,4,6,9,12,13,26,1,5,6,9,16,17,18,22,23,26,27,28,29,30,31,32  
,2,3,5,6,4, 6,1,6,10,15,17,1,3,4,5,8,10,16]

**7.2.5.2.4 Loss due to non-deduction of HRA, CA & maintenance charges  
– Rs 9.821 million**

According to Government of the Punjab, Finance Department letter No. FD(M-11)1-15/82-PT-I dated 15.01.2000, in case of availability of designated

residence the Government servants for whom these are meant cannot draw house rent allowance and pay maintenance charges 5% even if they do not reside in house.

The following DDOs did not deduct house rent allowance, conveyance allowance and maintenance charges amounting Rs 9.821 million during 2018-19, from the employees who were residing in the hospital premises and having designated residences.

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1.	District Officer (Health)	HRA	3.146
2.		CA	4.360
3.		Maintenance charges	0.508
4.	MS THQ Hospital Jampur	HRA	0.077
5.		CA	0.128
6.	MS THQ Hospital Rojhan	HRA	0.423
7.		CA	0.532
8.	SMO RHC Kotmithan	HRA, CA	0.194
9.	MS DHQ Hospital Rajanpur	CA	0.103
10.		Maintenance charges	0.178
11.		HRA	0.172
<b>Total</b>			<b>9.821</b>

Audit is of the view that due to weak financial management, house rent allowance and maintenance charges were not deducted from the pay of the employees having the Government residences.

Payment of inadmissible allowances and non-deduction of maintenance charges resulted in loss of Rs 9.821 million to the Government.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 9.821 million besides fixing responsibility on the person(s) at fault.

[AIR Paras:10,11,27,25,26,34,35,11,30,31,32]

#### **7.2.5.2.5 Unauthorized expenditure without sanction - Rs 9.648 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.

Medical Superintendent DHQ Hospital Rajanpur, paid an amount of Rs 9.648 million during 2018-19 of pending liabilities on account of “POL”, “Purchase of Furniture”, “Cost of Other Stores”, “Others” and “Repair” pertaining to 2017-18. Scrutiny of the bills revealed that the bills were passed against the sanctions of previous Medical Superintendent, instead of current Medical Superintendent. Furthermore, the bills/invoices were also not sanctioned from authority.

Audit is of the view that due to weak financial management, expenditure was incurred against old liabilities and without sanction of the authority.

Incurring of expenditure without sanction from the competent authority resulted in unauthorized expenditure of Rs 9.648 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:29]

#### **7.2.5.2.6 Payment of salaries during absence from duty - Rs 7.967 million**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Medical superintendent THQ Hospital Rojhan paid an amount of Rs 7.967 million on account of salaries to 71 officer/official during 2018-19. Scrutiny of the biometric attendance record revealed that officers/officials were absent from duty.

The sanctioned leave was not available and the pay of officers/officials was also not stopped/deducted.

Audit is of the view that due to weak financial controls, pay of the staff was not discontinued/deducted during absent period.

Payment of salaries during absent period resulted in overpayment of Rs 7.967 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 7.967 million besides fixing responsibility on the person(s) at fault.

[AIR Para:20]

#### **7.2.5.2.7 Unauthorized expenditure without estimate and measurements - Rs 7.345 million**

According to Paragraph 4.5 of B & R Code, no payment should be made without detail measurement in the measurement book. Furthermore, according to Government of the Punjab, Primary and Secondary Healthcare Department notification No. PSO/Secy. P&SH/05/2016 of dated 02.07.2016, the secretary shall prepare estimate of repair and maintenance of building and after approval from Health Council, the scheme shall be executed using local expertise. The Health Council shall inspect the work for quality assurance and minimize the cost.

The following DDOs incurred an expenditure of Rs 7.345 million during 2018-19 on account of repair and maintenance of buildings without rough cost estimates, TS estimate and measurement. Detail is given below:

(Rupees in million)

<b>Sr. No</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	MS THQ Hospital Jampur	Repair and maintenance	4.999
2	MS THQ Hospital Rojhan		2.346
Total			7.345

Audit is of the view that due to weak financial management, expenditure was incurred without observing codal formalities.

Non-observance of rule resulted in unauthorized expenditure of Rs 7.345 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras:21,12]

#### **7.2.5.2.8 Misclassification of the expenditure – Rs 5.237 million**

According to para 12 (1) (5) of the Local Government Account Manual, 2003, the expenditure shall be classified into account heads relating to nature of item.

The following DDOs incurred expenditure of Rs 5.237 million during 2018-19 against various heads but the same were not charged to proper classified object-head. Misclassification of the expenditure was made just to avoid the sanction in the proper head of account or just to consume the budget. Detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	CEO (DHA)	Furniture, repair and maintenance	1.371
2	MS THQ Hospital Jampur	Electric material, camera installation	3.866
<b>Total</b>			<b>5.237</b>

Audit is of the view that due weak financial management, expenditure was incurred without ensuring the relevant object head.

Non-compliance of Government instructions resulted in unauthorized expenditure of Rs 5.237 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras:8,10]

#### **7.2.5.2.9 Irregular appointment of contingent paid staff - Rs 4.654 million**

According to Government of the Punjab, Finance Department notification No.FD.SO(GOODS)44-4/2016 dated 14.9.2017, contingent paid staff can be hired only in extremely emergent cases according to power specified in the Punjab Delegation of Financial Power Rules 2016.

The following DDOs incurred expenditure of Rs 4.654 million on account of salaries of contingent paid staff. The said staff was hired again and again for 89 days interval without observing codal formalities i.e advertisement of post, hiring committee, attendance sheet. The detail is as below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	MS THQ Hospital Jampur	1.691
2	MS THQ Hospital Rojhan	1.228
3	MS DHQ Hospital	1.735
<b>Total</b>		<b>4.654</b>

Audit is of the view that due to weak financial management, appointments were made without observing codal formalities.

Non-observance of codal formalities resulted in unauthorized expenditure of Rs 4.654 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the matter may be investigated and responsibility may be fixed on the person(s) at fault besides regularization of the expenditure.

[AIR Paras:20,14,27]

#### **7.2.5.2.10 Unauthorized payment of inadmissible allowances - Rs 4.289 million**

According to Clause 9 of Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The following DDOs paid and amount of Rs 4.289 million on account of pay and allowances to employees during 2018-19. Scrutiny of record revealed that the said allowances were not inadmissible to officers/officials.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	District Officer Health	3.252
2	SMO RHC Muhammadpur	1.037
<b>Total</b>		<b>4.289</b>

Audit is of the view that due to weak financial management, inadmissible allowances were paid.

Payment of inadmissible allowances resulted in loss to the Government of Rs 4.289 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 4.289 million besides fixing responsibility on the person(s) at fault.

[AIR Paras:3,7]

#### **7.2.5.2.11 Non-recovery of the Government receipts – Rs 3.765 million**

According to Rule 14 (d) of the Punjab District Authorities (Accounts) Rules 2017, the primary obligation of the Collecting Officers shall be to collect receipts in

the transparent manners and guard against misappropriation, fraud, embezzlement or compromise.

The following DDOs did not realize / deposit an amount of Rs 3.765 million during 2018-19, on account overpayments, hospital receipts, government taxes and auction money. The detail is as below:

(Rupees in million)

Sr. No.	DDOs	Nature of receipts	Amount
1	CEO (DHA)	Higher rate of POL	0.089
2		Liquidity damages	0.591
3	MS THQ Hospital Jampur	Hospital Receipt	0.352
4		MLC Fee	0.055
5		Penal Rent	0.672
6		Advance Income tax	0.062
7	MS THQ Hospital Rojhan	Radiologist share of X-ray	0.048
8		Hospital Receipt	0.048
9		Pathologist share	0.180
10		Cycle stand fee	0.055
11	SMO RHC Fazilpur	Hospital receipt	0.011
12	SMO RHC Kotmithan		
13		Uniform and Mess allowance	0.060
14		MLC Share	0.010
15	SMO RHC Muhammad pur	Increment without completing six month services	0.094
16	MS DHQ Hospital	MLC Share	0.062
17		Hospital Receipt	1.068
18		Overpayment of GST	0.272
<b>Total</b>			<b>3.765</b>

Audit is of the view that due to weak financial management, revenue was not realized / deposited.

Non-realization/deposit of the Government receipt resulted in loss of Rs 3.765 million to the Government exchequer.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.



Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 3.765 million, under intimation to Audit.

[AIR Paras:9,12,22,27,30,32,1,2,19,33,4,2,3,10,5,13,14 ,26]

#### **7.2.5.2.12 Unauthorized qualification of bidders and purchase of medicine - Rs 3.716 million**

According to Serial No.5 of Section IV(Evaluation Criteria) of Bidding Document provided to the bidders, Annual Sales Turnover/ Gross Revenue of the bidder for the financial year 2017-18 must be above Rs 100 million.

Chief Executive Officer (DHA) Rajanpur, qualified M/S Lisko Pharma on the basis of annual sale of 2016-17, instead of 2017-18 and medicines amounting to Rs 3.716 million were purchased during 2018-19 accordingly.

Audit is of the view that due to weak financial management, the technical evaluation was not conducted as per criteria.

Procurement from the bidders who did not meet technical evaluation criteria resulted unauthorized expenditure of Rs 3.716 million.

The matter was reported to the CEO in September, 2019. CEO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiring the matter and fixing responsibility on the person (s) at fault besides regularization from competent authority.

[AIR Para:3]

#### **7.2.5.2.13 Loss of house rent allowance due to non-allotment of hospital residences - Rs 3.502 million**

According to Govt. of the Punjab, Finance Department letter No. FD(M-11)1-15/82-PT-I dated 15.01.2000, in case of availability of designated residence the Govt. servants for whom these are meant cannot draw house rent allowance even if they do not reside in house.

The following DDOs did not allotted designated residences to concerned employees and were occupied by private persons un-authorizedly. The loss on

account of house rent and conveyance allowance amounting to Rs 3.502 million during 2018-19 was not recovered from illegal occupant and residences were not vacated from occupant. The detail is given below:

(Amount in rupees)

DDOs	Type	No. of Quarter	Period	HRA Rate	CA Rate	Amount
SMO RHC Fazilpur	Bs-1-4	4	1.7.17 to 30.6.19	1,146	1,932	147,744
	Do 9-16	12		1,818	5,000	981,792
	Bs-17-18	3		2,955	5,000	286,380
SMO RHC Kotmithan	2-G	1		18,222	0	218,,664
	3	1		6,360	0	76,,320
	7	1		4,470	0	76,,320
	13	1		4,470	0	53,,640
SMO RHC Muhammad Pur	BS-18	1		9,019	5,000	168,228
	BS-17	3		6,181	5,000	402,516
	BS-16	6		3,749	5,000	629,928
	BS-9	4		2,963	2,856	279,312
	BS-4	4		1,998	1,785	181,584
<b>Total</b>						<b>3,502,428</b>

Audit is of the view that due to weak financial management, residences were not allotted to the concerned employees and house rent and conveyance allowance was not recovered from the illegal occupant.

Non recovery of house rent and conveyance allowance resulted in loss of Rs 3.502 million to the Government.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the residences should be got vacated from the unauthorized occupants along with recovery of house rent for the proceeding period.

[AIR Paras:1,5,11]

#### **7.2.5.2.14 Unauthorized payment of non-practicing allowance - Rs 2.432 million**

According to Government of the Punjab, Health Department notification No. SO (N.D)2-26/ 2004 (P-II) dated 17.01.2007, Non-Practicing Allowance for the doctors who do not opt for private practice has been revised as under:

<b>Sr. No.</b>	<b>Doctor's Grade</b>	<b>Existing</b>	<b>Revised</b>
1	BS-17&18	500 P.M	4,000 P.M
2	BS-19 & 20	700 P.M	6,000 P.M

Medical Superintendent DHQ Hospital allowed non-practicing allowance @ Rs 4,000 & Rs 6,000 per month to 109 doctors during 2018-19, without production of affidavit on judicial papers for non-practicing at private hospital or his own clinic.

Audit is of the view that due to weak financial management, non-practicing allowance was paid without observing codal formalities.

Payment of NPA without requisite record resulted in over payment of Rs 2.432 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides production of affidavit or recovery of Rs 2.432 million for the concerned.

[AIR Para:12]

#### **7.2.5.2.15 Unauthorized withdrawal on account of POL – Rs 2.152 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.

Chief Executive Officer (DHA) Rajanpur drawn an amount of Rs 2.152 million on account of POL. The expenditure pertained to the subordinate formations

having their own cost center. Instead of releasing the budget the concerned formations, CEO retained the budget of POL in his office cost center and made payment in unauthorized way. The detail of drawl of POL is given below:

(Rupees in million)

Sr. No.	Vehicle No	Allotted To	Amount
1	LEG-2064 & Vaccinator bikes	Deputy DHO Jampur & Vaccinators of Tehsil Jampur	1.350
2	X-68AF (POTHOHAR JEEP) & Vaccinators bikes	Deputy DHO Rojhan & Vaccinators of Tehsil Rojhan	0.802
<b>Total</b>			<b>2.152</b>

Audit is of the view that due to weak financial management, the payments were made without observing the codal requirements.

Payment without codal formalities resulted in unauthorized expenditure of Rs 2.152 million

The matter was reported to the CEO in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that matter may be investigated and responsibility may be fixed accordingly besides regularization of the expenditure.

[AIR Para:13]

#### **7.2.5.2.16 Unauthorized expenditure out of health council funds - Rs 1.923 million**

According to Health Council Policy circulated by Government of Punjab, Health Department dated 11.05.2017, Secretary Health Council will be responsible for maintenance of records such as receipts, bills, cash book, resolution register of health council, record of development schemes, etc.

The following DDOs incurred an expenditure of Rs 1.923 million during 2018-19. However, no record such as cashbook, stock register, bills, receipts, minutes of health council's meeting and inspection record was available. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	District Officer (Health)	General store items, repair & maintenance	1.420
3	SMO RHC Fazilpur	Repair & maintenance	0.238
	SMO RHC Muhammad Pur	General store items	0.265
<b>Total</b>			<b>1.923</b>

Audit is of the view that due to weak financial management, the expenditure was incurred without maintaining necessary record.

Non-observance of codal formalities resulted in unauthorized expenditure of Rs 1.923 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends matter may be investigated and responsibility may be fixed for non-compliance besides regularization of the expenditure from the competent authority.

[AIR Paras:24,8,8]

#### **7.2.5.2.17 Non-deduction of GST, income tax and withholding tax – Rs 1.848million**

According to the Government of Pakistan (Revenue Division) CBR (Sales Tax and Federal Excise Wing) letter No. 4/2-STB/207)PT) dated 13.08.2007, government / departments making purchase of goods liable to sales tax shall withhold 1/5<sup>th</sup> of sales tax while remaining 4/5<sup>th</sup> of the sales tax shall be paid to supplier and withheld amount will be deposited by the Government organization / department itself. Furthermore, as per section 153 of Income Tax Ordinance 2001, Income Tax at the prescribed rate shall be deducted from the supplier.

The following DDOs made payments against supply of goods, rendering of services and execution of contracts during 2018-19. However, an amount of Rs 1.848

million on account of Income Tax, General Sales Tax and Punjab Sales Tax on Services was not /less deducted from the payments. The detail is given below:

(Amount in Rupees)

Sr. No.	DDOs	GST	Income Tax	WHT on Services	Total
6	District Officer (Health)	0.178	0.186	0.108	0.472
7	MS THQ Hospital Jampur		0.742		0.742
8	MS THQ Hospital Rojhan		0.201	0.134	0.335
9	SMO RHC Kotmithan	0.043			0.043
10	SMO RHC Muhammad Pur	0.027	0.011		0.038
11	MS DHQ Hospital		0.218		0.218
<b>Total</b>		<b>0.248</b>	<b>1.358</b>	<b>0.242</b>	<b>1.848</b>

Audit is of the view that due to weak financial management, taxes were not deducted / withheld at specified rates.

Non-deduction of taxes at specified rates resulted in excess payment of Rs 1.848 million to the suppliers/service providers/contractors.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 1.848 million besides fixing responsibility on the person(s) at fault.

[AIR Paras:14,16,19,28,10,11,8,13,14,18]

#### **7.2.5.2.18 Loss to the Government due to purchase of medicines at higher rates-Rs 1.164**

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.

Medical Superintendent DHQ Hospital Rajanpur incurred an expenditure of Rs 1.164 million on account of purchase of medicines from local market during 2018-19. Comparison of the rates of medicine supplied by the same supplier revealed that same medicines were purchased at higher rates. **(Annexure-D/RP)**

Audit is of the view that due to weak financial management, medicines were purchased from local market at higher rate.

Purchase of medicines at higher rate resulted in loss to the Government of Rs 1.164 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) for purchase of medicines at higher rates besides recovery of the said amount.

[AIR Para:21]

#### **7.2.5.2.19 Unauthorized consumption of POL for generator - Rs 1.150 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.

Medical Superintendent THQ Jampur, incurred an expenditure of Rs 1.150 million on account of POL for generator during 2018-19. Scrutiny of logbook of Generator 200 KVA installed in the hospital revealed that the MPG of the generator was obtained on 28.03.2016 when it was not purchased. In average consumption letter, 18 to 20 liter/hour was shown but in some months 11 liter/hour average consumption was shown in logbook which leads that same is not authentic.

Audit is of the view that due to weak financial management, expenditure was incurred on the basis of fake consumption certificate.

Payment on the basis of fake certificate resulted in inauthentic expenditure of Rs 1.150 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[Air Para:24]



### **7.2.5.3 Value for Money and Service Delivery Issues**

#### **7.2.5.3.1 Payment of salaries without verification of degrees Rs 15.813 - million**

According to Clause 9 of the Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The following DDOs paid an amount of Rs 15.813 million during 2018-19, on account of salaries to Medical Officers without verification of degrees from concerned institution. The detail is below.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>No. of Employees</b>	<b>Amount</b>
1	MS THQ Hospital Jampur	14	10.368
2	MS THQ Hospital Rojhan	8	5.445
<b>Total</b>		<b>22</b>	<b>15.813</b>

Audit is of the view that due to weak internal controls, salaries were paid without verification of degree.

Payment of salaries without verification of degrees resulted in unauthorized expenditure of Rs 15.813 million.

The matter was reported to the CEO and DDOs concerned in September, 2019. DDOs did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides to get verify the degrees from the concerned institutions without further delay.

[AIR Paras: 4, 24]

#### **7.2.5.3.2 Unauthorized drawal of pay & allowances after transfer - Rs 9.123 million**

According to Clause 9 of Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowances, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

MS THQ Hospital Rojhan, paid an amount of Rs 9.123 million on account of salaries to employees during 2018-19. Scrutiny of the relevant record revealed that the staff was transferred to some other stations but their salaries were being paid out of THQ Hospital Rojhan cost center. The detail is given below:

(Rupees in million)

<b>P.No.</b>	<b>Name</b>	<b>Designation</b>	<b>Amount</b>
31861505	Rao Shahzad Ahmad	MO	0.537
32006478	Muhammad Sajid Jamil	MO	0.174
32103865	Quratul Ain Khan	MO	0.900
32104597	Anum Hafeez	MO	0.384
32107315	Nabeela Najeeb	MO	0.908
30670622	Barak Ullah	SMO	1.571
30875464	Abdul Hakeem	MS	1.571
32050364	Habiba Kalsoom	WMO	0.389
32079922	Anam Ashfaq	WMO	0.512
32103871	Sardar Ali	Pediatrician	2.177
<b>Total</b>			<b>9.123</b>

Audit is of the view that due to weak financial management, salaries were paid to the staff whose attendance could not verified.

Payment of salaries without attendance record resulted in loss to the Government of Rs 9.123 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 9.123 million besides fixing responsibility on the person(s) at fault and discontinuation of pay, under intimation to Audit.

[AIR Para:25]

### 7.2.5.3.3 Unjustified purchase of BP apparatus, excess than requirement - Rs 2.594 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.

Medical Superintendent DHQ Hospital Rajanpur incurred an expenditure of Rs 3.970 million on account of purchase of BP apparatus. The purchase was made without considering any criteria/assessment. The items were received on 10.07.2018. After lapse of considerable time, a huge quantity of item valuing Rs 2.594 million has not been utilized so far. The detail is given below:

(Amount in rupees)

Item	Quantity received	Unused quantity	Rate	Total
BP Apparatus mobile mercury	50	39	29,640	1.156
BP Apparatus Desk mercury	100	94	9,900	0.931
BP Apparatus Wall type mercury	100	34	14,899	0.507
<b>Total</b>				<b>2.594</b>

Audit is of the view that due to weak financial management, equipments were purchased in excess of requirement.

Purchases excess than requirement resulted in blockage of the Government money Rs 2.593 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides investigation of matter for factual position.

[AIR para:11]

#### **7.2.5.3.4 Payment of salaries without posting - Rs 1.366 million.**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules 2017, the DDO and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

District Officer (Health) paid an amount of Rs 1.366 million to Mr. Adeel Farooq Medical Officer having personal No. 31693265 from cost center RC9017 during 2018-19. Posting orders, joining reports and attendance record was not available in the office to prove the actual posting.

Audit is of the view that due to weak financial management, salaries were paid without posting.

The payment of salaries without posting of officer resulted in unauthorized expenditure of Rs 1.366 million.

The matter was reported to the CEO and DDO concerned in September, 2019. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) besides recovery of Rs 1.366 million from the concerned.

[AIR Para:5]

## 8. District Health Authority (DHA) Chiniot

### Chapter 1

#### Public Financial Management Issues

Regional Directorate Audit Faisalabad conducts Financial Attest Audit of the District Accounts Office Chiniot on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis of District Health Authority Chiniot

##### Introduction:

District Health Authority (DHA) Chiniot was established on 01.01.2017 under Punjab Local Government Act 2013. CEO is the Principal Accounting Officer of the Authority. He is responsible to ensure that the business of the institution / health facilities / offices is carried out in accordance with the laws. Besides this, it coordinates the activities for coherent planning, development, effective and efficient functioning of health institutions.

##### Sectoral Analysis:

##### a) Analysis of Human Resource

DHA, Chiniot is facing acute shortage of doctors and paramedics. Against 403 sanctioned posts of doctors/specialists only 189 posts are presently filled while 214 posts are vacant which is 53% of total sanctioned posts. While authority is also facing shortage of paramedics and other staff, as detailed below:

(Figures in Nos.)

Sr. No.	Name of Post	Sanctioned	Filled	Vacant
1	Doctors / Specialist	403	189	214
2	Technical Staff	568	237	331
3	Other Staff	753	286	467
	Total staff	1724	712	1012

(Source: Data received from CEO, DHA Chiniot)

Audit is of the view that without ensuring the availability of doctors/ specialists and paramedics the targets of effective service delivery cannot be ensured. Human resource issue needs immediate attention of policy makers to make DHA an effective health service provider for better health care in the district.

## b) Analysis of Targets and Achievements

Sectoral analysis of DHA Chiniot was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit) being part of CM Roadmap Programme 2014. The objectives of roadmap were to improve health facilities at each health unit, better environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

### Status regarding indicators and their achievements

(Figures in Nos.)

Sr. No.	Indicator	Target 2018-19	Achievement	%age	Remarks
1	No. of Deliveries Normal BHUs	4,700	2,359	50.19%	Not achieved
2	No. of deliveries at RHCs	2,880	2,377	82.53%	Not achieved
3	EPI Vaccination	129,970	114,431	88.04%	Not achieved
4	Surgeries	6,150	5,843	95.01%	Not achieved
5	Served Outdoor Patients at PHC	928,625	886,769	95.49%	Not achieved
6	Family Planning Services at SHC	4,850	4,740	97.73%	Not achieved
7	No. of Deliveries at DHQ	1,980	1,977	99.85%	Not achieved
8	Served Indoor Patients at SHC	40,000	39,980	99.95%	Not achieved
9	No. of Deliveries 24/7 at BHUs	9,600	10,889	113.43%	Target achieved
10	Served Outdoor Patients at SHC	1,119,784	1,365,168	121.91%	Target achieved
11	No. of Deliveries at THQ	1,250	1,593	127.44%	Target achieved
12	Antenatal Service	43,000	63,092	146.73%	Achieved
13	Family Planning Services at PHC	12,040	30,437	252.80%	Achieved

(Source: Data received from CEO, DHA Chiniot)

**c) Service Delivery Issues**

In view of the above, it could be noticed that District Health Authority Chiniot failed to achieve 8 out of 13 targets and could not ensure effective service delivery in the area of outdoor patients' service, surgeries, normal deliveries at BHUs and RHCs, family planning services as intended in the indicators during 2018-19.

**d) Serious Financial Irregularities and Findings**

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record involving an amount of Rs 18.063 million were reported in one case.
- ii. Fraud and Misappropriations involving an amount of Rs 8.727 million were reported in three cases.
- iii. Irregularities and Non-Compliance involving an amount of Rs 148.957 million were reported in 17 cases.
- iv. Other issues involving an amount of Rs 1,923.659 million were noticed in 15 cases.

Audit paras involving procedural violations and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum of Departmental Accounts Committee (MFDAC) Annexure-A.

**e) Financial Attest Audit Findings**

Further, following findings regarding financial management issues were also conveyed to the PAO during Financial Attest Audit of DHA Chiniot for financial year 2018-19:

- i. Understatement / misrepresentation of tax receipt – Rs 1.003 million
- ii. Non-transfer of receipt – Rs 19.218 million
- iii. Non-reporting of Fixed Assets – Rs 43.687 million.
- iv. Non-disclosure of payments by third party / direct payments in the Financial Statements amounting to Rs 8.320 million
- v. Misclassification of expenditure – Rs 0.982 million.
- vi. Overpayment during leave extra ordinary & without pay – Rs 1.496 million

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, these issues have been reported in Audit Certificate/ Report of DHA, Chiniot as emphasis of matter.

**f) Expectation Analysis and Remedial Measures**  
**District Health Authority Chiniot**

CEO (DHA) failed to fully utilize the budget for the year 2018-19, and various funds of medicine and development remained un-utilized due to inefficiency of the management. It is also concluded that DHA failed to achieve the targeted indicators during 2018-19 set for the purpose of effective service delivery. Maternal Newborn and Child Health remained the weakest area in service delivery as target numbers of normal deliveries at BHU and RHC level were not achieved. Targets of vaccination and inoculation were also not achieved as DHA Chiniot could only provide vaccination services to 114,431 patients against the targeted population of 129,970.

The focus of DHA was on provision of trauma and outdoor patients' services and no planning was carried out in public health. The shortage of manpower was also not catered effectively despite overburdening of facilities in terms of patient turnover. The procurement of medicines through MSD rate contracts was not done in timely manner and hospitals purchased medicines through LP at higher rates which caused loss to the Health Authority.

The management of the DHA should take following measures to achieve the targets:

- a. The District Health Authority should be immediately constituted so that an effective management of authority could be ensured.
- b. The DHA should exploit all possible revenue sources to generate funds for itself.
- c. There is a need to shift focus towards prevention, hygiene and public health issues and for that an effective and inclusive planning mechanism should be in place.
- d. Shortfall of Human Resource should be immediately filled to provide better service delivery to public.



- e. Medical, surgical, diagnostic equipment should be provided to the hospitals as per their requirement.

**Conclusion:**

In view of the above analysis, it is concluded that DHA did not achieve its planned targets due to shortage of doctors, paramedical staff and other supporting staff which hampers its ability to function effectively. There was lapse in both non-development and development budget which showed that the authority failed to spend in development schemes, up-gradation of existing facilities etc. as it did not up-grade any health facility. Further, authority could not achieve its intended targets during the financial year 2018-19.

## 8.1.1 Audit Paras

### 8.1.1.1 Understatement / misrepresentation of tax receipt – Rs 1.003 million Risk Categorization: High

#### Criteria

According to Section 3.3.7.7 of Manual of Accounting Principle (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

#### Observations

District Accounts Officer, Chiniot deducted various taxes from contingent bills and monthly salaries of employees working in District Health Authority. These taxes were collected / deducted on behalf of Provincial Government and therefore, required to be credited to Public Account in the analogy of Income Tax and Sales Tax. Contrary to the above mentioned principle, these taxes were made part of Consolidated Fund Receipt in the Account-VI of District Health Authority. The details are given below:

(Amount in Rupees)

Sr. No	GL Account	GL Account Description	Doc Type	Amount Collected / Deducted in CFY
1	B01132	Surcharge	AB	7,140
2	B01603	Deduction at Source (Professional Tax)	AB	58,800
3	B02385	Sales Tax on services (Punjab)	KR	936,840
<b>Total</b>				<b>1,002,780</b>

#### Implications

Showing of Provincial Government receipts as District Health Authority receipts resulted in wrong preparation of accounts and misleading figures of receipts because balances of Consolidated Funds Receipt could not be carried forward.

**Recommendations:**

Audit recommends that new GL accounts be created for reporting of provincial government receipts under Public Account instead of Consolidated Fund so that true picture of accounts be presented.

**Management Response:**

Matter is being refer to the Accountant General Punjab for appropriate mapping of GL Account in respect of Account-V, Account-VI for true representation of direct tax receipt.

**Further Audit Comments:**

Audit stressed to take up the matter with authorities concerned for creation of GL account and correct booking so that true picture of receipt collected and payment made be represented in the accounts. DAC directed to transfer the balances to concerned departments / Governments.

**8.1.1.2 Non-transfer of receipt – Rs 19.218 million****Risk Categorization: High****Criteria**

According to Section 3.3.7.7 of Manual of Accounting Principle (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

**Observations**

During Financial Attest Audit of District Health Authority, Chiniot for the period 2018-19, it was observed that District Accounts Officer, Chiniot collected different receipts on behalf of the Federal and Provincial Government against various GL Accounts during 2018-19. Scrutiny of the record revealed that the same were not transferred to the concerned Governments as compared to actual collection amount. The details are given below:

(Amount in Rupees)

Sr. No.	GL Account	Description	Opening Balance / Previous Year's Receipt	Receipt during the year	Payment made during CFY	Balance not Transferred
1	B01132	Surcharge	0	7,140	0	7,140
2	B01603	Deduction at Source (Professional Tax)	0	58,800	0	58,800
3	B02385	Sales Tax on services (Punjab)	49602	887238	0	938,840
4	G06103	General Provident Fund (Civil)	3,333,426	21,026,065	19,039,870	5,319,621
5	G06215	District Govt. Employee B.F	1,860,132	7,617,930	4,206,838	5,271,224
6	G06411	District Govt. Employee Insurance Fund	351,355	1,113,618	1,005,382	459,591
7	G11278	Contribution to GSHF from members	26,095	0	0	26,095
8	G12713	Income Tax deduction from salaries	131,700	365,000	334,000	162,700
9	G12714	Income Tax deduction from suppliers	(145,333)	2,661,157	1,724,177	791,647
10	G12777	Sales Tax deduction at source	401,576	5,664,050	784,132	5,281,494
<b>Total</b>			<b>6,196,941</b>	<b>40,212,319</b>	<b>27,191,030</b>	<b>19,218,230</b>

**Implications**

Booking of liabilities in consolidated fund receipt resulted in overstatement of DHA receipts and non-transfer of receipts resulted in undue creation of liabilities in DHA accounts.

**Recommendations:**

Audit recommends transfer of receipts to the governments concerned at the earliest.

**Management response:**

The outstanding non-transfer balances of the subject amounts has been transferred to appropriate Govt.

**Further Audit Comments:**

Audit stressed to provide documentary evidence in support of reply. DAC directed to transfer the receipt at the earliest. Para is kept pending for compliance.

**8.1.1.3 Non-reporting of Fixed Assets – Rs 43.687 million****Risk Categorization: High****Criteria**

According to Section 13.4.1.1 of the APPM, the categories of assets shall include land & building, civil works, plant & machinery, vehicles, furniture & fixtures, office equipment and computer equipment. Further according to Section 13.4.5.2 of the

ibid, all DAOs shall prepare a fixed asset report from the fixed asset account on quarterly basis. Furthermore, according to Section 13.4.5.4 of ibid, the AG shall consolidate the above information for including to the annual accounts.

**Observations:**

District Accounts Officer, Chiniot made payments amounting to Rs 43.687 million under GL Account A09 & A05270 for procurement of assets and execution of civil works by the District Health Authority during 2018-19. Contrary to the above referred Section of APPM, the expenditure was not included in statement of Capital Expenditure and asset side of Balance Sheet.

**Implications:**

Non-reporting of Fixed Assets resulted in violation of above mentioned principle and actual financial position of the entity was not represented in the accounts.

**Recommendations:**

Audit recommends justification besides reporting of Fixed Assets in Balance Sheet.

**Management Response:**

After preparation of quarterly reports of fixed Asset and Civil work executed during the Financial Year 2018-19 the figures of the same shall be reported to the AG Office for incorporation of printed Appropriation /account and Financial Statements

**Further Audit Comments:**

The reply is not tenable because Fixed Assets were not reported in subsidiary accounts / Balance Sheet of the Authority. DAC directed to take the matter with the concerned to show up for reporting to Fixed assets. Para is kept pending for compliance.

**8.1.1.4 Non-disclosure of payments by third party / direct payments in the Financial Statements amounting to Rs 8.320 million**

**Risk Categorization: High**

**Criteria**

According to Para 1.3.24 of Cash Basis International Public Sector Accounting Standards (IPSAS), it is mandatory that Third Party/Direct Payments are disclosed in a separate column of the statement of cash receipts and payment of the Financial Statements.

**Observations:**

During Financial Attest Audit of District Health Authority, Chiniot for the year 2018-19, it was observed that payment for expenditure incurred through health councils amounting to Rs 8.320 million was made by Government of the Punjab on behalf of the District Health Authority. Contrary to the above referred standard, payments by third party were not disclosed in the accounts of District Health Authority.

**Implications:**

Non-disclosure of Third Party/Direct Payments in the separate column of Financial Statements resulted in understatement of accounts.

**Recommendations:**

Audit recommends justification for non-disclosure of Third Party/Direct Payments in the separate column of Financial Statements.

**Management Response:**

Being a policy matter the issue of non-disclosure of third party payment is being referred to Accountant General Punjab for proper action.

**Further Audit Comments:**

As the accounts of District Health Authority, Chiniot are being prepared separately, so Government of the Punjab is a third party for the Authority. Therefore, payments by third party were required to be disclosed in accounts of the Authority. The matter was discussed in DAC in length and it was informed by the AAG that the payment was made from Account-I and is represented in the accounts of Punjab Government.

**8.1.1.5 Misclassification of expenditure – Rs 0.982 million****Risk Categorization: High****Criteria**

According to Section 2.3.2.2 of the Accounting Policies and Procedural Manual (APPM), there should be correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period.

**Observations:**

Scrutiny of sample voucher revealed that District Accounts Officer, Chiniot made payment with GL account A03970 instead of A12 because expenditure with civil

work in nature during Financial Attest Audit of District Health Authority, Chiniot for Financial Year 2018-19. The details are as under:

GL Account	Doc No.	Amount	Nature of Work	remarks
A03970	5100109035	533,914	Installation of tuff tiles	Technical sanction, market rates, area calculation & completion certificate not available
	1900219167	448,000	Without tendering	
<b>Total</b>		981,914		

**Implications:**

Misclassification leads to deviation in specific internal controls and misleading true financial impact i.e. civil work completion certificate, technical estimate, market schedule rates & security withheld etc.

**Recommendations:**

Audit recommends justification besides rectification of accounts.

**Management Response:**

The Finance Officer THQ (H) Chiniot has been directed to coordinate with this office along with record of payments. Further it is ensured that misclassification shall be avoided in future

**Further Audit Comments:**

Audit stressed to justify the matter. DAC directed DAO for justification of matter besides efforts made to rectify it at earliest.

**8.1.1.6 Irregular expenditure due to unlawful conduct of business of District Health Authority – Rs 1,561.167 million**

According to Section 30(3) of the Punjab Local Government Act, 2013 (as amended on 08.11.2017), when an elected Local Government is, for any reason, not in office, the Government may appoint an administrator to perform the functions of the local government until the elected Local Government assumes office but such period shall not exceed twelve months. Further, according to Section 64 of the Act *ibid*, the executive authority of a Local Government shall vest in and be exercised by its Mayor or Chairman. Furthermore, according to Government of the Punjab, Local Government and Community Development Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, established District Health Authority in

each District and appointed Deputy Commissioner of the District as Administrator of the said Authority w.e.f. 01.01.2017.

Contrary to the above provisions of the Punjab Local Government Act, Deputy Commissioner Chiniot continued to hold the office as Administrator and exercised the powers of the authority beyond lawful tenure of 12 months which expired on 31.12.2017. Therefore, conduct of business of the Health Authority Chiniot including approval/authentication of Revised Budget amounting to Rs 1,561.167 million and incurrence of expenditure during financial year 2018-19 was held irregular. Furthermore, powers of the House / Authority were concentrated in and used by a Government servant.

Audit is of the view that due to negligence, business of the District Health Authority was run by Deputy Commissioner beyond lawful tenure of 12 months.

Exercising the powers of the House by the Deputy Commissioner beyond 12 months resulted in unlawful authentication / approval of Budget amounting to Rs 1,561.167 million and unlawful conduct of business of District Health Authority.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization from the Competent Authority.

[AIR Para: 2]

**8.1.1.7 Loss due to non-realization of income from different income sources  
– Rs 2.443 million**

According to Government of the Punjab, Finance Department letter No.FD(M-I)1-15/82-P-I dated 17.01.2000, all receipts should be deposited into Government Treasury not later than 7 days from the date of receipt and in case of delayed deposit interest at bank rate exceeding grace period will be charged. Further, according to Rule 2.33 of Punjab Financial Rules Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

Audit observed that Government receipts amounting to Rs 2.443 million were not deposited into Government treasury and in other cases receipts were either less deposited or late deposited by the DDOs of formations of District Health Authority (DHA) Chiniot. These receipts were withheld by DDOs in their personal capacity which is the case of temporary embezzlement and liable to be recovered along with interest rate in accordance with the instruction of Government of the Punjab. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Chief Executive Officer, District Health Authority, Chiniot	Non-deposit of bank profit in Government treasury	0.102
2	Medical Superintendent, DHQ Hospital, Chiniot	Non/less deposit of Indoor Admission Fee, MLC Fee, Medical re-exam, Echo-Cardiograph, Canteen, Cycle Stand Fee	1.800
		Penalty/fines on delayed deposit of Government receipt	0.131
3	Medical Superintendent, THQ Hospital, Bhowana	Non/less deposit of Indoor Admission Fee, Tender form charges, MLC Fee, Lab Tests Fee	0.044
		Penalty/fines on delayed deposit of Government receipt	0.006
		Un-known where about of lab fee	0.182
4	Medical Superintendent, THQ Hospital, Lalian	Non-deposit of bank profit in Government treasury	0.014
		Non/less deposit of Tender form charges, MLC Fee, indoor Fee	0.082
		Penalty/fines on delayed deposit of Government receipt	0.019
5	Senior Medical Officer, Rural Health Centre, Ahmad Nagar	Non/less deposit of Indoor Admission Fee, X-Rays Fee, MLC Fee, Lab Tests Fee, Dental Procedures Fee	0.047
6	Senior Medical Officer, Rural Health Centre, 14/JB	Non-deposit of bank profit in Government treasury	0.016
<b>Total</b>			<b>2.443</b>

Audit is of the view that due to poor financial management, Government receipts were not realized / deposited into Government Treasury.

Non-deposit of receipts into Government Treasury resulted in loss to the District Health Authority amounting to Rs 2.443 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends immediate recovery from the concerned besides fixing of responsibility on the person(s) at fault.

[AIR Paras: 15, 6, 7, 10, 12, 18, 12, 19, 20, 5, 14]

## Chapter 2

### DHA Chiniot

#### 8.2.1 Introduction

District Health Authority, Chiniot was established on 01.01.2017 under Punjab Local Government Act (PLGA), 2013. DHA, Chiniot 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.

CEO is the Principal Accounting Officer of the District Health Authority and is responsible to the Public Accounts Committee of the Provincial Assembly. He is personally responsible to ensure that the business of the DHA is carried out proficiently, in accordance with law and to promote the objectives of the Authority.

DHA Chiniot manages following administrative offices and health facilities:

(Figures in Nos.)

Description	No. of Health Facilities / Institute	No. of Formations
CEO DHA	01	01
District Health Officers (DHO PS + DHO HRMIS)	02	02
District Head Quarter Hospitals	01	01
Deputy District Health Officer	03	03
Tehsil Head Quarter Hospitals	02	02
Rural Health Centers	03	03
IRMNCH	01	01
Basic Health Units	36	-
Rural Dispensaries	17	-
Government Rural Dispensaries	02	-
MCH Centers	02	-
TB Clinic	01	-
<b>Total</b>	<b>71</b>	<b>13</b>

(Source: Data received from CEO, DHA Chiniot)

The following table shows detail of total & audited formations of DHA Chiniot:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2018-19	Revenue/ Receipts Audited FY 2018-19
1	Formations	13	08	354.694	0.157
2	Assignment Accounts (excluding FAP)	-	-	-	
3	Authorities/Autonomous Bodies etc. under the PAO	-	-		
4	Foreign Aided Projects (FAP)	01	01	7.367	

### 8.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets as assigned to the PAO by the Government of Punjab, following financial resources were given to CEO (DHA) Chiniot during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Lapse (-)	Lapse (%)
Non-Development (Salary + Non-Salary)	1,687.535	973.773	-713.762	-42.30
Development	76.111	49.315	-26.796	-35.21
<b>Total</b>	<b>1,763.646</b>	<b>1,023.088</b>		

(Source: Appropriation Accounts 2018-19)

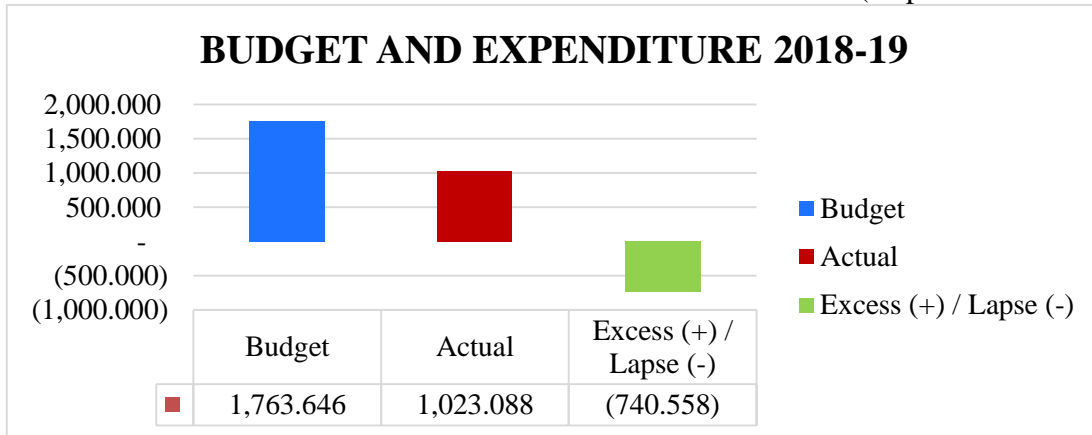
Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 269.761 million was provided for purchase of medicines against which only Rs 140.290 million were utilized resulting in lapse of Rs 129.471 million (48%).
- An amount of Rs 18.557 million was provided for purchase of machinery and equipment against which an amount of Rs 5.699 million was utilized resulting in lapse of Rs 12.858 million (69%)

- c. An amount of Rs 76.111 million was allocated for development schemes out of which only Rs 49.315 million was spent whereas remaining Rs 26.796 million were lapsed.
- d. The budget of DHA Chiniot was approved by the Administrator in violation of PLGA, 2013 as District Health Authority was not constituted during 2018-19.

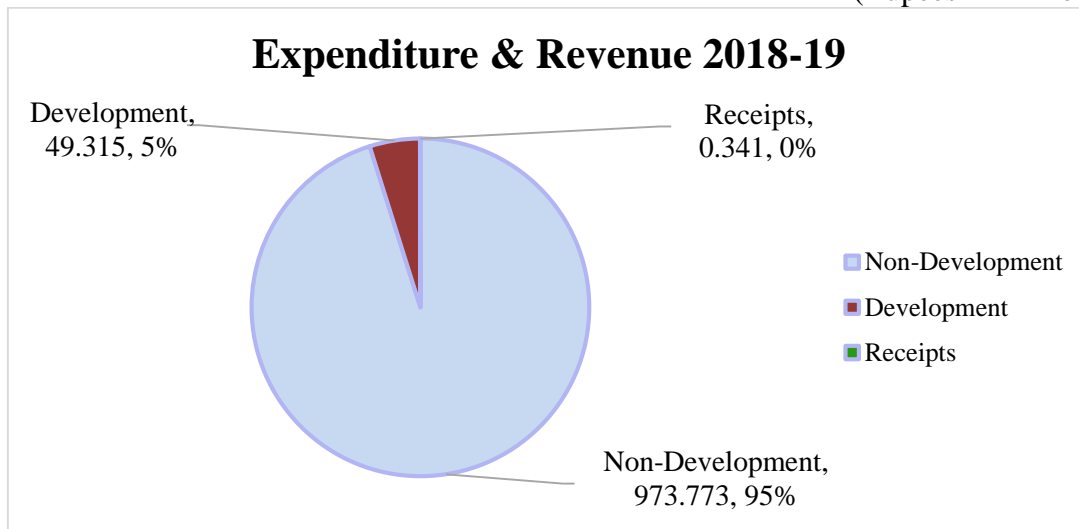
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



### 8.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,099.406 million were raised as a result of this audit. This amount also includes recoverable of Rs 45.605 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	18.063
2	Reported cases of fraud, embezzlement and misappropriation	8.727
3	Irregularities	0
A	HR/Employees related irregularities	63.439
B	Procurement of related irregularities	85.518
C	Management of Accounts with Commercial Banks	0
4	Values for money and service delivery issues	0
5	Others	1,923.659
	<b>Total</b>	<b>2,099.406</b>

### 8.2.4 Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following year were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee so far.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	16	PAC not constituted
2	2018-19	35	PAC not constituted

## 8.2.5 Audit Paras

### 8.2.5.1 Non-Production of Record

#### 8.2.5.1.1 Non-Production of record – Rs 18.063 million

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor General shall in connection with the performance of his duties under this ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts.

Five DDOs working under administrative control of Chief Executive Officer, District Health Authority, Chiniot incurred expenditure of Rs 18.063 million during 2018-19. However, the DDOs concerned did not produce supporting record for audit scrutiny i.e. voucher, supply orders, bills, requisition, sanction, inspection reports, stock entries, cash book etc. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Amount
1	Medical Superintendent, DHQ Hospital, Chiniot	15.717
2	Medical Superintendent, THQ Hospital, Bhowana	0.355
3	District Health Officer, Chiniot	1.200
4	Senior Medical Officer, Rural Health Center, Ahmad Nagar	0.649
5	Senior Medical Officer, Rural Health Center, Barana	0.142
<b>Total</b>		<b>18.063</b>

Audit is of the view that due to negligence on the part of DDOs record of expenditure was not produced for audit scrutiny.

Due to non-production of record legitimacy of expenditure amounting to Rs 18.063 million could not be ascertained.

The matter was reported to the DDO in September, 2019. It was replied that record would be produced to Audit.

Audit recommends fixing responsibility on person(s) at fault besides production of record and getting it verified from Audit.

[AIR Paras: 43, 20, 23, 14, 7]

## **8.2.5.2 Fraud and Misappropriations**

### **8.2.5.2.1 Embezzlement of funds through fake billing – Rs 3.871 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

Management of the District Headquarters Hospital Chiniot embezzled amount of Rs 3.871 million through fake bills/claims of local purchase of medicine, entertainment for trainers, transportation of goods, payment to contractors/suppliers without execution of civil work and supply of material, forging the amount of bill, fake procurement process, fake bills of accommodation and procurement on higher rates. **(Annexure-C/CHN)**

Audit is of the view that due to negligence on the part of DDO/ Management fund was withdrawn through fake bills, without work done/supplies made and procurement at excessive rates.

Drawl of fund through fake bills, applying excessive rates and without maintenance of supporting record resulted in embezzlement of public funds amounting to Rs 3.871 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to initiate disciplinary action against the person(s) involved in embezzlement besides recovery of Rs 3.871 million from the concerned.

[AIR Paras: 8, 9, 29, 13, 36, 14, 18, 26, 39, 40, 44, 10]

### **8.2.5.2.2 Embezzlement / withdrawal of funds through undue promotion/ up-gradation and bogus arrear claims – Rs 2.954 million**

According to Rules 2.31(a),(c) and (d) read with explanation 6(a) under rules 2.31 (Chapter II) of the Punjab Financial Rules Vol-I, no claim against Government not preferred within six months of its becoming due can be paid without



the sanction of the Accountant-General. Where claims are made on account of arrears of pay etc. remained un-drawn for more than one year the authority permitting the investigation of claim shall communicate the reason for the delay to the Accountant-General who will inform the Finance Department for the investigation of the claim. In the case of claims, which are more than one month old, the preferring officer shall state in the bill the reason for the delay. A claim against Government which is barred by time, Audit will refuse payment of all claims found to be time-barred until the sanction of Government has been obtained. Further, according to Rule 2.27 of rules *ibid*, no payments may be made on account of increases to pay until the additional expenditure hereby caused has been provided for in the budget estimates and duly sanctioned. Further a drawer of bill for pay, allowances etc. will be held responsible for any overcharges, frauds and misappropriations.

Audit observed that Accountant of District Officer (Health) Chiniot while holding post of BPS-8 withdrew pay of BPS-9 and later on the incumbent got an undue promotion against the services rules from BPS-08 to BPS-11 instead of promotion in BPS-10. Thereafter, upon upgradation of post of Accountant from BPS-11 to BPS-14 by the Government of the Punjab Finance Department the incumbent unauthorizedly got the benefits of upgradation in BPS-14 whereas the said upgradation was not applicable to the Health Department and same was withdrawn by Executive District Officer (Health). Resultantly, the employee withdrew arrear of pay amounting to Rs 0.243 million on the basis of unauthorized up-gradation. Further, he also withdrew inadmissible Health Sector Reforms Allowance amounting to Rs 0.081 million during FYs 2011-13 and February to December, 2017 despite the fact that same inadmissibility was already pointed out by the audit. It is pertinent to mention that subsequently the post of Accountant of District Officer (Health), Chiniot was up-graded from BPS-14 to 15 and also pre-designated to BPS-16 on award of time scale promotion without resolving the issue of earlier undue promotion and unauthorized upgradation.

In addition to that the said Accountant with the connivance of District Accounts Office also withdrew bogus/time barred arrear claims of other ten employees amounting to Rs 2.630 million through adjustment in off-cycle module of SAP/R3 during 2018-19. However, the arrear claims were bogus as these were

entertained without proper enquiry / approval of the Competent Authority and provision of additional budget. Further, the arrear claims were for such pay and allowances which pertained to the period during which employees already withdrew allowances along with regular pay, payment of allowances inadmissible to employee on general duty, withdrawal of allowances for the period before inception of the specific allowance and by repetition of period of claims etc. Further, it was also not certified by the DDO that these arrears were not withdrawn by the employees in previous period. The details are as under:

(Rupees in million)

Sr. No.	Name of Employee	Designation	Amount of Arrear bills		Additional Inadmissible Allowance (HSRA, Pay after retirement)	Total
			Adjustment	Off Cycle		
1	Atta Muhammad	Accountant	0.243		0.081	0.324
2	Nasir Ahmad	Dispenser	-	0.219	0.128	0.347
3	Azra Perveen	Dai	-	0.159	0.097	0.256
4	Jafar Ali	Sanitary Inspector	0.163	-	0.082	0.245
5	Mr. Amjad Taqai	Dispenser	0.106	-	-	0.106
6	Mr. Khizar Hayyat	Compounder	0.391	-	-	0.391
7	Mr. Abdul Ghafoor	Naib Qasid	0.162	-	-	0.162
8	Mr. Ghulam Sarwar	Sanitary Inspector	0.465	-	-	0.465
9	Mr. Jafar Ali	Dispenser	<b>0.070</b>	<b>0.070</b>	-	0.140
10	Mr. Jafar Ali	Dispenser	<b>0.070</b>	0.128	-	0.198
11	M. Yar	Chowkidar	-	0.320	-	0.320
		<b>Total</b>	<b>1.670</b>	<b>0.896</b>	<b>0.388</b>	<b>2.954</b>

Audit is of the view that due to negligence, funds were withdrawn through undue upgradation/promotion, bogus arrear bills, without sanction from Competent Authority and without allocation of additional budget.

Withdrawal of funds through bogus promotion/upgradation, fake arrear bills and without approval of the Competent Authority resulted in embezzlement of public funds amounting to Rs 2.954 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to initiate strict disciplinary action against the person(s) at fault besides recovery of Rs 2.954 million from the concerned.

[AIR Para: 17]

### 8.2.5.2.3 Embezzlement of public funds – Rs 1.902 million

According to Rule 2.31(a) of Punjab Financial Rules Volume-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 Rule 2.33 of the Punjab Financial Rules, Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

DDOs of different health facilities working under the administrative control of District Health Authority, Chiniot embezzled an amount of Rs 1.902 million during 2018-19 through double withdrawal of claims/funds, procurement on high rates, payment of salary through fake attendance, submission of excess claims in the abstract of contingent bills in comparison to bills of the suppliers, payment without supply of medicines etc. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Chief Executive Officer, District Health Authority, Chiniot	Double drawl of funds	0.254
2	Medical Superintendent, DHQ Hospital, Chiniot	Loss due to theft of medicine	0.052
		Excess payment to supplier	0.006
3	Medical Superintendent, THQ Hospital, Bhowana	Double drawl of funds	0.051
		Excess drawl of fund	0.261
		Procurement at excessive rate	0.021
4	Medical Superintendent, THQ Hospital, Lalian	Double drawl of funds	0.043
5	Senior Medical Officer, Rural Health Center, Ahmad Nagar	Salary through fake attendance	0.683
		excess claim in the abstract of contingent bills than the bills of the suppliers	0.029
		Payment without supply of medicine	0.392
		Overpayment due to wrong calculation	0.011
		Drawl of funds by duplicate record	0.099
<b>Total</b>			<b>1.902</b>

Audit is of the view that due to negligence on the part of DDOs, Health public funds were embezzled.

Withdrawal of funds through fake billing, without actual supply of medicines and double withdrawal of funds resulted in embezzlement of Rs 1.902 million and loss to public exchequer.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to initiate strict disciplinary action against the person(s) at fault besides recovery of Rs 1.902 million.

[AIR Paras: 11, 28, 16, 7, 8, 21, 14, 2, 6, 10, 11, 15]

### 8.2.5.3 Irregularities

#### 8.2.5.3.1 Unjustified payment of salaries without supporting record – Rs 39.640 million

According to Rule 2.20 of the Punjab Financial Rules, Volume-I, as a general rule every payment, including repayment of money previously lodged with Government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. As far as possible, the particular form of voucher applicable to the case should be used.

Seven DDOs of District Health Authority, Chiniot made payment of pay and allowances amounting to Rs 39.640 million during 2018-19 to different employees through adjustments in monthly automated payroll system without maintaining ancillary record i.e. change statements duly notified to DAO, Chiniot and arrear bills of the employees. The details are as under:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Amount
1	Chief Executive Officer, District Health Authority, Chiniot	6	1.232
2	Medical Superintendent, DHQ Hospital, Chiniot	224	14.938
3	Medical Superintendent, THQ Hospital, Bhowana	11	1.531
4	Medical Superintendent, THQ Hospital, Lalian	1	0.473
5	District Health Officer, Chiniot	226	14.938
		12	2.828
6	Senior Medical Officer, Rural Health Center, Ahmad Nagar	14	3.127
7	Senior Medical Officer, Rural Health Center, Barana	7	0.573
<b>Total</b>		<b>501</b>	<b>39.640</b>

Audit is of the view that due to poor financial management, arrears of pay and allowances were paid without maintaining supporting record.

Payment of pay and allowances through adjustment in automated payroll system / off-cycle module of SAP/R3 without maintaining ancillary record resulted in unjustified payment of Rs 39.640 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides provision of ancillary record for verification.

[AIR Paras: 8, 19, 26, 23, 3, 6, 17, 3]

**8.2.5.3.2 Irregular expenditure by Health Council – Rs 36.773 million**

According to Provision 4.1 of Guidelines issued to Health Council, the Secretary of the health council shall prepare plan for repair & maintenance of hospital building and machinery & equipment including procurement thereof and shall submit his suggestions to health council regarding provision/improvement of facilities for betterment of health services in its health facility. Further, according to Para 2 of Government of the Punjab, Primary and Secondary Healthcare Department letter No.SO(B&A)1-48/2017-18 dated 28.11.2018, the Health Council Fund must be utilized for emergency / necessary expenditure.

Health Council of different health facilities of District Chiniot incurred expenditure of Rs 36.773 million out of Health Council Funds on procurement of various items without any declared emergency and consideration of available funds in regular budget during 2018-19. The expenditure was held irregular as the purchases were made either by splitting cost of procurement or without sanction of Competent Authority and maintenance of ancillary record etc. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Brief of Observation	Amount
1	Chief Executive Officer, DHA, Chiniot	Incurrence of irregular expenditure by Health Councils of difference health facilities due to non-monitoring by District Monitoring Committee.	29.314
2	Medical Superintendent, THQ Hospital, Bhowana	Expenditure was incurred without approval of Health Council, by splitting, without constituting inspection / verification committee, without marking identification numbers on assets, without maintenance of assets maintenance register, without any emergency and consideration of available of fund in regular budget. Only two meetings of	3.124

Sr. No.	DDOs	Brief of Observation	Amount
		Health Council were arranged,	
3	Medical Superintendent, THQ Hospital, Lalian	Execution of civil work without preparation of detailed estimate and calculation of detailed measurements of different component of the work to be executed, without technically sanctioned form any authority, without approval of rates of no-schedule items from the competent authority, without maintenance of Measurement book. Rates of Schedule items neither correspond with MRS of Bi-annual concerned.	1.772
		<b>Incurrence of expenditure without any emergency and consideration of available of fund in regular budget.</b>	0.660
4	District Health Officer, Chiniot	Expenditure incurred without preparing annual plan, by splitting of expenditure, Purchase of different items through splitting to avoid tendering, double drawl of bills, without approval of Competent Authority, by preparing twice time and single entry in stock register etc.	1.903
		<b>Total</b>	<b>36.773</b>

Audit is of the view that due to poor financial management, expenditure was incurred without following prescribed procedures.

Expenditure without following prescribed procedure resulted in irregular expenditure amounting to Rs 36.773 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization from the Competent Authority.

[AIR Paras: 19, 27, 22, 11, 21]

### **8.2.5.3.3 Irregular expenditure without quotations/tenders – Rs 17.091 million**

According to Rules 09, 12(1) and 59(b) of the Punjab Procurement Rules, 2014, 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. A procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. 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 procedure. According to Provision 4.1 of Guidelines issued to Health Council, the Secretary of the health council shall prepare plan for repair & maintenance of hospital building and machinery & equipment including procurement thereof and shall submit his suggestions to health council regarding provision/improvement of facilities for betterment of health services in its health facility.

Six DDOs of District Health Authority, Chiniot incurred expenditure of Rs 17.091 million for purchase of different item i.e. submersible pump, laboratory items, fans, blood bags, herbal medicines, latex examination powder gloves, citrostrile solution, printing of history sheet, three seater benches, batteries, green jali (cloth) electric wire etc. during 2018-19. Contrary to the above rules, expenditure was incurred by splitting the cost of procurements and keeping the amount of each purchase below the financial limit of Rs 100,000 to avoid tendering and Rs 50,000 to avoid quotations. The details are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	Medical Superintendent, DHQ Hospital, Chiniot	8.643
		0.448
2	Medical Superintendent, THQ Hospital, Bhowana	2.260
		0.064
3	Medical Superintendent, THQ Hospital, Lalian	1.585
4	District Health Officer, Chiniot	1.800
		1.160
5	Senior Medical Officer, Rural Health Center, 14/JB	0.284
6	Senior Medical Officer, Rural Health Center, Ahmad Nagar	0.847
<b>Total</b>		<b>17.091</b>



Audit is of the view that due to financial mis-management, expenditure was incurred without open competition.

Procurement without open competition resulted in mis-procurement and irregular expenditure of Rs 17.091 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority besides fixing of responsibility on the person(s) at fault.

[AIR Paras: 25, 47, 4, 9, 6, 9, 18, 1, 12]

#### **8.2.5.3.4 Purchase of medicines beyond prescribed limit – Rs 13.490 million**

According to Para 2(ii) of Government of the Punjab, Primary & Secondary Healthcare Department letter No.PSHD-TCO-I(M)6-14/2017 dated 16.12.2017, the local purchase of medicines costs Government higher price in comparison to bulk purchase. Therefore, the aim is to reduce the incidences of local purchase by identifying commonly and frequently purchased items and including them into the list of bulk purchase mandate. Further, according to Para 2&3 of Government of Punjab, Health Department letter No.SO(P-1)3-64/2008 dated 04.10.2013, the Government authorized the officers in District Government of the provinces to distribute the budget allocation for medicines in the ratio 10% reserved for natural calamities / emergencies, 15% day to day purchase, 75% bulk purchase, subject to the condition that 85% of the budget for medicine would be utilized for bulk purchase and remaining 15% on day to day purchase. Competent authority has desired that the budgetary limit prescribed for local purchase (day to day purchase) of drugs/medicines must be adhered to. In case of non-compliance, disciplinary action against the delinquent officers / officials shall be taken under PEEDA Act, 2006.

Medical Superintendent, THQ Hospital, Bhowana incurred expenditure of Rs 4.153 million against budget of Rs 2.730 million allocated for local / days to day purchase of medicine. It resulted in excess expenditure of Rs 1.423 million out of 10% of budget reserved for natural calamities / emergencies, which was required to be for bulk purchase. The details are given below:

(Rupees in million)

Name of Formation	Description	Budget	Expenditure	Difference
Medical Superintendent, THQ Hospital, Bhowana	10% reserved for natural calamities / emergencies	1.820	-	1.820
	15% day to day purchase	2.730	4.153	<b>1.423</b>
	75% bulk purchase	13.650	11.944	1.706
	<b>Total</b>	<b>18.200</b>	<b>16.097</b>	<b>4.949</b>

Further, Medical Superintendent, THQ Hospital, Lalian, District Chiniot incurred expenditure of Rs 1.610 million on procurement of local purchase of medicine out of 10% of budget for medicines reserved for Emergency, Natural Calamities in addition to 15% of budget reserved for local purchase on need basis. Further, expenditure of Rs 0.766 million was incurred after finalization of contract for bulk purchase which was 52.41% of total expenditure of purchase of medicines i.e. Rs 1.610 million, during 2018-19

Audit is of the view that due to financial mis-management expenditure on local purchase of medicine was incurred without consideration of allocated budget / prescribed ratio.

Incurrence of expenditure beyond prescribed ratio resulted in violation of the Government instructions besides non-purchase of medicine in bulk on cheaper rates.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter beside regularization from Competent Authority.

[AIR Paras: 6, 7]

**8.2.5.3.5 Loss due to non-deduction of House Rent Allowance and Conveyance Allowance from occupants of designated residences – Rs 9.591 million**

According to the Government of the Punjab, Finance Department letter No.FD.S.R.1.9-4/86(PR)(P) dated 15.10.2011, employees residing in the residential colonies situated within work premises are not entitled for Conveyance Allowance. Further, according to the Government of the Punjab, Finance Department, (Monitoring Wing) Lahore letter No.FD.(M-I)1-15/82-P-I, dated 15.01.2000, in case of designated residences, the officers/officials for whom residence is meant cannot draw House Rent Allowance and will have to pay 5% House Rent charges.

District Health Officer Chiniot paid House Rent Allowance and Conveyance Allowance of Rs 9.591 million to one hundred and fifty employees working in different Basic Health Units despite the fact that designated residences were situated in each BHUs. However, no permanent record indicating allotments / availing of designated residences was being maintained due to which it was not possible to ascertain the admissibility and non-admissibility of House Rent / Conveyance Allowance. The details are given below:

(Rupees in million)

Sr. No.	Name of post	No. of Posts	Months	Rate of C. A	Rate HRA	Total
1	Medical Officer	35	12	5000	4433	3.962
2	Lady Health Visitor	51	12	2856	1961	2.948
3	Dispenser	27	12	1932	1544	1.126
4	Midwife	26	12	1932	1719	1.139
5	Chowkidar	11	12	1785	1367	0.416
<b>Total</b>		<b>150</b>				<b>9.591</b>

Audit is of the view that due to poor financial management, payment of House Rent and Conveyance Allowance was made despite availability of designated residences at BHUs.

Payment of House Rent and Conveyance Allowance despite availability of designated residences resulted in loss of Rs. 9.591 million to Health Authority.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of Rs 4.430 million from the concerned at the earliest.

[AIR Para: 1]

**8.2.5.3.6 Loss due to delay in finalization of rate contract for bulk purchase of medicines – Rs 6.465 million**

According to Para 2(ii) & (xvii) of Government of Punjab, Primary & Secondary Healthcare Department (P&SHCD) letter No.PSHD-TCO-I(M)6-14/2017, the local purchase of medicines costs Government higher price in comparison to bulk purchase. Therefore, to reduce the incidences of local purchase commonly and frequently purchased items shall be included in list of bulk purchase mandate in a monthly review meeting to be held at departmental level. Further, according to Government of Punjab, Health Department letter No.SO(P-I)H/3-64/2008 dated 18.08.2008, time schedule for completing the framework contract for bulk purchase of medicines will be targeted date of receipts of indents to Chief Executive District Officer is 31<sup>st</sup> August, reference to Senior Technical Officer (STO) two days, scrutiny of specifications seven days, issuance of tender inquiry by the Senior Purchase Officer four to nine days, opening of tender and preparation of comparative statement two to four days, technical scrutiny of offers seven to ten days, formulation of purchase proposals three to seven days, issuance of advance acceptance of tender three days and seven days for final contract.

Audit observed that contract for bulk purchase of medicines for the financial year 2018-19 by District Health Authority Chiniot were abnormally delayed as Phase-I contract was finalized in January 2019 and second phase was signed during March 2019 after the lapse of more than eight months. Resultantly, heads of health facilities purchased medicines from local market at higher price as compared to rates finalized for bulk purchase, therefore DHA Chiniot sustained loss of Rs 6.465 million. Further, medicines purchased in bulk were also not available for utilization during the financial year 2018-19 due to pending Drug Testing Lab Reports. Moreover, District Health Authority did not arrange monthly meetings at department's level for analysis of monthly Local Purchase of each Health Facility and for managing Local Purchase in best way. The details are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Health Facility</b>	<b>Amount</b>
1	Tehsil Headquarters Hospital, Chiniot	5.145
2	Rural Health Center, Ahmad Nagar	0.255
3	Tehsil Headquarters Hospital, Lalian	0.580
4	Tehsil Headquarters Hospital, Bhowana	0.439
5	Rural Health Center, Chak-14	0.046
<b>Total</b>		<b>6.465</b>

Audit is of the view that due to negligence on the part of DHA, rate contracts for bulk purchase of medicines were delayed and monthly review meetings were not conducted.

Delay in finalization of rate contract for bulk purchase of medicines resulted in loss to DHA amounting to Rs 6.465 million.

The matter was reported to the DDO in October, 2019. It was replied that procurement of bulk purchase of medicine was made according to Government instructions conveyed to DHA, Chiniot from time to time through video link meetings during the financial year 2018-19. Reply was not tenable as Government of the Punjab, Primary & Secondary Healthcare Department conveyed approval for procurement plan vide letter dated 30.08.2018 while tender acceptance letters were issued on 07.01.2019 & 18.03.2019 and medicines were available for use after taking delivery time and report from Drugs Test Labs till financial year end due to delay in tendering process which resulted in loss to Government exchequer of Rs 6.465 million. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of matter from the Competent Authority.

[AIR Para: 1]

#### **8.2.5.3.7 Non-recovery of pay and allowances during leave – Rs 6.366 million**

According to Rule 2.31(a)&(b) of Punjab Financial Rules Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. He should, therefore make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that he can be in a position to detect immediately

any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur. The responsibility of countersigning officers will be that which attaches to all Controlling Officers and which brings them under liability to make good any loss arising from their culpable negligence.

One hundred and twenty six employees of various categories including Medical Officers, Women Medical Officers, Dental Surgeon, Charge Nurses, Ophthalmologist etc. working under the administrative control of District Health Authority, Chiniot withdrew pay and allowances amounting to Rs 6.366 million during 2018-19. The employees withdrew pay and allowances after date of resignation/retirement from the Government service or during absent period. DDOs did not make efforts for recovery of overpaid pay and allowances from the concerned. The details are given in following table:

(Rupees in million)

Sr. No.	DDOs	Description	Financial Year	No. of Employees	Amount
1	Medical Superintendent, DHQ Hospital, Chiniot	Relinquished charge	2018-19	9	0.608
		Earned leave	2018-19	6	0.129
2	Chief Executive Officer, District Health Authority, Chiniot	Extra ordinary leave	2018-19	1	0.432
		Earned leave	2018-19	54	2.434
3	Medical Superintendent, THQ Hospital, Bhowana	Earned leave	2018-19	5	0.320
4	District Health Officer, Chiniot	Absent from duty	2018-19	5	0.155
		Termination of adhoc appointment, transfer and EOL	2018-19	8	0.555
		Allowance during leave	2018-19	16	0.293
5	Senior Medical Officer, Rural Health Center, Ahmad Nagar	After leaving job and adhoc contract expiry	2018-19	5	1.171
		During leave and general duty	2018-19	8	0.100
6	Senior Medical Officer, Rural Health Center, Barana	Extra ordinary leave	2018-19	1	0.091
7	Senior Medical Officer, Rural Health Center, 14/JB	Extra ordinary leave	2018-19	1	0.054
		During leave period	2018-19	6	0.024

Sr. No.	DDOs	Description	Financial Year	No. of Employees	Amount
<b>Total</b>				<b>125</b>	<b>6.366</b>

Audit is of the view that due to weak financial management, payment of unauthorized/inadmissible pay and allowances was made to the employees.

Payment of inadmissible pay and allowances resulted in excess payment to the employees amounting to Rs 6.366 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of overpaid pay and allowances amounting to Rs 6.366 million from the concerned at the earliest.

[AIR Paras: 4, 30, 3, 4, 25, 15, 13, 14, 1, 4, 8, 10, 11]

#### **8.2.5.3.8 Withdrawal of inadmissible allowances – Rs 4.430 million**

According to Government of the Punjab, Health Department Notification No.PO(P&E-I)19-113/2004(v) dated 13.04.2007 read with letter of even No. dated 22.11.2006 and Punjab Finance Department letter No.FD(SR-II)/9-36/06(P) dated 03.04.2013, Health Sector Reforms Allowance (HSRA) at DHQ/THQ hospitals was admissible to MO, WMO, Dental Surgeon, Medical Superintendent, Anesthetist, Radiologist and other specialists only and at RHC and BHUs level HSRA is admissible to nursing, paramedical and allied staff and frozen at the level of its admissibility as on 30.06.2011. Further, according to clarification issued by the Government of the Punjab, Finance Department vide letter No.FD.DR-I/6-7/2018 dated 15.10.2019, if a Doctor is working in a periphery and doing practice there, he is eligible for “Practice Compensatory Allowance”. Further, Non-practicing Allowance is admissible to the doctors working at THQs/DHQs who did not opt private practice. Further, according to Government of the Punjab, Finance Department vide letter No.FD.SRI9-4/66(P)(PR) dated 21.04.2014, the officers/officials who are availing facility of the Government vehicles including bikes (sanctioned/pool) are not entitled to the facility of Conveyance Allowance 01.03.2014.

Audit observed that forty four employees of various categories working at different health facilities of DHA Chiniot withdrew inadmissible Health Sector Reform Allowance (HSRA), Non Practice Allowance (NPA), Practice Compensatory Allowance (PCA), Qualification, Integrated Allowance, Pay and allowances to

unknown individual etc. Resultantly, excess payment of Rs 4.430 million was made to these employees. The DDOs concerned did not take action for recovery of excess paid amount. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Description	No. of Employees	Amount
1	Chief Executive Officer, District Health Authority, Chiniot	Health Sector Reforms Allowance, Fixed TA/DA and Computer Allowance	7	1.259
1	Medical Superintendent, DHQ Hospital, Chiniot	Health Sector Reforms Allowance	15	0.452
		Qualification Allowance	3	0.189
		Pay and allowance to unknown individual	1	0.524
2	District Health Officer, Chiniot	Health Sector Reforms Allowance	2	0.070
3	Medical Superintendent, THQ Hospital, Bhowana	Practice Compensatory, Anesthesia, Additional Charge and Qualification Allowance	4	0.402
		Health Sector Reforms Allowance	3	0.107
4	Senior Medical Officer, Rural Health Center, 14/JB	GP Fund, Benevolent Fund and Group Insurance	2	0.044
		Non-Practicing Allowance	1	0.012
		Excess Pay and Allowances	2	1.042
5	Senior Medical Officer, Rural Health Center, Barana	Health Sector Reforms Allowance	1	0.022
		Conveyance Allowance	1	0.005
		SSB, Group Insurance and GP Fund	1	0.297
6	Senior Medical Officer, Rural Health Center, Ahmad Nagar	Integrated Allowance	1	0.005
<b>Total</b>			<b>44</b>	<b>4.430</b>

Audit is of the view that due to poor financial management, employees were allowed to draw allowances without admissibility or at excessive rates.

Withdrawal of allowances without admissibility or at excessive rates resulted in overpayment of Rs 4.430 million to the employees.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of Rs 4.430 million from the concerned at the earliest.

[AIR Paras: 7, 22, 21, 23, 20, 23, 22, 13, 12, 3, 12, 10, 2, 9]



**8.2.5.3.9 Irregular purchase and utilization of medicine without DTL – Rs 2.423 million**

According to para 2(ix) Government of the Punjab, Primary & Secondary Healthcare Department letter No.PSHD-TCO-I(M)6-14/2017 dated 16.12.2017, In case any health facility prefers to procure medicine of brands other than mentioned in formulary, the Medical Superintendent / Incharge of such health facility shall ensure that the medicine brand supplied for the first time are sent to respective Drugs Testing Laboratory. Moreover, any payment in respect of these items (outside formulary) shall be made after clearance of Drugs sample from Drugs Testing Laboratories.

Two DDOs of District Health Authority, Chiniot incurred expenditure Rs 2.423 million for purchase of medicine of brands other than mentioned in formulary. Further, the medicines were utilized and payment was made without Drugs Testing Laboratories Report. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Financial Year	Amount
1	Medical Superintendent, DHQ Hospital, Chiniot	2018-19	1.037
2	Medical Superintendent, THQ Hospital, Lalian	2018-19	1.386
<b>Total</b>			<b>2.423</b>

Audit is of the view that due to weak internal controls, utilization and payment of local purchased medicines of brands other than mentioned in formulary was made without DTL.

Utilization and payment of local purchased medicines of brands other than mentioned in formulary without DTL resulted in irregular payment and utilization of medicines.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to fix the responsibility for non-compliance of Government instructions besides regularization of matter from the Competent Authority.

[AIR Paras: 37, 9]

**8.2.5.3.10 Non-recovery of inadmissible Conveyance Allowance and House Rent Allowance – Rs 2.246 million**

According to Government of the Punjab, Finance Department, letter No.FD.S.R.1.9-4/86 (PR)(P) dated 15.10.2011, employees residing in the residential colonies situated within work premises are not entitled for Conveyance Allowance. Further, according to Government of the Punjab, Finance Department letter No.FD(M-1)1-15/82-P-I dated 15.01.2000, House Rent Allowance is not permissible when facility of official accommodation is availed by the Government servant. Furthermore, according to Government of the Punjab, Finance Department (Monitoring Wing) Notification No.FD (M-I)1-15/02-P-I dated 15.01.2000, in case of designated residences, the officers/officials for whom residence is meant will have to pay 5% House Rent Charges.

Fifty employees of different health facilities/offices of District Health Authority, Chiniot withdrew House Rent Allowance amounting to Rs 1.042 million and Conveyance allowance amounting to Rs 0.761 million. Further, deduction of HR Charges of Rs 0.443 million from various employees was not made during 2018-19. The said allowances were not admissible as these employees residing in Government residences within premises of the hospitals. It was also observed that four employees used electricity of the hospital without paying their share of Rs 0.235 million of electric bill. The details are given below:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Conveyance Allowance	HR Allowance	HR Charges 5%	Total Amount
1	Medical Superintendent, DHQ Hospital, Chiniot	15	0.066	0.025	0.209	0.300
		1	-	0.012	-	0.012
2	Medical Superintendent, THQ Hospital, Lalian	1	-	0.276	-	0.276
3	Medical Superintendent, THQ Hospital, Bhowana	10	-	-	0.234	0.234
		1	0.064	0.048	-	0.112
4	Senior Medical Officer, Rural Health Center, Barana	1	-	0.077	-	0.077
		4	-	0.235	-	0.235
		9	0.318	0.189	-	0.507
5	Senior Medical Officer, Rural Health Center, 14/JB	1	0.043	0.026	-	0.069
6	Senior Medical Officer, Rural Health Center, Ahmad Nagar	7	0.270	0.154	-	0.424
<b>Total</b>		<b>50</b>	<b>0.761</b>	<b>1.042</b>	<b>0.443</b>	<b>2.246</b>

Audit is of the view that due to poor financial management, payment of pay and allowances was made without deduction of inadmissible allowances, non-deduction / recovery of House Rent Charges.

Payment of pay and allowance without deduction of inadmissible allowances and non-deduction / recovery of House Rent Charges resulted in excess payment of Rs 2.246 million to the employees.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery amounting to Rs 2.246 million from the employees concerned at the earliest.

[AIR Paras: 20, 24, 26, 24, 19, 4, 11, 9, 3, 1]

**8.2.5.3.11 Loss due to excess payment to rate contract suppliers of medicines – Rs 2.095 million**

According to General Conditions 21 and 22 of Standard Bidding Document, if the firm provides substandard item or fail to provide the item, the price difference of risk purchase shall be paid by the firm. Further, according to Special Condition 11(a) of the Contract, in case where the deliveries are not completed within specified time frame the contract to the extent of non-delivered portion of supply may be cancelled and Performance Guaranty to the extent of non-delivered portion of supplies shall be forfeited and the firm shall be blacklisted minimum for a period of one year. If the firm fails to supply the whole installments, the entire amount of Performance Guaranty shall be forfeited and the firm shall be blacklisted minimum for a period of two years. After completion of due delivery period penalty @ 4% per month (0.134% per day) shall be imposed for delayed supplies.

During audit of DHA, Chiniot it was observed that six DDOs of health facilities/offices made payment to the suppliers without deduction of late delivery charges, sample cost and excess expenditure on purchase of medicines at risk and cost. Further, performance security was not forfeited due to non-supply of medicines and DDOs made local purchase of medicine at higher rates after the finalization of rate contract for bulk purchase. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Financial Year	Amount	Remarks
1	Medical Superintendent, DHQ Hospital, Chiniot	2018-19	0.281	Local purchase at higher rates
		2018-19	0.080	Non-recovery of price difference on purchase of medicines on risk and cost
		2018-19	0.075	Non-forfeiture of Performance Security on non-supply of medicine
2	Medical Superintendent, THQ Hospital, Bhowana	2018-19	0.593	Penalty on late delivery of medicines
		2018-19	0.150	Local purchase after rate contract
		2018-19	0.089	Non-recovery of price difference on purchase of medicines on risk and cost
		2018-19	0.051	Non-forfeiture of Performance Security on non-supply of medicine.
		2018-19	0.039	Samples cost
3	Medical Superintendent, THQ Hospital, Lalian	2018-19	0.030	Non-forfeiture of Performance Security on non-supply of medicine
4	District Health Officer, Chiniot	2018-19	0.052	Non-forfeiture of Performance Security due to non-supply of medicine
		2018-19	0.280	Local purchase at higher rates
		2018-19	0.255	Penalty on late delivery of medicines
5	Senior Medical Officer, Rural Health Center, Barana	2018-19	0.068	Penalty on late delivery of medicines
6	Senior Medical Officer, Rural Health Center, 14/JB	2018-19	0.052	Penalty on late delivery of medicines
<b>Total</b>			<b>2.095</b>	

Audit is of the view that due to weak financial management, excess payment was made to the suppliers.

Excess payment to the suppliers resulted in loss to the DHA amounting to Rs 2.095 million.

The matter was reported to the DDO(s) concerned during July to October 2019. It was replied that reply would be submitted after scrutiny of record. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides recovery at the earliest.

[AIR Paras: 34, 12, 11, 16, 5, 3, 2, 15, 3, 17, 16, 12, 6, 8]

#### **8.2.5.3.12 Irregular purchase of LP medicines in violation of policy guidelines – Rs 2.038 million**

According to Policy Guidelines for Local Purchase of medicines issued vide No.PSHD-TCO-I(M)6-14/2017 dated 16.12.2017, local purchase is permitted

for emergencies an indoor patients department on the prescription of authorized medical practitioner. The non-availability of prescribed medicines or its alternates within the hospital generates justification of local purchase therefore, the policy requires hospitals to establish non-availability of prescribed medicine through an authorized pharmacist in the hospital on case to case basis to avoid duplication of resources. It is established policy of the Government to enter into local purchase contract through open competitive tendering as per Punjab Procurement Rules.

Audit observed that District Officer Health, Chiniot incurred expenditure of Rs 2.038 million on local purchase of medicines without entering into local purchase contract through open competitive bidding rather by splitting the cost of procurements. Further, the procurements were made at excessive rates in comparison to rates finalized for bulk purchase of medicines and without obtaining authentic price list for verification of prices charged by the suppliers. Furthermore, Medical Officer of Basic Health Units procured medicines directly from medical stores without approval from competent authority against ambiguous bills without date and serial numbers.

Audit is of the view that due to negligence on the part of DDO, local purchase of medicines was made in violation of standing instructions.

Procurement of medicines in violation of policy guidelines resulted in irregular expenditure of Rs 2.038 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority besides fixing responsibility on the person(s) at fault.

[AIR Para: 10]

#### **8.2.5.3.13 Incurrence of irregular expenditure in violation of the Government instructions – Rs 1.564 million**

According to Government of the Punjab, Service & General Administration & Information Department letter No. SOC-IV-11-1/79(I) dated 03-07-1999 the Government has decided that the facility of air conditioner in the offices shall be available only to officers in 20 and above alone. Further, according to Para 2(VI), of Government of the Punjab, Finance Department letter

No.FD.SO(GOODS)44-4/2016 dated 01.08.2018, Purchase of Durable Goods, Generators and Air Conditioners shall not be allowed to be procured except with the prior concurrence of the Austerity Committee. Further, according to Government of Punjab, Primary & Secondary Healthcare Department letter No.PSHD-BERC/08/2017 dated 04.12.2017, to ensure the availability of Bio-Medical equipment in its functional state at all healthcare facilities Primary & Secondary Healthcare Department has established a Biomedical Equipment Resource Center (BERC) at Lahore for maintenance & management of Bio-Medical Equipment for its healthcare facilities. Furthermore, according to Rules 8(f) of the Punjab District Authorities (Budget) Rules, 2017, the DDO is responsible for preparation of statement of liabilities, if any, at the end of each financial year and including the same by carrying them forward in the liability statement of next financial year.

Scrutiny of record of Officers / Health Facilities of District Health Authority, Chiniot for the financial year 2018-19 revealed that expenditure of Rs 0.374 million was incurred on procurement of Air-Conditioners and Generators without prior approval from Austerity Committee. Further, procurement of fridge, Cable wire and Digital Receiver, Cell Phone and service charges and Sports materials was made without provision in the rules. Further, Bio-Medical equipment were got repaired through firms / general order suppliers instead of through engineers of Biomedical Equipment Resource Center (BERC), Lahore amounting to Rs 0.444 million. Further, expenditure of Rs 0.216 million on procurement of X-Ray films was incurred against Nil budget. Furthermore, payments of Rs 0.380 million was made to clear the pending liabilities of previous financial years 2016-18 without maintenance of Liability Register. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Chief Executive Officer, District Health Authority, Chiniot	Repair of air conditioner, generator, cable wire and digital receiver, cell phone, sports material etc.	0.374
2	Medical Superintendent, DHQ Hospital, Chiniot	Service of equipment Topcon Operation Microscope, dental unit, etc.	0.444
3	Medical Superintendent, THQ Hospital, Lalian	Procurement of X-Ray files against Nil budget	0.216

Sr. No.	DDOs	Description	Amount
		Offsetting of expenditure on security services against receipt	0.150
4	Senior Medical Officer, Rural Health Center, 14/JB	Payment of previous years liabilities	0.380
<b>Total</b>			<b>1.564</b>

Audit is of the view that due to financial mis-management, expenditure was incurred in violation of standing instructions and without approval from authority.

Incurrence of expenditure in violation of standing instructions and without approval of Competent Authority resulted in unauthorized / irregular expenditure of Rs 1.564 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization from the Competent Authority.

[AIR Paras: 13, 41, 8, 18, 7]

#### **8.2.5.3.14 Payment of pay & allowance during extra ordinary leave – Rs 1.496 million**

According to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any over charge, frauds and misappropriations.

During Financial Attest Audit of District Health Authority, Chiniot it was observed that eight Women / Medical Officers working in different health facilities of DHA remained on extra ordinary leave (EOL) during 2017-19. Scrutiny of SAP HR Data depicted that the District Accounts Officer paid salaries to the employees amounting to Rs 1.496 million even during EOL period. The details are as under:

(Amount in Rupees)

Sr. No.	Personnel No.	Name	Designation	BPS	Date of EOL/ WOP	ROP	Remarks
1	30954904	DR. Ahmad Ameen	MO	17	05.11.2017 to 04.11.2019	0.494	EOL
2	32040713	Dr. Mediha Tahir	WMO	17	29.01.2018 to 28.01.2019	0.097	EOL
3	31824424	Dr. Muhammad Ahmad	MO	17	28.04.2018 to 26.04.2020	0.010	EOL

Sr. No.	Personnel No.	Name	Designation	BPS	Date of EOL/ WOP	ROP	Remarks
4	31910694	Dr. Usman Sattar	MO	17	01.09.2018 to 30.08.2020	0.318	EOL
5	31903898	Dr. Muhammad Talha Naeem	MO	17	15.02.2019 to 13.02.2021	0.103	EOL
6	31965794	Dr. Aqib Dastgeer	MO	17	21.12.2018 to 19.12.2020	0.221	EOL
7	31891306	Dr. Muhammad Shakeel	MO	17	15.02.2019 to 13.02.2021	0.096	EOL
8	32082215	Dr. Sair Ahmad Tabraiz	MO	17	15.07.2019 to 15.01.2020	0.157	EOL
<b>Total</b>						<b>1.496</b>	

Audit is of the view that due to poor financial management, payment of pay and allowances was made during EOL period.

Payment of pay and allowance during leave resulted in excess payment of Rs 1.496 million to the employees.

In DAC meeting held in October, 2019, it was replied that matter was under process in coordination with CEO (DHA), Chiniot a proper action will be made after due process. Audit stressed upon recovery of overpaid amount from the concerned at the earliest. DAC directed to recover the overpaid amount from the concerned at the earliest.

Audit recommends recovery of Rs 1.496 million from the concerned at the earliest, under intimation to Audit.

#### **8.2.5.3.15 Irregular purchase of LP medicines – Rs 1.367 million**

According to para 2(ix) Government of the Punjab, Primary & Secondary Healthcare Department letter No.PSHD-TCO-I(M)6-14/2017 dated 16.12.2017, a formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all detail of approved brand mentioned against each generic. In case any health facility prefers to procure medicine of brands other than mentioned in formulary, the Medical Superintendent / Incharge of such health facility shall ensure that the medicine brand supplied for the first time are sent to respective Drugs Testing Laboratory. Moreover, any payment in respect of these items (outside formulary) shall be made after clearance of Drugs sample from Drugs Testing Laboratories.

Audit observed that Medical Superintendent, DHQ Hospital, Chiniot incurred expenditure of Rs 1.367 million out of budget reserved for local purchase of



medicines from suppliers of Lahore and Hafizabad districts instead of procurement from local contractor. Further, procurement was made by splitting the cost of procurement and expenditure was incurred in violation of procurement rules. Furthermore, medicine was utilized and payment of Rs 0.651 million was made for the medicines of brands other than mentioned in medicine formulary without DTL. Furthermore, signature of the supplier was not fixed on 24 bills, requisitions were not attached with 19 vouchers, physical inspection by pharmacist were not found attached with 12 vouchers, name of manufacturer was not mentioned in physical verification of medicine by the pharmacist and discount of Rs 0.052 million was not availed due to procurement of supplier from outside city instead from local purchase contractor.

Audit is of the view that due to poor financial management, medicines were purchased from the supplier other than local Purchase of medicines contractor, without DTL and in violation of procurement rules.

Purchase of medicines without DTL, in violation of procurement rules resulted in irregular expenditure of Rs 1.367 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 48]

#### **8.2.5.3.16 Irregular / doubtful expenditure on purchase of different items – Rs 1.176 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

Audit observed that District Health Officer Chiniot incurred expenditure of Rs 1.176 million for purchase of different items. The expenditure was irregular /

doubtful due to similar amount of bills, managed quotations and supply orders, procurement of different items without requirement, items were purchased at higher rates and without mentioning purchased item specification on bill.

Audit is of the view that due to negligence, items were purchased from supplier in irregular manner.

Irregular purchase of different items resulted in doubtful incurrence of expenditure amounting to Rs 1.176 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 8]

#### **8.2.5.3.17 Irregular additional charge for more than three months – Rs 1.166 million**

According to Para 2 of Government of the Punjab, Service & General Administration Department No.SORI(S&GAD)16-70/77-P.III dated 21.10.1997, there is no provision of looking after the work in rules/policy. The regulation wing is of the view that “look after” arrangement means holding of additional charge of another post. Further, according to Para 2 of Government of the Punjab, Finance Department letter No. FD.SR-I/9-46/2015 dated 26.09.2016, it is, therefore, advised that the department should ensure that additional charge may not be assigned to an officer for the second spell of three months without prior consultation with the Finance Department.

Audit observed that additional charge of Program Director, District Health Development Centre Chiniot was assigned to Medical Officer, Rural Health Centre Chak No.14/JB by District Coordination Officer. However, first spell of additional charge was completed on 04.03.2016 but he held the charge of office till date of audit without the prior approval of Finance Department and incurred irregular expenditure of Rs 1.166 million after completion of three months.

Audit is of the view that due to weak management, additional charge was held for the period beyond three months.

Irregular additional charge beyond three months resulted in irregular expenditure of Rs 1.166 million and all act performed on additional charge held irregular.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the competent authority.

[AIR Para: 9]

**8.2.5.3.18 Non-blacklisting of firms due to non-supply of medicines – Rs 1.036 million**

According to Government of the Punjab, tender Rules, 19 and 21, a firm after entering in an agreement for supply of goods and services did not supplied the goods and services without any reason will be declared black listed. Further, according to Government of the Punjab, Health Department, Clause 10 (iii) of Standard Bidding Documents for the procurement of medicines, if the supplier fails to supply the whole consignment and not able to deliver to consignee’s end, the firm shall be blacklisted minimum for two years for future participation.

District Health Officer Chiniot issued supply orders for supply of following medicines costing Rs 1.036 million, but the firms failed to supply the medicine within stipulated period of supply and even after lapse of seven months. Authorities did not blacklisted the firms due to non-supply of medicine. The details are given below:

(Rupees in million)

Sr. No.	Name of Medicine	Name of Supplier	Date of Supply Order	Rate	Quantity	Total
1	Ponstan Fort, Tab	M/s Pfizer Pakistan	19.2.2019	1.53	100000	0.153
2	Vibramycin, Cap Doxycycline	M/s Pfizer Pakistan	19.01.2019	3.22	200000	0.644
3	Wegoprlene poly propylene	M/s Akram Brother	25.03.2019	133	1800	0.239
<b>Total</b>						<b>1.036</b>

Audit is of the view that due to negligence on the part of DDO, action was not initiated against the supplier who did not supply medicine.

Non-blacklisting of firms resulted in undue favor to the suppliers.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends action against the defaulting supplier besides fixing responsibility on the person(s) at fault.

[AIR Para: 12]

## 8.2.5.4 Others

### 8.2.5.4.1 Expenditure without maintenance of record – Rs 135.465 million

According to Rule 3(1) & (2) of PLG (Accounts) Rules, 2008, all transactions of the Local Government involving money out of District/Local Fund shall be brought to accounts subject to the provisions of the Ordinance, the accounts of the receipts and expenditure of the Local Government shall be kept in such form and in accordance with such principles and methods as the Auditor General of Pakistan has prescribed in the Manual or NAM.

Three DDOs of DHA, Chiniot incurred expenditure amounting to Rs 135.465 million on different items during the years 2018-19. However, the requisite record was neither maintained nor produced to audit. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Medical Superintendent, DHQ Hospital, Chiniot	Cash book, reconciled statement of receipt and expenditure, budget control register, pre-audit bills, distribution of stores without entry into stock register etc.	128.15
2	District Health Officer, Chiniot	Non provision of pre-audited vouchers.	6.939
3	Senior Medical Officer, Rural Health Center, 14/JB	Consumption of surgical and disposable items without maintenance of supporting record.	0.376
<b>Total</b>			<b>135.465</b>

Audit is of the view that due to non-maintenance / non-production of record Audit could not verify the authenticity of expenditure.

Non-authenticity of expenditure amounting to Rs 135.465 million resulted in doubtful expenditure.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides provision of relevant record to audit.

[AIR Paras: 42, 24, 5]

#### **8.2.5.4.2 Improper maintenance of store of medicines – 130.486 million**

According to Rule 15.1 of PFR Vol-I, the departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody and in good and efficient condition and for protecting them from deterioration. They should also take proper precautions to prevent loss of public stores by fire or other accidents. Any loss of or damage to Government stores should forthwith be reported by them to their immediate superiors.

Audit observed that Medical Superintendent, DHQ Hospital, Chiniot incurred expenditure of Rs 71.926 million on procurement of medicines. During initial scrutiny and physical verification of stock of medicines, following shortcomings were observed:

1. Medicines were placed at ten different locations, nine within hospital and one at RHC, Ahmad Nagar without maintaining separate register at ten locations.
2. In most of the cases medicines were not properly stacked and were found scattered / unarranged and were deteriorating.
3. Medicines were placed in garage of Medical Superintendent residence without main gate / without lock and key which was unauthorized.
4. During physical verification of one out of ten stores it was found that door adjacent to neighbor was opened and one employee found present in the room which showed poor safety of stores.

Further, stock register of Hepatitis-C medicines was not maintained. According to acknowledgment, Hepatitis-C medicines of Rs 58.560 million were received from Government of the Punjab, Health Department on 11.04.2019 and were placed in passage without lock and key.

Audit is of the view that due to weak inventory management, medicines were not stored properly.

Due to non-maintenance of stores and record, audit could not verify the authenticity of consumption of medicines.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides provision of record of medicine store.

[AIR Paras: 33, 15]

**8.2.5.4.3 Undue advance withdrawal and retention of funds in local bank account – Rs 44.081 million**

According to Para 2(II), of Government of the Punjab, Finance Department letter No.FD.SO(GOODS)44-4/2016 dated 01.08.2018, parking of public funds provided by Provincial Government from its budgetary allocation in the commercial bank accounts of Companies, Authorities, Autonomous bodies, etc. shall not be allowed. Further according to Rules 2.10(b)(5) of PFR Volume-I, no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

Five DDOs of District Health Authority, Chiniot retained an amount of Rs 32.559 million in local bank accounts during the financial year 2018-19. Further, funds of Rs 11.522 million were withdrawn in advance against bills of bulk purchase of medicines for which DTL reports were not finalized / received. The expenditure was irregular as the funds were withdrawn in advance without requirement of immediate disbursement. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Advance drawl of funds	Retention of funds	Amount
1	Medical Superintendent, DHQ Hospital, Chiniot	4.925	22.173	27.098
2	Medical Superintendent, THQ Hospital, Bhowana	4.336	2.388	6.724
3	Medical Superintendent, THQ Hospital, Lalian	2.261	-	2.261
4	District Health Officer, Chiniot	-	4.971	4.971
		-	2.234	2.234
5	Senior Medical Officer, Rural Health Center, Ahmad Nagar	-	0.793	0.793
<b>Total</b>		<b>11.522</b>	<b>32.559</b>	<b>44.081</b>

Audit is of the view that due to financial mis-management, funds were drawn in advance and retained in local bank accounts without requirement for immediate disbursement.

Advance withdrawal of funds and retention in local bank account without requirement for immediate disbursement resulted in unauthorized parking of public fund of Rs 44.081 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of matter from the Competent Authority and production of record of disbursement for verification.

[AIR Paras: 49, 38, 14, 19, 2, 4, 2, 19]

#### **8.2.5.4.4 Doubtful disbursement of cheques withdrawal from treasury – Rs 13.510 million**

According to Section 2.2 of the Punjab Financial Rule, Volume-I, the entries in the Cash Book of the cheques drawn from the Audit Office or amount withdrawn from the treasuries should be compared and checked with the list of the Cheques or Treasury Schedules issued by the Treasury Office. A certificate to this effect be recorded in the Cash Book. At the end of each month the head of the office should personally verify the cash balance and record below the closing entries in the Cash Book a certificate to that effect over his dated signature specifying both in words and figures the actual cash.

Audit observed that District Health Officer, Chiniot did not properly maintain cash book and most of the cheques received from DAO Chiniot were not entered in the cash book which resulted in difference of Rs 13.046 million between the cheques received from treasury and payments made to payees concerned. Further, payments made to suppliers did not correspond with the amount of cheques received against the specific claims. It was pertinent to mention that on closing of financial year detail of uncashed cheques was also not maintained. Furthermore, a difference of Rs 0.464 million between cash book and bank statement was also observed.



Audit is of the view that due to negligence and weak financial management, amount withdrawal from treasury was not properly accounted for in cash book and disbursed to actual payees.

Difference between amount received and payment made created doubts about the legitimacy of the expenditure amounting to Rs 13.510 million incurred out of public exchequer.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing of responsibility.

[AIR Para: 7]

#### **8.2.5.4.5 Non-transfer of unspent balance of deposit work – Rs 9.765 million**

According to Government of the Punjab, Finance Department letter No.ADB/District Authorities/01 dated 30.09.2017, the authority to make expenditure against budgetary allocations of a particular financial year lapses with close of that financial year. The budgetary authority cannot be extended beyond a financial year through placement of funds under the deposit work. Also, there is no concept of reauthorization of lapsed funds during a subsequent financial year. However, the authority competent to approve budget of the District Authorities can provide funds through budget during a subsequent financial year. In this view of the matter, the closing balance of deposit work is lapsable which may be reverted back to the Account-V or, as the case may be, Account-VI, through submission of a simple receipt form to the concerned DAO by the CEO of the concerned District Authority. After transfer of cash in the said manner, the concerned District Authority may allocate the funds through fresh budgetary authorization.

Audit observed while scrutinizing record of District Health Authority, Chiniot regarding deposit work for the financial year 2018-19 that unspent balance of deposit work amounting to Rs 9.765 million was not transferred to DHA Account-VI. Further, vouched accounts of schemes completed were not obtained from the executing agency.

Audit is of the view that due to weak financial management, unspent balance of deposit work was not transferred to DHA Fund.

Non-transfer of unspent balance of deposit work into DHA Fund resulted in laps of fund amounting to Rs 9.765 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter and recovery of un-spent balance.

[AIR Para: 21]

**8.2.5.4.6 Doubtful consumption of medicine without record – Rs 6.003 million**

According to Sr. No.3 of Second Schedule of the Punjab District Authorities (Delegation of Financial Powers) Rules, 2017, Chief Executive Officer empowered up to Rs 0.500 million in each case for sanction reimbursement of medical charges. Further, according to Rule 2.31 (a) & 2.32 of Punjab Financial Rules, 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, 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 to the Accountant General that claim which has been accepted is valid. It is further essential that the record of payment, measurement and transaction in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts”.

Three Drawing and Disbursing Officers of District Health Authority, Chiniot incurred expenditure amounting to Rs 6.003 million for local purchase of medicine and for payment of medical reimbursement during the years 2018-19. However, the supporting record was not maintained. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Financial Year	Amount
1	Medical Superintendent, DHQ Hospital, Chiniot	Without sanction of CEO, doctor’s prescription, bills issued without date and numbers and expenditure of Rs 0.427 million without maintenance	2018-19	0.598

Sr. No.	DDOs	Description	Financial Year	Amount
		of record / production of record.		
2	Senior Medical Officer, Rural Health Center, Ahmad Nagar	Without prescription / recommendation / indent of each patient.	2018-19	2.163
		Consumption of medicine without maintenance of record, expense of medicine without doctor's prescription and stock items did not match with actual physical stock available.	2018-19	1.858
3	Senior Medical Officer, Rural Health Center, 14/JB	Without prescription / recommendation for individual patient, supplier did not provide warranty certificate and price list, treatment register was not maintained with name, registration number, address diagnosis etc.	2018-19	1.001
		No patient history was maintained, prescription of doctor was not duly signed and was without diagnosis of the disease, most of the bed tickets were not signed.	2018-19	0.383
<b>Total</b>				<b>6.003</b>

Audit is of the view that due to poor administration medicines were consumed without maintenance of auxiliary record.

Non-maintenance of record resulted in doubtful consumption of medicine amounting to Rs 6.003 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 35, 13, 16, 6, 4]

#### **8.2.5.4.7 Non/less deduction of Taxes – Rs 4.969 million**

According to Serial No.1 (b)(ii), 2(ii)(b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, the rate of tax to be deducted from a payment for goods or services shall be 4.5 percent of gross amount payable, if the person is a filer and 7.75 percent if the person is a non-filer. In the

case of rendering of or providing of services, Income Tax shall be deducted @ 10 percent of the gross amount payable, if the person is a filer and 17.5 percent if the person is non-filer. Further, according to Section 2(3)(i) of Sales Tax Special Procedure (Withholding) Rules, 2007, withholding agents falling under category “A” were required to deduct an amount equal to 1/5th (20 percent) of the total Sales Tax shown in Sales Tax invoice issued by registered persons, whereas, on purchase of taxable goods from unregistered persons, Sales Tax was required to be deducted at the applicable rate of the value of taxable supplies. Further, according to Rule 5 read with Sub-Rule (2) of Rule 1 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall, on receipt of taxable services from an unregistered service provider, deduct Sales Tax @ 16% of the value of taxable services provided to him.

Audit observed that eight DDOs of District Health Authority, Chiniot did not deduct Income Tax amounting to Rs 3.298 million or deducted at lesser rate from the claims of the suppliers. Further, 1/5th of General Sales Tax amounting to Rs 1.671 million were also not deducted before making payments to the suppliers and service providers. Resultantly, taxes amounting to Rs 4.969 million were less/not deducted from claims of the suppliers/service providers. The details are as given below:

(Rupees in million)

Sr. No.	DDOs	Income Tax	General Sales Tax	Amount	Remarks
1	Chief Executive Officer, District Health Authority, Chiniot	0.015	-	0.015	Non/Less deduction
2	Medical Superintendent, DHQ Hospital, Chiniot	-	0.511	0.511	Sales tax on exempted supplies
		0.691	-	0.691	Non deposit of tax
		1.734	-	1.734	Non/Less deduction
3	Medical Superintendent, THQ Hospital, Bhowana	0.248	-	0.248	Non/Less deduction
		0.093	-	0.093	Non deposit of tax
4	Medical Superintendent, THQ Hospital, Lalian	-	0.378	0.378	Sales tax on exempted supplies
		0.175	-	0.175	Non/Less deduction
		0.053	-	0.053	Unauthorized deduction of withholding tax
		0.175	-	0.175	Non/Less deduction

Sr. No.	DDOs	Income Tax	General Sales Tax	Amount	Remarks
		0.114	-	0.114	Non deposit of tax
5	District Health Officer, Chiniot	-	0.488	0.488	Monthly return not filed for verification of 80% of sales tax
6	Senior Medical Officer, Rural Health Centre, Ahmad Nagar	-	0.045	0.045	Sales tax on exempted supplies
7	Senior Medical Officer, Rural Health Centre, Barana	-	0.046	0.046	Sales tax against suspicious invoices
8	Senior Medical Officer, Rural Health Centre, 14/JB	-	0.203	0.203	Sales tax against suspicious invoices
<b>Total</b>		<b>3.298</b>	<b>1.671</b>	<b>4.969</b>	

Audit is of the view that due to negligence on part of the management, Income Tax, Sales Tax on Services and General Sales Tax were not/less deducted.

Non-deduction/collection of taxes resulted in loss of Rs 4.969 million to DHA.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery amounting to Rs 4.969 million from the concerned besides depositing the same into the Government Treasury.

[AIR Paras: 17, 5, 27, 1, 11, 1, 13, 10, 21, 14, 7, 5, 2, 22]

#### **8.2.5.4.8 Irregular expenditure of civil works – Rs 4.588 million**

According to Sr. No.4 of Second Schedule of the Punjab District Authorities (Delegation of Financial Powers) Rules, 2017, Chief Executive Officer empowered up to Rs 10 million and officer of Category-I up to Rs 0.200 million for Administrative Approval to work / Development Scheme. Further, according to Sr. No.5 of Rules ibid, Chief Executive Officer empowered up to Rs 0.500 million and officer of Category-I up to Rs 0.300 million for Administrative Approval for maintenance and repair work of residential and non-residential building – chargeable to current budget of the office concerned. Note-II, no technical sanction for M&R work up to Rs 0.300 million would be required. Note-III, certificate of satisfactory completion of work from the concerned head of office/ institution requisitioning the

execution of work be required for final payment and closing of the accounts by the executing agency.

Audit observed that Medical Superintendent DHQ Hospital Chiniot incurred expenditure of Rs 4.588 million on tuff tiles, gas pipe line, iron shed with/without fiber and aluminum. However, expenditure held irregular due to non-preparation of detailed estimate and site map, non-obtaining administrative and technical sanction, misclassification, non-maintenance of Measurement Book and work was executed through general order supplier instead of enlisted civil work contractor.

Audit is of the view that due to negligence, expenditure was incurred without fulfilling codal formalities.

Incurrence of expenditure without fulfilling codal formalities resulted in irregular expenditure of Rs 4.588 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 45]

#### **8.2.5.4.9 Loss due to non-obtaining bank guarantee from the contractor – Rs 4.308 million**

According to Rule 27 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, the successful bidder shall, at the time of signing the agreement, furnish a surety for the due performance of the contract. Further, according to Rule 9 *ibid*, the contract shall be awarded to the highest bidder through an open bid by adopting the procedure of auction as laid down in Chapter-II.

Audit observed that Medical Superintendent DHQ Hospital, Chiniot awarded collection rights for parking stand to the contractor @ Rs 0.460 million / month without obtaining bank surety/guarantee. The contract was executed without completing other legal formalities as no formal contract was signed with the contractor. The contractor did not deposit monthly installments and became defaulter in October, 2018. The outstanding payment of monthly installments of

Rs 0.765 million and Income Tax of Rs 0.090 million are recoverable, as detailed below:

(Rupees in million)

Sr. No.	Month	Auctioned Amount due	Auctioned Amount deposited	Difference	Income Tax Due	Income Tax deposited	Difference
1	September, 2018	0.460	0.155	0.305	0.046	0	0.046
2	October, 2018	0.460	0.000	0.460	0.046	0	0.046
Total		0.920	0.155	<b>0.765</b>	0.092	0	<b>0.092</b>
<b>Total</b>							<b>0.857</b>

It was further observed that during November 2019, DDO awarded collection rights of the same parking stand to another contractor @ Rs 110,000 per month which is very low price as compared to first auction without open bidding and without imposing the risk and cost of loss to original contractor, as detailed below:

(Rupees in million)

Month	Demand	Amount deposited	Difference	Income Tax due	Income Tax deposited	Difference
18-Nov	0.460	0.099	0.361	0.046	-	0.046
18-Dec	0.460	0.099	0.361	0.046	-	0.046
19-Jan	0.460	0.099	0.361	0.046	-	0.046
19-Feb	0.460	-	0.460	0.046	-	0.046
19-Mar	0.460	-	0.460	0.046	-	0.046
19-Apr	0.460	-	0.460	0.046	-	0.046
19-May	0.460	0.150	0.310	0.046	-	0.046
19-Jun	0.460	0.150	0.310	0.046	-	0.046
<b>Total</b>	<b>3.680</b>	<b>0.597</b>	<b>3.083</b>	<b>0.368</b>	-	<b>0.368</b>
<b>Total</b>						<b>3.451</b>

Audit is of the view that due to irrational planning and negligence on the part of management, collection rights of parking stand were awarded without bank guarantee and open bidding.

Awarding collection rights without fulfilling codal formalities resulted in loss amounting to Rs 3.451 million to the Health Authority.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter and recovery of loss from the contractors.

[AIR Paras: 1, 2]

#### **8.2.5.4.10 Expenditure on civil works without workdone – Rs 2.090 million**

According to Rule 2.33 of Punjab Financial Rules Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part.

Audit observed that Medical Superintendent, DHQ Hospital, Chiniot made payment of Rs 2.090 million during 2018-19 against work executed during 2016-17 on wallpapers, SMD lights, Window Blinders, Ceiling and distemper etc. which were not physically verified either by competent authority and could not be identified physically by the management for further verification by Audit. Further, workdone by IDAP were also not identified by the management due to which veracity of expenditure could not be authenticated by Audit.

Audit is of the view that due to negligence on the part of administration, expenditure was incurred without physical evidence.

Expenditure without fulfilling codal resulted in irregular / unauthentic expenditure of Rs 2.090 million.

The matter was reported to the DDO in September, 2019. It was replied that reply would be submitted after consulting Ex-Medical Superintendent. Audit stressed on regularization of expenditure from the Competent Authority besides production of record relating to expenditure incurred on civil work during 2016-17, as same was not produced to audit during the audit for the financial year 2016-17 (AIR Para No.09) and chances of double payment could be ignored. Further, incurrence of expenditure on civil work after start of revamping project needs to be justified. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 46]

#### **8.2.5.4.11 Loss to Government due to non-auction of Canteen and Parking Stand – Rs 1.788 million**

According to Para 2,3&4 of Government of the Punjab, Health Department Notification No.S.O.(PH)1-10/2008 dated 16.04.2013, all hospital



administrations are directed to immediately take necessary action for auction of the parking stands / lots available in hospitals strictly in accordance with PPRA Rules.

Medical Superintendent, THQ Hospital, Bhowana did not auction parking stand and canteen valuing Rs 1.788 million (approximately) and no revenue was generated from these sources during the financial year 2018-19.

Audit is of the view that due to negligence on part of the management, parking stand and canteen were not auctioned.

Non-auction of parking stand and canteen resulted in loss to the Health Authority amounting to Rs 1.788 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides auction of parking stand and canteen.

[AIR Para: 17]

**8.2.5.4.12 Doubtful drawl of electricity bills through DDO account – Rs 1.548 million**

According to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

Audit observed that funds on accounts of electricity bills were drawn and deposited into DDO bank account of District Officer Health, Chiniot amounting to Rs 1.548 million. Further, payment to FESCO was not shown to Audit in the form of cheques issued. Further, according to SAP-FI data funds of Rs 1.087 million were drawn while payment of Rs 1.548 million was made against electricity bills out of fund retained in DDO bank account. The difference of Rs 0.461 million needs justification.

Audit is of the view that due to poor financial management electricity bills were drawn through DDO account and funds were utilized in irregular manner.

Drawl of electricity bills through DDO account and utilization in irregular manner resulted in irregular expenditure of Rs 1.548 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 5]

**8.2.5.4.13 Irregular expenditure on POL – Rs 1.448 million**

According to Government of the Punjab, Health Department letter No.SO(B&A)28-2/2006)P-1 dated 23.05.2011, for the operation of generators, per hour consumption may be determined and recorded in log book and an officer may be deputed to authenticate the logs of log book. A separate register be maintained to record load-shedding and got countersigned from WAPDA Division concerned. Head of the institution may compare both the registers/record to ensure proper consumption of POL and another register may be maintained to enter the POL requisition slip which may be crosschecked at the time of submission of bill. Strict vigilance by Medical Superintendent and Accounts people is required in this regard.

Three DDOs of District Health Authority, Chiniot incurred expenditure of Rs 1.448 million against POL of generators during 2018-19. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Financial Year	Amount	Remarks
1	Medical Superintendent, DHQ Hospital, Chiniot	2018-19	0.023	Vehicle
2	Medical Superintendent, THQ Hospital, Lalian	2018-19	1.115	Generator
3	Medical Superintendent, THQ Hospital, Bhowana	2018-19	0.310	Generator
<b>Total</b>			<b>1.448</b>	

Audit observed following discrepancies:

- i. Average consumption of generator @19 liters /hour was determined in June 2017 (Summer Season at full electricity load) and average was not determined after close of OPD and Winter Season and log book was maintained @19 liters /hour throughout the year in THQ Hospital Lalian.
- ii. Separate person was not nominated for maintenance of separate record of timing of load shedding.
- iii. Register / log book was not got countersigned from concerned WAPDA Division.
- iv. POL was drawn excess than Petrol tank capacity up to 102 litter and no separate storage facility.
- v. Entries in Log Book were not authenticated by any officer.

Audit is of the view that due to poor administration, funds were withdrawn without observing the standing instructions.

Withdrawal of funds without maintenance of proper record of POL consumption resulted in irregular expenditure of Rs 1.448 million.

The matter was reported to the DDO(s) concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 32, 4, 13]

## 9. District Health Authority (DHA) Faisalabad

### Chapter 1

#### Public Financial Management Issues

Regional Directorate Audit Faisalabad conducts Financial Attest Audit of the District Accounts Office Faisalabad on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis of District Health Authority Faisalabad

##### Introduction:

District Health Authority (DHA), Faisalabad was established w.e.f. 01.01.2017 under Punjab Local Government Ordinance, 2013. The main functions of the authority are to establish, manage and supervise primary and secondary health care facilities / institutions, approve the budget of the Authority and allocate funds to health institutions. CEO Health is the Principal Accounting Officer (PAO) of the authority. The authority oversees and manages the following health facilities and offices.

##### Sectoral Analysis:

##### a) Analysis of Human Resource

DHA Faisalabad is facing acute shortage of doctors and paramedics. Against 635 sanctioned posts of doctors/specialists only 408 posts are presently filled while 237 posts are vacant which is 37% of total sanctioned posts. While authority is also facing shortage of paramedics and other staff, as detailed below:

(Figures in Nos.)

Sr. No.	Name of Post	Sanctioned	Filled	Vacant
1	Posts Doctors/ Specialist	635	408	237
2	Technical Staff	758	568	191
3	Other Staff	784	708	76
<b>Total</b>		<b>2177</b>	<b>1684</b>	<b>504</b>

(Source: Data received from CEO, DHA Faisalabad)

Audit is of the view that without ensuring the availability of doctors/ specialists and paramedics the targets of effective service delivery cannot be ensured. Human resource issue needs immediate attention of policy makers to make DHA an effective health service provider for better health care in the district.

**b) Analysis of Targets and Achievements:**

Sectoral analysis of DHA Faisalabad was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit) being part of CM Roadmap Programme 2014. The objectives of roadmap were to improve health facilities at each health unit, better environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level.

**Status regarding Indicator and their achievements for 2018-19**

(Figures in Nos.)

Sr. No.	Indicators	Target	Achievement	% age	Remarks
1	Bed strength	1,331	563	42	Targets not Achieved
2	Doctors/Specialists	635	408	64	Targets not Achieved
3	Technical Staff/Gazetted Staff	758	568	75	Targets not Achieved
4	Other supporting Staff	785	708	90	Targets not Achieved
5	Cardiac Coronary Unit	35,516	33,516	94	Targets were achieved
6	Diagnostics Services	550,000	511,451	93	Targets were achieved
7	Served Outdoor Patients	6,533,280	7,686,212	118	Targets were achieved
8	Served Indoor Patients	131,086	145,651	111	Targets were achieved
9	Total Lab Investigation	487,222	609,028	125	Targets were achieved
10	Total X- Rays	91,312	114,140	125	Targets were achieved
11	Total Ultra Sonographies	87,314	102,722	118	Targets were achieved
12	Total ECGs	21,426	25,207	118	Targets were achieved
13	Total FP Visits	102,819	120,964	118	Targets were achieved
14	Peads	233,531	274,742	118	Targets were achieved

(Source: Data received from CEO DHA Faisalabad)

**c) Service Delivery Issues:**

In view of the above, it could be noticed that District Health Authority Faisalabad failed to deliver the services in the area of outdoor patients. Doctors' availability is another issue which need government's attention. During 2018-19, in

OPD had 635 doctors/ specialist, 7,686,212 patients visited OPD outdoor and 145,651 patients visited indoor, in this way one doctor was available for 12,333 patients. Bed Strength ratio was only 563 in 2018-19 against target of 1331. There is huge room still exist for improvement of services by health authority.

**d) Serious Financial Irregularities and Findings**

The compliance with authority audit has shown that overall financial management of DHA Faisalabad was poor and serious lapses were observed which have highlighted the need for improving the internal controls and financial discipline. Some key issues are given below:

- i. Non production of record worth Rs 15.421 million was reported in 1 case<sup>6</sup>.
- ii. Irregular expenditure worth Rs 232.7707 million were reported in 25 cases<sup>7</sup>.
- iii. Value for money involving Rs 203.026 million were noted in 10 cases<sup>8</sup>
- iv. Other irregularities involving an amount of Rs 4.571 million were noticed in 2 cases<sup>9</sup>.

Audit paras involving procedural violations including internal control weaknesses and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum of Departmental Accounts Committee (MFDAC) Annexure-A.

**e) Financial Attest Audit Findings**

Further, following findings regarding financial management issues were also conveyed to the PAO during Financial Attest Audit of DHA Faisalabad for financial year 2018-19:

- i. Non-transfer of receipt – Rs 22.856 million
- ii. Non-reporting of Fixed Assets – Rs 26.185 million
- iii. Payment of inadmissible Risk Allowance – Rs 1.110 million

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<sup>6</sup> Para No. 9.2.5.1.1

<sup>7</sup> Para No. 9.2.5.2.1 to 9.2.5.2.25

<sup>8</sup> Para No. 9.2.5.3.1 to 9.2.5.3.10

<sup>9</sup> Para No. 9.2.5.4.1 to 9.2.5.4.10

- iv. Payment of inadmissible Conveyance Allowance to LHWs – Rs 66.824 million
- v. Less deduction of Income Tax due to payment of salary / arrears through off cycle payroll – Rs 0.108 million
- vi. Incorrect data in SAP

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, these issues have been reported in Audit Certificate/ Report of DHA, Faisalabad as emphasis of matter.

**f) Expectation Analysis and Remedial Measures:**

**District Health Authority Faisalabad**

CEO (DHA) failed to fully utilize the budget for the year 2018-19, and various funds of medicine and development remained un-utilized due to inefficiency of the management. It is also concluded that DHA failed to achieve the targeted indicators during 2018-19 set for the purpose of effective service delivery.

The focus of DHA was on provision of trauma and outdoor patients' services and no planning was carried out in public health. The shortage of manpower was also not catered effectively despite overburdening of facilities in terms of patient turnover. The procurement of medicines through MSD rate contracts was not done in timely manner and hospitals purchased medicines through LP at higher rates which caused loss to the Health Authority.

The management of the DHA should take following measures to achieve the targets:

- a. The District Health Authority should be immediately constituted so that an effective management of authority could be ensured.
- b. The DHA should exploit all possible revenue sources to generate funds for itself.
- c. There is a need to shift focus towards prevention, hygiene and public health issues and for that an effective and inclusive planning mechanism should be in place.
- d. Shortfall of Human Resource should be immediately filled to provide better service delivery to public.

- e. Medical, surgical, diagnostic equipment should be provided to the hospitals as per their requirement.

### **Conclusion:**

In view of the above analysis, it is concluded that DHA failed to achieve its planned targets due to shortage of doctors, paramedical staff and other supporting staff which hampers its ability to function effectively. There was lapse in both non-development and development budget which showed that the authority failed to spend in development schemes, up-gradation of existing facilities etc. as it did not up-grade any health facility during the financial year 2018-19.

### **9.1.1 Audit Paras**

#### **9.1.1.1 Non-transfer of receipt – Rs 22.856 million**

#### **Risk Categorization: High**

#### **Criteria**

According to Section 3.3.7.7 of Manual of Accounting Principle (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

#### **Observations**

During Financial Attest Audit of District Health Authority, Faisalabad for the period 2018-19, it was observed that District Accounts Officer, Faisalabad collected different receipts on behalf of the Federal and Provincial Government against various GL Accounts during 2018-19. Scrutiny of the record revealed that the same were not transferred to the concerned Governments as compared to actual collection amount. The details are given below:



(Amount in Rupees)

Sr. No.	GL Account	Description	Opening Balance / Previous Year's Receipt	Receipt during the year	Payment made during CFY	Balance not Transferred
1	B02703	Stamp Duty	25,244	49,173	25,244	49,173
2	B01603	Deduction at Source (Professional Tax)	216,800	289,531	216,800	289,531
3	B02385	Sales Tax on services (Punjab)	145,013	2,196,722	145,013	2,196,722
4	G06103	General Provident Fund (Civil)	10,146,269	85,161,561	88,155,036	7,152,794
5	G06215	District Govt. Employee B.F	4,499,741	35,049,427	36,857,769	2,691,399
6	G06411	District Govt. Employee Insurance Fund	4,613,364	8,712,886	12,933,406	392,844
7	G11278	Contribution to GSHF from members	231,500	2,662,500	2,678,500	215,500
8	G12713	Income Tax deduction from salaries	3,431,517	8,008,005	10,561,277	878,245
9	G12714	Income Tax deduction from suppliers	2,196,230	13,951,254	8,052,404	8,095,080
10	G12777	Sales Tax deduction at source	731,173	1,479,452	1,316,187	894,438
<b>Total</b>			<b>26,236,851</b>	<b>157,560,511</b>	<b>160,941,636</b>	<b>22,855,726</b>

**Implications**

Booking of liabilities in consolidated fund receipt resulted in overstatement of DHA receipts and non-transfer of receipts resulted in undue creation of liabilities in DHA accounts.

**Recommendations:**

Audit recommends transfer of receipts to the governments concerned at the earliest.

**Management response:**

The balances under object code G12713, G12714 & G12777 of previous financial year have been transferred in current financial year.

**Further Audit Comments:**

Audit stressed to provide evidence in support of reply besides transfer of remaining amount to the concerned departments.

DAC directed to transfer the balances to concerned departments / Governments and settled the para subject to verification of record.

### **9.1.1.2 Non-reporting of Fixed Assets – Rs 26.185 million**

#### **Risk Categorization: High**

#### **Criteria**

According to Section 13.4.1.1 of the APPM, the categories of assets shall include land & building, civil works, plant & machinery, vehicles, furniture & fixtures, office equipment and computer equipment. Further according to Section 13.4.5.2 of the ibid, all DAOs shall prepare a fixed asset report from the fixed asset account on quarterly basis. Furthermore, according to Section 13.4.5.4 of ibid, the AG shall consolidate the above information for including to the annual accounts.

#### **Observations:**

District Accounts Officer, Faisalabad made payments amounting to Rs 26.185 million under GL Account A09 & A12 for procurement of assets and execution of civil works by the District Health Authority during 2018-19. Contrary to the above referred Section of APPM, the expenditure was not included in statement of Capital Expenditure and asset side of Balance Sheet.

#### **Implications:**

Non-reporting of Fixed Assets resulted in violation of above mentioned Principle and actual financial position of the entity was not represented in the accounts.

#### **Recommendations:**

Audit recommends justification besides reporting of Fixed Assets in Balance Sheet.

#### **Management Response:**

The books of accounts have been finalized & maximum error have been sorted out/ corrected before final printing, therefore, it is assured that these figures would be reflected as opening balance in books of accounts related to financial year 2017-18 in related accounts.

#### **Further Audit Comments:**

The reply is not tenable because Fixed Assets were not reported in accounts / Balance Sheet of the Authority.

DAC directed Deputy Director (B&A) to provide details of fixed assets of DHA, Faisalabad for incorporation in subsidiary accounts / Balance Sheet of DHA for future.

### 9.1.1.3 Misclassification of expenditure – Rs 1.160 million

According to Rule 2.32(a) & (b) of the Punjab Financial Rules Volume-I, 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. The responsibilities of disbursing officers, controlling officers and heads of departments in regard to the control over expenditure incurred against the grants allotted to them.

Medical Superintendents of three health facilities of DHA Faisalabad incurred expenditure of Rs 1.160 on the purchase of imported roller blind, computer paper of various sizes, OPD pads, printed material and repair and maintenance of sewerage line. However, the expenditure was met out of wrong head of account. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	FY	Amount
1	THQ Hospital, Tandlianwala	2018-19	0.779
2	THQ Hospital Chak Jhumra	2018-19	0.260
3	THQ Hospital, Jaranwala	2018-19	0.121
<b>Total</b>			<b>1.160</b>

Audit is of the view that due to poor financial management, expenditure was incurred out of wrong code of classification.

Incurrence of expenditure out of wrong code of classification resulted in financial indiscipline and misclassification amounting to Rs 1.160 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends regularization of expenditure from the Competent Authority.

[AIR Paras: 9, 8, 18]

**9.1.1.4 Unidentified withdrawal of funds without supporting record – Rs 3.272 million**

According to Section 2.3.1 of Chapter 8 of the APPM, “Government employees shall be held personally responsible for any loss or deficiency sustained by the Government through their theft, robbery, fraud or negligence”. Further, according to section 2.3.2 of the Manual *ibid*, “Any loss of or deficiency in public monies caused by theft or otherwise, shall be immediately reported by the officer concerned (the custodian of public monies) to his/her superior officer as well as to the officer who has authority to write-off losses”. Furthermore, according to section 2.3.3 of the Manual *ibid*, “Such loss of or deficiency in public monies shall also be reported by the officer concerned to the Accountant General”.

Audit observed that bank statement and expenditure statement of Health Council of Government General Hospital Samanabad Faisalabad for the financial year 2017-18 revealed difference of Rs 3.272 million as total withdrawal from bank account was Rs 10.501 million whereas expenditure statement reflected an expenditure of Rs 7.230 million. However, the funds were withdrawn without maintenance of supporting record and whereabouts of utilization of funds were best known to Health Council Authorities. The details are as under:

(Rupees in million)

<b>Description</b>	<b>Amount</b>
Opening balance on 01.07.2017	2.735
Total credits during 2017-18	7.967
Total funds available during 2017-18	10.703
Closing balance as on 30.06.2018	0.202
Total withdrawal of funds	10.501
Expenditure as per expenditure Statement 2017-18	7.230
<b>Un known whereabouts of funds</b>	<b>3.272</b>

Further, two credit entries amounting to Rs 2.462 million were also reflected in the bank statement of Health Council for which no plausible explanation and supporting record was provided by the department.

Audit is of the view that due to weak financial management, funds were withdrawn from Health Council bank account without maintenance of record.

Withdrawal of funds without maintenance of record resulted in misuse of public funds amounting to Rs 3.272 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides recovery of Rs 3.272 million.

[AIR Para: 25]

**9.1.1.5 Incorrect data in SAP**

**Risk Categorization: High**

**Criteria**

According to the Section 4.6.12.13 of Accounting Policies and Procedures Manual, the supervising payroll officer shall check that all amendments to payroll are accurate and there are no unauthorized amendments.

**Observations**

During Financial Attest Audit on the account of DHA, Faisalabad different errors in the data provided in SAP HR were observed. The details are as under:

<b>Sr. No.</b>	<b>Description</b>	<b>Explanation</b>
1	Mis-match of CNIC No. with gender	If the last digit of CNIC is even, it is meant for a female and if the last digit of CNIC is odd, it is for male. Scrutiny of SAP HR data of District Health Authority, Faisalabad revealed that last digit of CNIC Numbers of different employees were not matching to their gender.
2	Old NIC numbers in CNIC field	It was observed that CNIC number of different employees were not mentioned in the CNIC field. Instead of CNIC old NIC numbers are mentioned which are no longer valid in current period.
3	Wrong Designation	Different designations are not matching to their pay scales i.e. designation of a BPS-17 officer is mentioned as Misalchi. BPS-18 doctors are designated as Medical / Women Medical Officer in the SAP system.

**Implications:**

- Overpayment due to weak financial management by the DAO.
- Weak control on the part of District Accounts Office.
- No check and balance on HR data.

**Recommendations:**

Audit recommends correction of data besides linking of SAP with NADRA for verification of CNIC at the time of hiring and already hired employees / pensioners under intimation to audit.

**Management response:**

In this regard it is informed that this office has already established a section of Payroll verification and all the DDO's have been requested to verify the data of all the employees under their administrative control. It is assured that necessary rectification would be made as and when the requisite information is received.

**Further Audit Comments:**

Audit stressed upon correction of personal data in SAP at the earliest and report progress to Audit. Further, Audit recommends linking of SAP with NADRA for verification of CNIC at the time of hiring and already hired employees / pensioners. DAC directed to make necessary corrections in SAP data and report progress to Audit.

## Chapter 2

### DHA Faisalabad

#### 9.2.1 Introduction

District Health Authority, Faisalabad was established on 01.01.2017 under Punjab Local Government Act 2013. DHA, Faisalabad 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.

CEO is the Principal Accounting Officer of the District Health Authority and is responsible to the Public Accounts Committee of the Provincial Assembly. He is personally responsible to ensure that the business of the DHA is carried out proficiently, in accordance with law and to promote the objectives of the Authority.

DHA, Faisalabad manages following primary and secondary health care facilities and institutes:

Description	No. of Health Facility/Institute/Office	DDOs
Chief Executive Officer	1	1
District Health Officers	4	4
Deputy District Health Officers	5	5
Government General Hospitals	2	2
Tehsil Headquarter Hospitals	4	4
Rural Health Centers	15	15
Basic Health Units	168	0
Other dispensaries/ MCH centers	123	0
District Health Development Center	1	1
Nursing school	0	0
District coordinator IRMNCH	1	1
<b>Total</b>	<b>324</b>	<b>33</b>

The following table shows detail of total & audited formations of DHA Faisalabad:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2018-19	Revenue/ Receipts Audited FY 2018-19
1	Formations	33	08	415.832	3.989
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	01	01	458.48	-

### 9.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to CEO DHA Faisalabad during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	4115.90	3479.43	-636.477	15.46
Development	117.737	48.690	-69.047	58.645
<b>Total</b>	<b>4233.639</b>	<b>3528.122</b>	<b>-705.517</b>	
<b>Receipts</b>	-	<b>30.969</b>	<b>30.969</b>	-

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

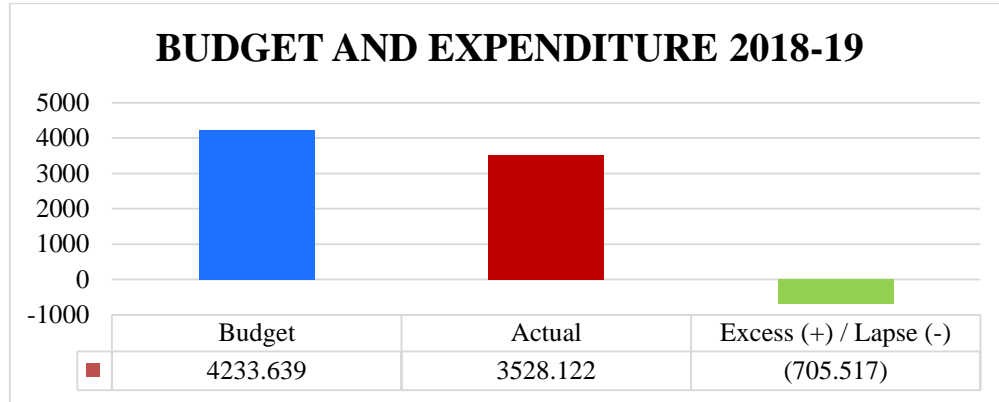
- An amount of Rs 565.085 million was provided for purchase of medicines against which only Rs 362.085 million were utilized resulting in lapse of Rs 203 million (36%).
- An amount of Rs 670.136 million was provided for purchase of Furniture and Fixture against which an amount of Rs 5.627 million was incurred resulting in lapse of Rs 664.509 million (99%).
- An amount of Rs 54.232 million was provided for purchase of machinery and equipment against which an amount of Rs 9.254 million was utilized resulting in lapse of Rs 44.978 million (83%)



- d. The budget of DHA Faisalabad was approved by the Administrator in violation of PLGA, 2013 as District Health Authority was not constituted during 2018-19.

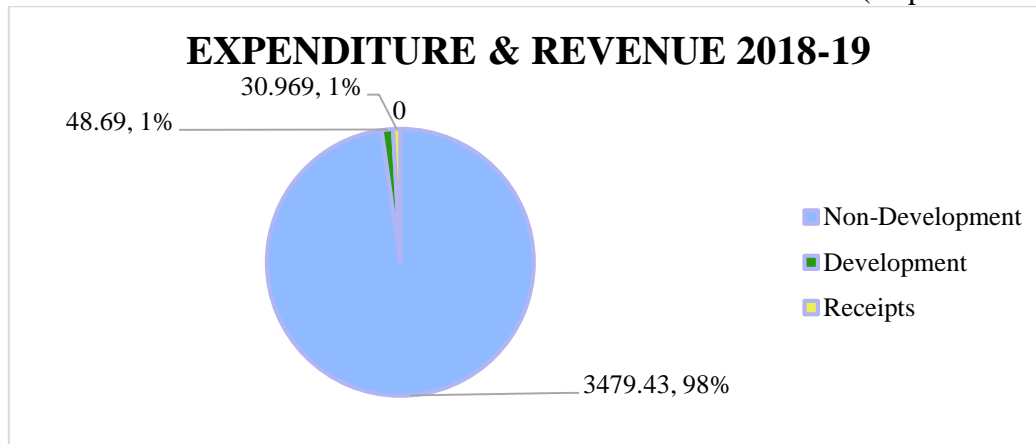
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of development & non-development expenditure is as under:

(Rupees in million)



### 9.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 455.725 million were raised as a result of this audit. This amount also includes recoverable of Rs 7.948 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Classification</b>	<b>Amount</b>
1	Non-production of record	15.424
2	Reported cases of fraud	
<b>3</b>	<b>Irregularities</b>	<b>-</b>
3A	HR/Employees related irregularities	44.596
3B	Procurement related irregularities	188.111
3C	Values for money	203.026
4	Others	4.571
	<b>Total</b>	<b>55.725</b>

### 9.2.4 Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following year were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee so far.

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	17	PAC not constituted
2	2018-19	36	PAC not constituted

## **9.2.5 Audit Paras**

### **9.2.5.1 Non-Production of Record**

#### **9.2.5.1.1 Non production of record – Rs 15.421 million**

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts. Further, according to Rule 2.31(a) of Punjab Financial Rules Volume-I, a drawer of bill for contingent and other expenses will be held responsible and he should, therefore make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that he can be in a position to detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur.

Medical Superintendent, Government General Hospital Samanabad withdrew funds amounting to Rs 15.421 million from Government treasury during 2018-19 under different object codes i.e. Cost of other stores, Electricity, Hardware, POL for generator, Postage and telegraph, Printing and publication, Purchase of drug and medicines, Stationery, plant and machinery etc. Contrary to the above provisions, expenditure was incurred either without maintenance of record i.e. payment vouchers, bills of suppliers, sanction of authority, competitive market rates etc. or the same was not produced to audit for scrutiny. In the absence of record authenticity of expenditure could not be ascertained.

Audit is of the view that due to poor financial management, record of the expenditure was not maintained/produced.

Non-maintenance/production of record resulted into unauthentic expenditure amounting to Rs 15.421 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe into the matter besides production of record.

[AIR Para: 3]

## **9.2.5.2 Irregularities**

### **9.2.5.2.1 Payment of inadmissible Conveyance Allowance to LHWs – Rs 66.824 million**

According to Last Pay Certificate issued by the Additional Program Director (IRMNCH & NP) Punjab, Lahore. Conveyance Allowance was not admissible to Lady Health Workers (BS-05).

During financial attest audit DHA Faisalabad, it was observed that one thousand seven hundred and sixty eight Lady Health Workers (LHWs), working under the administrative control of District Coordinator IRMNCH, Faisalabad during withdrew inadmissible Conveyance Allowance during 2017-19 amounting to Rs 66.824 million.

Audit is of the view that due to weak financial management, inadmissible Conveyance Allowance was paid to the LHWs.

Payment of inadmissible Conveyance Allowance resulted in excess payment of Rs 66.824 million to the employees.

In DAC meeting held in October, 2019, it was replied that recovery of Conveyance Allowance had already been initiated through monthly payroll of SAP/R3. Audit stressed upon recovery of overpaid amount from the concerned at the earliest. DAC directed to recover the overpaid amount from the concerned at the earliest. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs 66.824 million from the concerned at the earliest.

### **9.2.5.2.2 Irregular payment of pending liabilities – Rs 42.977 million**

According to Rule 8(f) of the Punjab District Authorities (Budget) Rules, 2017, the DDO is responsible for preparation of statement of liabilities, if any, at the end of each financial year and including the same by carrying them forward in the liability statement of next financial year. Further, according to Rule 2.10 (b)(3) of the Punjab Financial Rules, Volume-I, the authorities incurring expenditure should see that all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year.

Following DDOs working under the administrative control of Chief Executive Officer, District Health Authority, Faisalabad made payment of pending liabilities of Rs 42.977 million without separate allocation of budget during the financial year, 2018-19. The details are as under:

(Rupees in million)

Sr. No.	Name of Formation	Amount
1	THQ Hospital Tandlianwala	5.940
2	THQ Hospital Samundri	3.992
3	THQ Hospital Jaranwala	3.971
5	CEO, DHA Faisalabad	19.041
		7.325
6	Government General Hospital Samanabad	2.708
<b>Total</b>		<b>42.977</b>

Audit is of the view that due to poor financial management, liabilities of previous years were paid from the budget allocation of current financial year.

Payment of pending liabilities without allocation of separate budget resulted in irregular expenditure amounting to Rs 42.977 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends regularization of the expenditure from the Competent Authority.

[AIR Paras: 1, 14, 4, 15, 2]

#### **9.2.5.2.3 Loss due to purchase of medicine on higher rate – Rs 39.168 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

Chief Executive Officer District Health Authority Faisalabad executed District Rate Contract for purchase of drugs & medicine for the financial year 2018-19 phase-I, II & III during the months of January, March, May, 2019

respectively. Audit observed that medicine was purchased at higher rates ranging from 29% to 189% as compared to estimated base rates floated on the tender documents resulting in excess payment of Rs 36.150 million. Further, record relating to market survey for comparative rates was not prepared/available in the record. Moreover, an amount of Rs 3.018 million was paid in excess due to late execution of rate contract by the District Health Authority. The details are as under:

(Rupees in million)

Sr. No.	Head of Account	Formation	Description	Financial Year	Amount
1	Medicine	CEO, DHA Faisalabad	Contracts on higher than estimated/base rates	2018-19	36.150
2	Medicine		Purchases on higher rate due to late execution of rate contract	2018-19	3.018
<b>Total</b>					<b>39.168</b>

Audit is of the view that due to poor financial management, procurement was made at excessive rates and undue delay was observed in rate contracts.

Procurement at excessive rates without obtaining/observing market rates resulted in loss to the DHA amounting to Rs 39.168 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter besides recovery of loss from responsible.

[AIR Para: 6, 2]

#### **9.2.5.2.4 Irregular expenditure due to non-compliance of PPRA Rules – Rs 16.907 million**

According to Rules 9 and 12(1) of the Punjab Procurement Rules, 2009 and the Punjab Procurement Rules 2014, procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA's website. Procurement opportunities over Rs 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Audit observed that six DDOs of District Health Authority Faisalabad incurred expenditure of Rs 16.907 million on purchase of medicine, stationery, printing of flexes and different store items, repair of machinery & equipment etc. Annual requirement of procurement was neither determined nor planned and procurements were not advertised on PPRA's website to achieve benefits of competitive bidding and indents were split-up to avoid tendering/quotations process and most of the bills / invoices of the suppliers were without dates and no record was produced to verify the dates of delivery of goods. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	THQ Hospital Samundri	Medicine, COS	4.505
2	THQ Hospital, Tandlianwala	Medicine	2.867
3	DHO (PS) Faisalabad	Flex printing	2.390
4	THQ Hospital, Jaranwala	Medicine	2.136
		Printing	0.772
		General store, lab items	0.712
5	Govt. General Hospital Samanabad	Repair & maintenance	2.116
6	THQ Hospital Chak Jhumra	Medicine	1.058
		General store items	0.208
7	DHO-IV, Faisalabad	Medicine	0.143
<b>Total</b>			<b>16.907</b>

Audit is of the view that due to financial indiscipline, purchases were made without observing PPRA rules.

Non observance of PPRA rules resulted in irregular expenditure amounting to Rs 16.907 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 1, 3, 1, 3, 4, 8, 11, 13, 13&6]



**9.2.5.2.5 Doubtful expenditure on local/day to day purchase of medicine–  
Rs 14.991 million**

According to Paras 2(iv)(c) and (xviii) of Government of the Punjab, Primary & Secondary Healthcare Department letter No. PSHD-TCO-I(M)6-14/2017 dated 16.12.2017, it is established policy of the Government to enter into local purchase contracts through open competitive tendering. Further, purchase order may be emailed to the L.P. Supplier through L.P. portal. Contractor will submit invoice / bill with supply on daily basis. Local purchase will be initiated with the order of Consultants/Senior Medical Officer via prescription that will be maintained as record of local purchase and it will not be for more than 7 days for one patient. Furthermore, a formulary has been designed by the Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic. The Medical Superintendent of health facility shall ensure that the medicine brand supplied for the first time (after this notification) are sent to respective Drugs Testing laboratory. Payment for items out of formulary will be made after receiving report of DTL.

Medical Superintendent Government General Hospital Samanabad spent amount of Rs 14.991 million on account of day to day purchase of medicines during 2017-19. Contrary to the above provisions, procurement was made in violation of prescribed instructions as detailed below:

1. Neither any prescription/recommendation for individual patients was made by the authorized medical practitioners nor indent for each patient was created; rather the procurements were made without mentioning reference of the patients for whom medicines were required and procurements were made without immediate requirement.
2. Payments were made without getting the medicine tested from Drug Testing Laboratory.
3. Medicines of routine/common use were procured from day to day budget instead of procuring the same in bulk through District Purchase Committee.
4. Procurements costing Rs 11.643 million were made without entering into a rate contract through competitive tendering process. Whereas, the procurement was made by splitting the cost of procurement and keeping the cost of each purchase below the limit of Rs 100,000 to avoid tendering.

5. Government sustained a loss of Rs 0.719 million due to procurement of medicines at excessive rates in comparison to rates of hospital own procurements made time to time during the financial year and rates of medicines finalized by the DHA Faisalabad through framework contract for the financial year 2018-19.
6. Unauthentic procurement was made through manual supply orders and invoices instead of generating the same through LP portal.
7. Procurements were made by the Accountant and Storekeeper without involving Purchase Committee.

Audit is of the view that due to weak financial management, local purchase of medicines was made without consideration of SOPs and procurement was also made on higher rates.

Local purchase of medicines without consideration of SOPs and on higher rates resulted in irregular expenditure of Rs 14.991 million and loss of Rs 0.719 million.

The matter was reported to the DDO concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides regularization of the matter and recovering the loss.

[AIR Para: 1]

#### **9.2.5.2.6 Irregular appointment of Contingent Paid Staff – Rs 14.885 million**

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charged / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment and according to Para 3 of Government of the Punjab LG&CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, it has also come to the notice of the Department that the Local Governments in Punjab are appointing the work charged / daily wages employees without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules. Therefore, it has been decided that in future no work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without

adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

Audit observed that five DDOs working under the administrative control of Chief Executive Officer DHA Faisalabad made payment of wages amounting to Rs 14.885 million from Health Council Funds on account of Contingent paid staff during 2018-19. Contrary to the above, no advertisement was made for such appointments. Further, appointments were made without formulating committee as no minutes of meeting were available. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	Amount
1	Government General Hospital, Samanabad	4.888
2	THQ Hospital, Jaranwala	2.987
3	THQ Hospital, Tandlianwala	2.761
4	THQ Hospital Samundri	2.317
5	THQ Hospital Chak Jhumra	1.932
	<b>Total</b>	<b>14.885</b>

Audit is of the view that due to poor planning and weak management, irregular appointments of contingent paid staff were made.

Irregular appointment of contingent paid staff resulted in irregular payment of salaries amounting to Rs 14.885 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 24, 12, 10, 6 & 5]

**9.2.5.2.7 Withdrawal of pay & allowances without maintenance of record – Rs 12.153 million**

According to provision 4.6.5.5 of Accounting Policies and Procedures Manual, any change in employee's allowances and deductions shall be notified through the change statement to the DAO/AG/AGPR. Furthermore, according to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay,

allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

Various employees of different categories working in Government General Hospital, Samanabad withdrew pay and allowances amounting to Rs 12.153 million through adjustment in automated Payroll System of SAP/R3 during 2018-19. Contrary to the above provisions, adjustments in pay & allowances were not supported by any change statement notified to the DAO Faisalabad and no claims of arrears were produced to audit. Furthermore, the reasons for claiming such changes in payroll was also not provided by the DDO.

Audit is of the view that due to weak internal and financial controls, pay & allowances were withdrawn by the employees without maintenance of record.

Withdrawal of pay & allowance without change statement and proper record resulted in unauthorized payment of Rs 12.153 million to employees.

The matter was reported to the DDO concerned during October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for evaluating the payment of arrears.

[AIR Para: 17]

#### **9.2.5.2.8 Irregular expenditure on execution of civil works – Rs 10.360 million**

According to Government of the Punjab, Finance Department letter No. FD (TMA)1-158/2005 dated 21.10.2010 read with Circular No. FD (FR)-II-2/89 dated 24.06.1996, particulars of Technically Sanctioned Estimates (TSE) like amount, number, date etc. must be mentioned in Notice Inviting Tenders (NITs) to ensure that estimates have been technically sanctioned before invitation of tenders. Furthermore, according to Government of the Punjab, Finance Department instructions vide letter No.RO (Tech) FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter.

Medical Superintendents of Tehsil Headquarter Hospitals Jaranwala & Tandlianwala working under Chief Executive Officer, DHA Faisalabad awarded

contracts for execution of civil works under revamping program during 2018-19. An expenditure amounting to Rs 10.360 million was incurred in violation of above refereed rules. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	Work Order No./Date	Expenditure
1	THQ Hospital, Jaranwala	8/THQ/JRW/25.08.2018	2.476
		5/THQ/JRW/21.07.2018	3.358
<b>Total</b>			<b>5.834</b>
2	THQ Hospital, Tandlianwala	222/THQ/TWL/06.09.2018	4.526
<b>Total</b>			<b>4.526</b>
<b>Grand Total</b>			<b>10.360</b>

Following irregularities were noticed:

- i. Detailed estimates were neither prepared nor technically sanctioned by the Competent Authority.
- ii. All the items were executed on item rate without referring to the MRS. In addition, rate analyses were not prepared and approved from the Competent Authority.
- iii. Record entries were not made in the Measurement Books.

Audit is of the view that due to violation of works rules, civil works were got executed without preparation of detailed estimates and without preparation / approval of non-schedule items by the Competent Authority and without record entries in the Measurement Books.

Execution of works without TSE /preparation & approval of analysis of rates and without record entries in the Measurement Books resulted in irregular expenditure amounting to Rs 10.360 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 5, 2]

### 9.2.5.2.9 Unauthorized withdrawal of pay and allowances – Rs 8.304 million

According to guidelines for fixing terms and conditions of contract appointment provided in Contract Appointment Policy, 2004 issued by Government of the Punjab, Services and General Administration Department vide letter No. DS (O&M)5-3/2004/Contract(MF) dated 29.12.2004, in all contracts, it shall be clearly provided that the services of the contract employee are liable to be terminated on one month's notice or one month's pay, in lieu thereof. Further, according to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

Seven DDOs of DHA Faisalabad made payment on account of salaries to fifty one employees who were retired, resigned, transferred, remained absent, went on EOL without pay during 2018-19. Resultantly, payment of Rs 8.304 million was made to the employees on account of pay and allowances without admissibility. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	Remarks	No. of Employees	Amount
1	CEO, DHA Faisalabad	Pay during EOL without pay	19	2.149
2	THQ Hospital, Jaranwala	Retirement, resignation	4	1.154
3	Govt. General Hospital Samnabad	Pay during absent period	2	1.022
		Pay during EOL	1	0.455
		Pay after transfer	1	0.245
		Resignation	2	0.080
4	THQ Hospital, Tandlianwala	Resignation, EOL	8	0.904
5	THQ Hospital Chak Jhumra	Resignation	3	0.629
6	THQ Hospital Samundri	Expiry of Adhoc appointment	3	0.513
		Pay after transfer	1	0.253
		without admissibility	1	0.395
		Inadmissible allowances	3	0.015
7	DHO (PS) Faisalabad	Retirement	3	0.490
<b>Total</b>			<b>51</b>	<b>8.304</b>

Audit is of the view that due to non-compliance of rules, pay & allowances were paid after transfer, retirement, resignation and EOL without pay.

Payment of salaries after resignation, transfer, retirement and EOL without pay resulted in loss to the public exchequer amounting to Rs 8.304 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends recovery of overpaid amount of pay & allowances from the employees concerned.

[AIR Paras: 3, 2, 4, 14, 15, 13, 2, 13, 12, 2, 17, 11, 9&7]

#### **9.2.5.2.10 Unauthorized expenditure from Health Council Account – Rs 8.216 million**

According to Provisions 4 and 6 of Guidelines issued to Health Council, vide Government of the Punjab Primary & Secondary Healthcare Department Notification No.SG(B&A)1-48/2017-18 dated 20.11.2018, Secretary of HC will prepare M&R schemes, plan for purchase and repair of machinery and equipment to improve service delivery in health facility which will be executed after approval from the HC. The money transferred shall be spent judiciously to uphold trust of the Government and Chairperson is mandated to hold fortnightly meetings of HC. Further, Health Council shall be responsible for safety of movable and immovable property of the hospital and shall check the attendance of the hospital staff.

Health Council of Government General Hospital, Samanabad received funds amounting to Rs 125.198 million from Director General Health Services Punjab Lahore through CEO DHA Faisalabad on 04.05.2019. The purpose of the funds was to operationalization health facilities and ambulances taken over from Jamat-ut-Dawa / Falah-e-Insaniat Foundation. Further, Health Council spent funds of Rs 8.216 million on electricity bills, salaries & wages etc. of the JUD/FIF health facilities in Faisalabad. Following discrepancies were observed while incurring expenditure:

1. Rules, TORs, instructions, guidelines etc. regarding utilization of these funds were not defined.

2. Funds were transferred by DG Health Services Punjab to Health Council, whereas the Health Council was mandated to manage the hospital affairs.
3. Administrative control of the JUD/FIF health facilities and ambulances was not declared before transfer of funds.
4. Expenditure on salaries and wages of staff of JUD/FIF health facilities was incurred without any authentication/identification of detail of employees.
5. Expenditure on electricity charges was incurred without ensuring genuineness.

Audit is of the view that due to weak internal controls, funds were transferred into Health Councils Accounts instead of Account-VI of DHA and payments were made without mandate.

Transfer and utilization of funds without authority resulted in unauthorized expenditure of Rs 8.216 million.

The matter was reported to the DDO concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to take up the matter with Finance Department, Government of the Punjab for regularization and clarification on the subject matter.

[AIR Para: 19]

#### **9.2.5.2.11 Excess payment of inadmissible allowances – Rs 7.353 million**

According to Government of the Punjab, Health Department Notification No. PO (P&E-I)19-113/2004(v) dated 13.04.2007, Health Sector Reforms Allowance (HSRA) at DHQ/THQ Hospitals was admissible to Anesthetist, Radiologist, Medical Officer, WMO, Medical Superintendent, Dental Surgeon and other specialists only. Further, according to Government of the Punjab, Health Department letter No.SO (ND)2-26/2004(Vol-II) dated 20.02.2015, Health Risk Allowance was sanctioned to the employees of Health Department in (BS-01 to BS-04) with immediate effect. Furthermore, according to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges frauds and misappropriations.

One hundred thirty four employees of different categories working under the administrative control of various DDOs of DHA Faisalabad allowed to draw Health Sector Reforms Allowance, Health Risk Allowance, House Rent Allowance, Integrated Allowance, Fixed TA/DA, Non-practicing Allowance,



Qualification Allowance etc. Contrary to the above, the allowances were paid to the employees either without admissibility or at excessive rates. Resultantly, excess allowances amounting to Rs 7.353 million were paid to these employees during 2014-19. **(Annexure-D/FSD)**

Audit is of the view that due to weak financial management, inadmissible allowances were withdrawn by the employees.

Withdrawal of inadmissible allowances resulted in overpayment of Rs 7.353 million to the employees concerned.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends recovery of overpaid amount on account of inadmissible allowances from the concerned, at the earliest.

[AIR Paras: 1, 2, 7, 3, 10, 6, 18, 7&13]

#### **9.2.5.2.12 Consumption of medicines/disposable items without maintenance of proper record – Rs 6.354 million**

According to 15.5 of Punjab Financial Rules Volume-I when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person, examine it carefully with reference to any orders or rules for the issue of stores and sign it after making suitable alterations under his dated initials, in the description and quantity of materials, if he is unable to comply with the requisition in full. When materials are issued, a written acknowledgment should be obtained from the person to whom they are ordered to be delivered or dispatched, or from his duly authorized agent.

Staff of indoor/emergency/general wards etc. of Government General Hospital, Samanabad received medicines / disposable items including D/Syringes, IV branulas, disposable/surgical/ examination gloves, different infusions etc. costing Rs 6.354 million from main medicine store of the hospital during 2018-19. Following discrepancies were noticed in consumption of infusions and disposable surgical items:

1. Infusions were utilized in bulk without authorized medical practitioner or duty doctor. It is pertinent to mention that quantity of medicines and IV branulas shown consumed per day did not match with number of beds in emergency ward, children ward and other indoor wards.
2. Further, disposable surgical items were shown used in wards in bulk without mentioning patient registration No. and only narration “used in ward” was written against each entry.
3. Per day consumption of these items were accounted for on hypothesis basis by ignoring actual consumption because a fixed quantity of disposable syringes i.e. 50, 60, 70 was shown consumed. Similarly, disposable/surgical/examination gloves were also shown consumed with fix quantity of 100, 200, 150 etc.

Above discrepancies depicted that record was maintained just to show utilization and created doubt about actual consumption. The scrutiny was made on sample basis.

Audit is of the view that due to negligence on part of management, medicines and disposable surgical items were utilized without authentic record.

Utilization of medicines and disposable surgical items without maintenance of proper record resulted in misuse of public resources costing Rs 6.354 million.

The matter was reported to the DDO concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing the responsibility on person(s) at fault.

[AIR Para: 18]

#### **9.2.5.2.13 Unauthorized up gradation of posts and payment of arrears – Rs 5.668 million**

According to Sr. No. 5 to 8 of Schedule-I of Government of the Punjab, Health Department, Allied Health Professional Rules, 2012 read with Government of the Punjab, Health Department Notification No. SOR-III(S&GAD)1-25/2008 dated 28.01.2015, the appointment of Allied Health Professional by

promotion would be made on the basis of seniority-cum-fitness from amongst the technicians/senior technicians/junior technicians in the relevant allied health sciences discipline, having five years' service as such and technical refresher training in the relevant discipline for two weeks conducted at the District Health Development Center, healthcare establishment or paramedical training institute, followed by the internal assessment in true letter & spirit.

Audit observed that DHA Faisalabad upgraded posts of 33 Junior Technicians with effect from 24.11.2011. However, these posts were upgraded without observing the mandatory requirements of training and fitness. The benefit of up gradations was given twice from the same date i.e. 24.11.2011 without completion of minimum five years' service in upgraded scales as these posts had already been upgraded in 2012. The District Health Officer made payment of arrears amounting to Rs 5.668 million during 2018-19. The details are as under:

(Rupees in million)

Sr. No.	No. of Employees	Category	Date of Upgradation	Amount
1	21	Junior Tech/ Pharmacy Technology	24.11.2011	3.599
2	12	Junior Tech/Healthcare Outreach Technology	24.11.2011	2.069
<b>Total</b>				<b>5.668</b>

Audit is of the view that due to negligence and financial indiscipline, unauthorized up gradation of the posts was made without fulfilling the requisite criteria.

Unauthorized upgradation of posts resulted in excess payment of Rs 5.668 million as arrears to the employees besides further excess payment with salaries.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends recovery of excess paid amount of Rs 5.668 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Paras: 4, 1]

**9.2.5.2.14 Uneconomical procurements of printing materials – Rs 5.388 million and loss due to procurements at higher rates – Rs 0.736 million**

According to Rule 2.31(a) of Punjab Financial Rules Vol-I, a drawer of bill for contingent and other expenses will be held responsible for any overcharges and misappropriations. He should, therefore make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that he can be in a position to detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur. Further according to Rules 4, 9, 12(1) and 59 (b) of PPRA 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. Furthermore, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority.

Medical Superintendent Government General Hospital Samanabad made procurement of stationery items including OPD pads, short admission forms, indoor registers etc. costing Rs 5.388 million during 2018-19. Contrary to the above, the procurements were made by adopting unhealthy and uneconomical procurement procedure due to following reasons:

1. Purchases were made by splitting the cost of procurement by keeping the cost of each bill below the financial limit of Rs 100,000 to avoid open competition and advertising the same on PPRA's website.
2. Purchase Committee was not involved in procurement process.
3. In all cases, quotations were called from three or four specific suppliers which resulted in unhealthy price competition.
4. Due to unhealthy price competition, procurements were made on higher rates which resulted in loss of Rs 0.736 million.
5. In most of the cases, requisitions for procurements were neither initiated.

6. Despite availability of Purchase committee, Accountant and Store keeper in the hospital no one was got involved in the procurement process.

The details are as under:

(Rupees in million)

Sr. No.	Description	Head of Account	Year	Amount
1	Lab chemicals, test strips	Regular Budget	2018-19	3.313
2	Stationery Items, OPD pads	Regular Budget	2018-19	2.075
<b>Total</b>				<b>5.388</b>

Audit is of the view that due to financial mismanagement, procurement was made by adopting uneconomical/unhealthy procedure and without open competition.

Procurements through unhealthy procedure resulted in incurrence of uneconomical/unauthentic expenditure of Rs 5.388 million and loss of Rs 0.736 million to DHA.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing the responsibility on person(s) at fault.

[AIR Paras: 5, 4]

**9.2.5.2.15 Procurement of bio medical equipment without warranty – Rs 5.245 million**

According to the Standard Bidding Document chapter, General Conditions of the Contract clause 14.1, all goods subject to this contract shall be accompanied by the necessary warranty & 14.2, the purchaser shall promptly notify the supplier in writing of any claims arising under this warranty. Further, according to supply order of bio-medical equipment, condition no 08, the supplier will submit warranty for a period of two years from the date of installation of equipment including replace of faulty parts on free of charges.

Chief Executive Officer DHA Faisalabad made payment of Rs 5.245 million to different firms for supply of bio medical equipment during 2016-17. However, following discrepancies were observed:

1. No separate budget was allocated/approved in FY 2018-19 for payment of previous year liabilities.
2. Bio medical equipment was received without obtaining warranty in violation of supply order condition.
3. Technical verification reports after installation were not obtained/prepared.
4. Physical inspection/verification was not conducted.

The details are as under:

(Rupees in million)

Sr. No.	Item Name	Name of firm	Health Facility	Bill No./Date	Status	Amount
1	ENT Head Light	Sigma International	GGH Samanabad	932/16.06.2017	No Warranty	0.898
2	ENT Head Light	Allmed Solutions		1345/ 15.07.2017	No Warranty	0.508
3	Homodylsis Machine	Frenius Medical Care	THQ Samundari	36/06.06.2017	No Warranty	3.196
4	Water Treatment system	Frenius Medical Care		36/06.06.2017	No Warranty	0.574
5	Plasma Extractor	Hospitech Health Care	GGH Samanabad	280/16.08.2017	No Warranty	0.069
<b>Total</b>						<b>5.245</b>

Audit is of the view that due to weak management, costly bio medical equipment was supplied without warranty / technical inspection.

Non-obtaining warranty / technical verification reports after installation resulted in irregular expenditure amounting to Rs 5.245 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for receiving bio medical equipment without warranty/ technical verification.

[AIR Para: 12]

#### **9.2.5.2.16 Payment to the firm on doubtful DTL report – Rs 5.220 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

Chief Executive Officer DHA Faisalabad made payment of Rs 5.220 million to the medicine firm on account of supply of medicine. The payment was unjustified on the following grounds:

1. The medicine was received in the main store on 30.05.2017. However, DTL reports were obtained on 08.02.2017 i.e. before receiving of medicine in the main store.
2. The samples were sent by the Drug Inspector on 26.01.2017 but the source of sample collection was not mentioned.
3. DTL sample fee was deducted from the bill but dispatch of sample to DTL lab was not available in the record.
4. DTL reports of two medicine were not obtained/available in the record.
5. Stock verification report by the committee was not conducted/available in the record.
6. Amount of Liquidated Damages was not correctly worked out.
7. Payment of liability of financial year, 2016-17 was made in 2018-19 without separate allocation/approval in the budget.

The details are given below:

(Rupees in million)

Sr. No.	Name of Medicine	Supply Order No./Date	Date of Stock Entry	Physical Verification	No./Date of DTL	Qty.	Rate	Amount
1	Tab. Albendazole 200mg	2581/ 13.10.16	30.05.2017	Not conducted	1491/ 08.02.17	19,700	7.50	0.148
2	Susp. Amoxilline 250mg	2581/ 13.10.16	30.05.2017	Not conducted	1410/ 07.02.17	65,000	60.00	3.900
3	Cap. Amoxilline 250mg	2581/ 13.10.16	30.05.2017	Not conducted	Not available	327,000	2.15	0.703
4	Syp. Metoclopramide 50ml	2581/ 13.10.16	30.05.2017	Not conducted	Not available	27,300	22.19	0.606
<b>Total Amount of Bill</b>								<b>5.357</b>
<b>Total Deductions</b>								<b>0.137</b>
<b>Net Amount of Bill</b>								<b>5.220</b>

Audit is of the view that due to weak financial management, payment was made without ensuring authenticity of DTL reports.

Payment of medicine without ensuring authenticity of DTL reports and without allocation separate budget of liability resulted in irregular payment amounting to Rs 5.220 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on person(s) at fault.

[AIR Para: 1]

**9.2.5.2.17 Overpayment on account of inadmissible allowances – Rs 4.976 million**

According to Rule 1.15 (2) of Punjab Traveling Allowance Rules Compendium 2008 that, Conveyance Allowance will be admissible only for the period during which the civil servant held the post to which the Conveyance Allowance is attached and will not be admissible during leave or joining time. Further, as per Finance Department Notification No. SOX (H-I) 6-91 2004-1 dated 14.07.2008, HSRA is not admissible to the staff proceeding on leave or not working in the concerned RHC / BHU.

Two hundred forty one employees working under the administrative control of the eight DDOs made unauthorized payment of Conveyance Allowance, Health Sector Reforms Allowance, Mess Allowance, Dress Allowance and other allowances amounting to Rs 4.976 million during leave in the financial year, 2018-19. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	No. of Employees	Con. Allowance	HSRA	Mess Allowance	Dress Allowance	Other Allowances	Amount
1	GGH Samanabad	55	0.341	0.257	0.063	0.023	0.906	1.590
2	THQ Hospital Jaranwala	28	0.196	0.136	-	-	0.999	1.331
3	THQ Hospital Tandlianwala	40	0.122	0.15	-	-	0.385	0.657
4	CEO DHA Faisalabad	33	0.512	-	-	-	-	0.512
5	THQ Hospital Chak Jhumra	25	0.21	0.16	-	-	0.042	0.413



Sr. No.	Name of Formation	No. of Employees	Con. Allowance	HSRA	Mess Allowance	Dress Allowance	Other Allowances	Amount
6	THQ Hospital Samundri	28	0.08	0.052	0.031	0.082	-	0.245
		1	-	-	-	-	0.141	0.141
7	DHO IV FSD	16	0.057	-	-	-	-	0.057
8	DHO (PS) Faisalabad	15	0.03	-	-	-	-	0.030
<b>Total</b>		<b>241</b>	<b>1.548</b>	<b>0.755</b>	<b>0.094</b>	<b>0.082</b>	<b>2.473</b>	<b>4.976</b>

Audit is of the view that due to weak internal controls, unauthorized payment of different allowances was made during leave period.

Unauthorized payment of different allowances during leave resulted overpayment to the employees amounting to Rs 4.976 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends recovery of overpaid amount from the employees concerned.

[AIR Paras: 11, 1, 5, 7, 3, 3, 12, 8&12]

#### **9.2.5.2.18 Doubtful procurement of various store items – Rs 4.509 million**

According to Rules 30 and 31 of the Punjab District Authorities (Accounts) Rules 2017, the DDO shall raise a sequentially numbered purchase order for all contingent expenditures. The payment of an amount exceeding the value of rupees one thousand for supplies made, services rendered, work done under a contract or other agreement, the DDO shall follow the following process, claim voucher shall be prepared, complete the claim voucher (bill) with details of the officer making the claim, name of supplier or firm with NTN, STRN, bank account number, full postal address and the registered title. Contract reference, actual date of supply or period of service or work, location and particulars of supply, service or work in respect of which expenditure is being incurred. The officer making the claim shall provide a statement, under his signature, that the supplies have been received in good order and condition and have been counted and entered in the assets/stock register, and/or the services have been satisfactorily carried out, as provided for in the contract or purchase order.

Medical Superintendent Government General Hospital Samanabad incurred expenditure of Rs 4.509 million under various head of accounts on

procurement/repair & maintenance of furniture/fixtures, machinery/equipment, air conditioners, Pena flexes, recharging of internet packages, stationery items, minor civil work, installation of air conditioners, COS items etc. during 2018-19. Contrary to the above rules, the procurement was made through incomplete accounting record of financial transactions and unhealthy procurement process, detail is as under:

1. Procurements were made without involvement of purchase committee.
2. In most of the cases procurement was made without supporting documents i.e. requisitions, supply orders, inspection reports, payee's acknowledgements etc.
3. Suspicious bills of suppliers were forthcoming from record as the bills were issued on different occasions and dates but these were in continuity according to serial numbers without gap. Further, the supplier issued more than one bills in one date for the same nature of expenditure/supplies.
4. For execution of repair works scope of work was neither determined nor mentioned in the bill by the service providers therefore payment was made accordingly without assessment of work done. Further, in many cases only material was procured without labor charges.
5. In most of the cases supplier did not affix signatures on invoices/bills.
6. In most of the cases suppliers did not mention NTN, STRN and full postal address on bills. Further, postal/registered address of two suppliers did not match with invoices furnished by them. In some cases, fake NTN was mentioned on bills.
7. Internet packages were recharged without mentioning detail of package, period of recharge, name of device for which recharge was made

Audit is of the view that due to financial mismanagement and weak internal controls, procurement was made through suspected billing, incomplete record and unhealthy procurement process.

Procurements through suspected bills, incomplete record and unhealthy procurement process resulted in uneconomical expenditure of Rs 4.509 million.

The matter was reported to the DDO concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fake bills and fix responsibility on the incumbent(s) at fault.

[AIR Para: 9]

**9.2.5.2.19 Irregular expenditure by Health Council – Rs 3.852 million**

According to Provisions 4.1, 4.2, 4.6, 4.7 and 4.8 of Guidelines issued to Health Council, Secretary of the Health Councils shall prepare M&R Schemes, Purchase and repair of Machinery/ equipment and may suggest to the Health Council any step they deem necessary for up-keep of that health facility and improve service delivery. After approval from Health Council, the scheme shall be executed using local expertise. All members of Health Council shall monitor the development work to get it complete with economy and efficiency. The money transferred shall be spent judiciously setting excellent standards of integrity to uphold the trust of the Government. Furthermore, according to Notification No. FD (FR) II-2/89(2016) (P-III) dated 26.12.2017, each health council shall follow standard procedure including advertisement in newspaper is required under PPRA. Further, according to Serial No.1(b)(ii), 2(ii)(b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, the rate of tax to be deducted from a payment for goods or services shall be 4.5 percent of gross amount payable, if the person is a filer and 7.75 percent if the person is a non-filer.

Health Council of Government General Hospital Samanabad incurred expenditure of Rs 3.852 million during 2017-18 out of Health Council funds. However, expenditure was held suspicious due to following reasons:

- i. Most of the expenditure was incurred without the approval of Health Council and Medical Superintendent and Assistant Commissioner/ Chairman Health Council signed the documents.
- ii. Unauthorized Data Entry Operator remained focal person of Health Council during 2016-18. However, he was not employee of the hospital.
- iii. Most of the expenditure was incurred on such articles which did not cover in the preview of Health Council.
- iv. Assets purchased were not accounted for in Assets Register.
- v. Minor civil works and white washing was executed without preparation of estimates and approval from Health Council.

- vi. Expenditure amounting to Rs 0.301 million was incurred through fake bidding and splitting.
- vii. Specifications were not mentioned during procurement process.
- viii. Demand for two air-conditioners was raised and approved but procurement was made for 15 air-conditioners.
- ix. The supplier included Income Tax in bill of air conditioners @ 4.5% which resulted into loss of Rs 0.061 million.
- x. Payments were made without acknowledgement.

The details are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Description</b>	<b>Head/Budget</b>	<b>Period</b>	<b>Amount</b>
1	Civil Works, repair & maintenance	Health Council	2017-18	2.342
2	Purchase of Air Conditioners	Health Council	2017-18	1.510
<b>Total</b>				<b>3.852</b>

Audit is of the view that due to weak financial controls, Health Council funds were utilized without proper maintenance of record and actual requirements.

Due to unhealthy procurement procedure and non-maintenance of record, legitimacy of the expenditure incurred amounting to Rs 3.852 million could not be ascertained.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter besides recovery of loss / overpayment from the concerned.

[AIR Paras: 22, 21]

**9.2.5.2.20 Non-recovery of inadmissible Conveyance Allowance and House Rent Allowance – Rs 3.702 million**

According to Government of the Punjab, Finance Department, letter No.FD.S.R.1.9-4/86 (PR)(P) dated 15.10.2011, employees residing in the residential colonies situated within work premises are not entitled for Conveyance Allowance. Further, according to Government of the Punjab, Finance Department letter No.FD(M-1)1-15/82-P-I dated 15.01.2000, House Rent Allowance is not permissible when facility of official accommodation is availed by the Government servant. Furthermore, according to clarification of Government of the Punjab, Finance Department vide letter No.FD.SRI9-4/66(P)(PR) dated 21.04.2014, the officers who are availing facility of the Government vehicles including bikes (sanctioned/pool) are not entitled to the facility of Conveyance Allowance.

One hundred twenty one employees of different health facilities of DHA Faisalabad allowed to withdraw inadmissible Conveyance Allowance and House Rent Allowance amounting to Rs 3.632 million during 2018-19 despite the fact that they were either residing in the colonies situated within the work premises or provided with official bikes/ sanctioned vehicle with POL facility. Further, HSRA amounting to Rs 0.070 million was drawn by one employee without admissibility. DDOs concerned did not take action for recovery of inadmissible allowances. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	No. of Employees	CA	HRA	HSRA	Amount
1	DHO-IV, Faisalabad	31	2.906	-	-	2.906
2	THQ Hospital, Jaranwala	6	0.273	0.200	-	0.473
3	DHO (PS) Faisalabad	81	0.164	-	-	0.164
4	THQ Hospital Chak Jhumra	3	0.048	0.041	0.070	0.159
<b>Total</b>		<b>121</b>	<b>3.391</b>	<b>0.241</b>	<b>0.070</b>	<b>3.702</b>

Audit is of the view that due to weak financial controls and negligence, inadmissible allowances were paid to the employees.

Payment of inadmissible allowances resulted in overpayment amounting to Rs 3.702 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends recovery on account of inadmissible allowances from the concerned at the earliest.

[AIR Paras: 3, 9, 5, 6]

**9.2.5.2.21 Unjustified payment of General Sales Tax – Rs 3.011 million**

According to Serial No. 52A of Sixth Schedule of Sales Tax Act 1990, hospitals having more than 50 beds are exempt from the payment of Sales Tax.

Audit observed that five DDOs working under the administrative control of Chief Executive Officer, DHA Faisalabad made payment on account General Sales Tax of Rs 2.542 million on electricity bills to the FESCO during 2018-19 in spite of the fact that the hospitals more than 50 beds were exempt from General Sales Tax. Further, an amount of Rs 0.469 million was paid as GST to the different firms on supplies to the health facilities in spite of exemption. Resultantly, an amount of Rs 3.011 million was charged as Sales Tax by the FESCO authorities in violation of above referred rule. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	Nature	Amount
1	THQ Hospital, Tandlianwala	GST on Electricity	0.976
2	THQ Hospital, Jaranwala	GST on Electricity	0.718
3	THQ Hospital Chak Jhumra	GST on Electricity	0.657
4	CEO District Health Authority Faisalabad	GST on exempt supplies	0.469
5	THQ Hospital Samundri	GST on Electricity	0.191
<b>Total</b>			<b>3.011</b>

Audit is of the view that due to weak internal controls, Sales Tax was charged in spite of exemption.

Charging of Sales Tax on exempted item resulted in loss to the public exchequer and excess payment amounting to Rs 3.011 million to the service provider/suppliers.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends recovery/adjustment of General Sales Tax from the concerned at the earliest.

[AIR Paras: 8, 17, 11, 11, 23]

**9.2.5.2.22 Withdrawal of pay and allowances without service record and performance of duty – Rs 2.440 million**

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

Medical Superintendent Government General Hospital Samanabad made payment of Rs 2.440 million on account of pay and allowances to two employees for the period August 2018 to February 2019 alongwith arrears claims for an unknown period. However, service record of these employees i.e. appointment orders, joining reports, proof of performance of duty etc. and arrear claim bills was not provided to audit for verification. The details are given below:

(Rupees in million)

Personnel No.	Name of Employee	CNIC	Date of Joining	Job Title	Period	Amount
32090066	Amina Perveen	3310082835644	13.02.2018	WMO	July, 2018 to February, 2019	2.440
32098396	M Sohail Shabbir	3310540500087	00.00.0000	MO		

Audit is of the view that due to negligence and weak internal controls, pay and allowances were withdrawn from the treasury without genuineness of claims.

Withdrawal of pay and allowances amounting to Rs 2.440 million without genuineness of employees and availability of service record resulted in loss to the public exchequer.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends recovery on account of pay & allowances from the concerned.

[AIR Para: 16]

### 9.2.3.2.23 Irregular release of Performance Guarantee – Rs 2.060 million

According to the Standard Bidding Document for purchase of drugs & medicine chapter Performance Guarantee clause, 41.2 for the financial year 2018-19, the Bid Security submitted by the bidder at the time of submitting its bid shall be returned to the bidder upon submission of Performance Guarantee. Further according to SBD, clause 9(i) the Supplier, within seven days of signing of this contract, shall provide to the purchaser a Performance Security in the form of an Irrevocable Bank Guarantee equivalent to 2% of the total Contract amount having validity of one year from its date of issuance from any scheduled bank on the prescribed format and in prescribed manner. This Performance Guarantee/Security shall be released to the supplier upon successful completion of the Contract.

Performance Security/Guarantee of different firms for the contract agreement of supply of drugs & medicine amounting to Rs 2.060 million was refunded to the firms during 2018-19. However, refund of Performance Guarantee was held irregular on the following grounds:

1. Approvals of refund were not obtained from the Competent Authority.
2. No certificate was obtained from the concerned health facilities for successful completion of the supply orders.
3. Proper record/register was not maintained for deposit and release of securities.

The details are given below:

(Rupees in million)

Sr. No.	Name of Firm	FY	Cheque No./Date	Approval of Authority	Date of Refund	Amount
1	Wilshire Labs	2018-19	5219/13.03.2019	Not obtained	23.05.2019	1.319
2	Obsons Pharma	2018-19	4202/21.02.2019	Not obtained	31.08.2019	0.403
3	Wilshire Labs	2018-19	8719/19.02.2019	Not obtained	03.09.2019	0.223
4	Searl Infusion	2018-19	9333/08.03.2019	Not obtained	05.08.2019	0.040
5	Renacon Pharma	2018-19	2588/28.02.2019	Not obtained	01.03.2019	0.075
<b>Total</b>						<b>2.060</b>

Audit is of the view that due to weak internal controls, Performance Guarantee was refunded without obtaining approval from the Competent Authority.



Refund without approval from the Competent Authority and ensuring successful completion of the contract resulted in irregular release of Performance Guarantee amounting to Rs 2.060 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault.

[AIR Para: 5]

**9.2.5.2.24 Non-deduction of Income Tax and Sales Tax on Services – Rs 1.982 million**

According to Section 153(1) of the Income Tax Ordinance, 2001, Income Tax shall be deducted from the claims of the suppliers @ 4.5% of the gross amount payable, if the person is a filer and @ 6.5% if the person is non-filer. Further, according to Rule 5 read with Sub-Rule (2) of Rule 1 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall, on receipt of taxable services from an unregistered service provider, deduct Sales Tax @ 16% of the value of taxable services provided to him. Furthermore, according to Section 12 of the Income Tax Ordinance, 2001, any salary received by an employee in a tax year, other than salary that is exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head “Salary”. Further, salary means any amount received by an employee from any employment including any pay, wages or other remuneration provided to an employee, including work condition supplements or any perquisite.

Five DDOs of DHA Faisalabad made payments to the different service providers and suppliers against rendering of services and supply of goods during 2018-19. Contrary to the above provisions, Punjab Sales Tax on Services amounting to Rs 0.956 million was not deducted from claims of the service providers/suppliers before making payments. Further, Income Tax amounting to Rs 1.026 million was not deducted before making payment to the suppliers. Resultantly, taxes amounting to Rs 1.982 million were not deducted before making payments to the suppliers/service providers. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	Expenditure	Income Tax	PST	Amount
1	THQ Hospital, Jaranwala	6.735	0.528	0.280	0.808
2	THQ Hospital, Tandlianwala	5.162	0.386	0.216	0.602
3	THQ Hospital Samundri	8.186	-	0.456	0.456
		0.084	0.011	0.004	0.015
4	DHO IV, FSD	1.912	0.086	-	0.086
5	THQ Hospital Chak Jhumra	0.150	0.015	-	0.015
<b>Total</b>		<b>22.229</b>	<b>1.026</b>	<b>0.956</b>	<b>1.982</b>

Audit is of the view that due to weak financial controls, Income Tax on supplies and Sales Tax on Services were not deducted.

Non-deduction of taxes resulted in excess payment of Rs 1.982 million and loss to the public exchequer.

The matter was reported to the DDOs concerned during July to October 2019.

No DAC meeting was held till the finalization of this Report.

Audit recommends recovery from the concerned besides depositing the same into the Government Treasury.

[AIR Paras: 8, 6, 7,9,15&24]

#### **9.2.5.2.25 Irregular purchase of anti-hepatitis medicine – Rs 1.826 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

Chief Executive Officer, DHA Faisalabad made payment of Rs 1.826 million to medicine firm against supply of anti-hepatitis medicine. The said medicine was to be delivered amongst 200 patients as per supply order issued by Medical Superintendent, Government General Hospital Samnabad in 2017. The payment of medicine was held irregular on the following grounds:

1. List of patients, their registration number/date, PCRs, recommendation, and distribution plan was not prepared/available.
2. Supply order/sanction was made by the Medical Superintendent, Government General Hospital Samanbad. However, the payment was made from the budget of CEO DHA without justification.
3. DTL report of medicine was not obtained/available.
4. Distribution list was not available/prepared.
5. Supply order was date less.
6. Due to dual authority process, chances of duplicate payment cannot be ruled out.
7. Payment of previous year liability was made without separate allocation in budget.

Audit is of the view that due to weak internal controls, procurement of medicine was made without maintenance of ancillary record.

Procurement of medicine without maintaining supporting record resulted in irregular expenditure amounting to 1.826 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on person(s) at fault.

[AIR Para: 4]

#### **9.2.5.2.26 Payment of inadmissible Risk Allowance – Rs 1.110 million**

According to Para 01 of Government of the Punjab, Health Department Notification No.S.O(ND) 2-26/2004(VOL-II) dated 07.08.2012, Governor of the Punjab is pleased to sanction Health Risk Allowance amounting to Rs 1,500 per month w.e.f. 01.08.2012 in favour employees in basic BS-01 to BS-04 working in medical institutions / hospitals only and not the Health Department. Further, according to Government of the Punjab, Finance Department letter No.FD.PC-32-7/2007 Dated 26.09.2007, It has also been sanctioned to the employees in BS-01 to BS-04, in their moved up scales.

During financial attest audit DHA Faisalabad, scrutiny of SAP/HR Data of depicted that Health Risk Allowance amounting to Rs 1.110 million was paid to 138 employees of BPS-05 BPS-09.

Audit is of the view that due to weak monitoring, inadmissible Health Risk Allowance was paid to employees.

Payment of inadmissible allowance resulted in excess payment of Rs 1.110 million to employees.

In DAC meeting held in October, 2019, it was replied that matter would be examined and necessary recoveries be initiated from the salaries of concerned employees. Audit stressed upon recovery of overpaid amount from the concerned at the earliest. DAC directed to recover the overpaid amount from the concerned at the earliest and report progress to Audit. No progress was intimated to Audit till finalization of this Report.

**9.2.5.2.27 Less deduction of Income Tax due to payment of salary / arrears through off cycle payroll – Rs 0.108 million**

According to Section 149 of the Income Tax Ordinance, 2001, every person responsible for paying salary to an employee shall, at the time of payment, deduct tax from the amount paid at the employee's average rate of tax computed at the rates specified in Division I of Part I of the First Schedule on the estimated income of the employee chargeable under the head "Salary" for the tax year in which the payment is made after making adjustment of tax withheld from employee under other heads and tax credit admissible under section 61, 62, 63 and 64 during the tax year after obtaining documentary evidence as may be necessary.

During financial attest audit of District Health Authority, Faisalabad, it was observed that payment amounting to Rs 3.811 million on account of salary through regular payroll and arrears of salary through off-cycle module was made to two employees. However, Income Tax amounting to Rs 0.108 million was less deducted against total deductible tax of Rs 0.114 million.

Audit is of the view that due to weak financial controls, Income Tax was less deducted from arrear claims of the pay & allowances.

Less deduction of Income Tax from the salaries of the employees resulted in loss of Rs 0.108 million to the Government.

In DAC meeting held in October, 2019, it was replied that DDOs concerned would be requested to direct the concerned employees to deposit the less deducted amount into Government Treasury. Audit stressed to recover the amount from the concerned. DAC directed to take up the matter with Director, FABS for inclusion of off-cycle payment in taxable income of the employee concerned besides recovery of less deducted amount from the concerned. No progress was intimated to Audit till finalization of this Report.

Audit recommends to recover the amount of less deducted Income Tax of Rs 0.108 million from the employees concerned at the earliest.

### **9.2.5.3 Value for Money and Service Delivery Issues**

#### **9.2.5.3.1 Non-execution of agreement with the successful bidders – Rs 79.042 million**

According to Standard Bidding Document for purchase of drugs & medicine for the financial year 2018-19, Instructions to Bidders, clause 26.2, no bid may be withdrawn in the period between deadline for submission of bids and the expiration of the period of bid validity specified in Bid Data Sheet. Withdrawal of a bid during this period may result in initiation of legal action against the firm. Further, according to General Conditions of Contract clause, 21.2 of Standard Bidding Document for purchase of drugs & medicine, the following are the events which would lead to initiate under Rule 21 of PPRA Rules, 2014 Blacklisting/ Debarment process;

- i. Submission of false fabricated / forged documents for procurement in tender.
- ii. Not attaining required quality of work.
- iii. Inordinate tardiness in accomplishment of assigned/agreed responsibilities/contractual obligations resulting loss to procuring agency/Government.
- iv. Non execution of work as per terms & condition of contract.

Chief Executive Officer DHA Faisalabad awarded advance acceptance/declared successful as lowest in bidding for purchase of drugs & medicine to four pharmaceutical firms amounting to Rs 79.042 million. However, the District Health Authority did not enter into agreement with these successful firms due to the reasons best known to the procuring agency. No action was taken by the procuring agency against the defaulting firms besides forfeiture of earnest money amounting to Rs 1.581 million.

Audit is of the view that due to negligence and lack of professionalism, agreements were not executed with the successful bidders and health facilities were deprived of from the provision of medicine.

Non-execution of agreement with the successful /lowest bidders resulted in non-provision of medicine amounting to Rs 79.042 million to the health facilities and loss to due to purchase of alternate medicine from local market on higher rates.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends forfeiture of earnest money/blacklisting besides fixing responsibility on the person(s) at fault.

[AIR Paras: 8, 14]

**9.2.5.3.2 Direct procurement of medicine over and above than requirement of health facilities – Rs 57.214 million**

According to Primary & Secondary Healthcare Department, Government of the Punjab, Lahore letter No.SO(B&A)1-71/2018-19 dated 16.11.2019, the CEO, DHA will run the procurement procedure strictly in accordance with PPRA, 2014 after obtaining demand from the in charge of each health facility as per need assessment. Further, according to Rule 15.18 of the Punjab Financial Rules Volume-I, balances of stores must not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. Furthermore, according to Rule 16.10 (xiii) (b) of the Punjab Budget Manual, purchases largely in excess of requirements is a financial irregularity.

Chief Executive Officer DHA Faisalabad issued supply orders for procurement of medicine under District Rate Contract from the allocated budgets of each health facility during 2018-19. Scrutiny of record revealed that CEO DHA Faisalabad directly procured the medicine amounting to Rs 57.214 million (sample selected) in excess than requirement and the same was supplied without obtaining/considering the demand of concerned health facilities. Further, the payments were also made by CEO Office without authority. The details are given below:

(Rupees in million)

Sr. No.	Name of formation	Financial Year	Status	Amount of Medicine
1	THQ Hospital Samundari	2018-19	Direct supply without obtaining demand	9.186
2	THQ Hospital Jaranwala	2018-19	Direct supply without obtaining demand	13.214
3	GGH 224/RB	2018-19	Direct supply without obtaining demand	12.47
4	THQ Hospital Samnabad	2018-19	Direct supply without	6.239

Sr. No.	Name of formation	Financial Year	Status	Amount of Medicine
			obtaining demand	
5	THQ Hospital Tandlianwala	2018-19	Direct supply without obtaining demand	10.97
6	THQ Hospital Chak Jhumra	2018-19	Direct supply without obtaining demand	5.134
<b>Total</b>				<b>57.213</b>

Audit is of the view that due to poor financial management, medicine was supplied without obtaining/considering demand from the concerned health facilities.

Supply of medicines without obtaining / considering demand of health facilities resulted in extra burden amounting to Rs 57.214 million on the financial resources of DHA.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault.

[AIR Para: 9]

#### **9.2.5.3.3 Non-blacklisting of firms due to non-supply of medicines – Rs 31.319 million**

According to Condition 17 of the Rate Contract executed with the suppliers, if the firm/ supplier fails to supply the whole installment, the entire amount of performance guarantee/ security shall be forfeited and the firm shall be blacklisted maximum for a period of 2 years owing of proof of income shall be on the supplier.

Different DDOs of Health Department and Chief Executive Officer DHA issued purchase orders of medicines to different firms amounting to Rs 31.319 million during 2018-19. The firms failed to supply the medicines but neither the Performance Guarantee/Security amounting to Rs 1.703 million was forfeited nor legal action was initiated for blacklisting the firms. The details are given below:



(Rupees in million)

Sr. No.	Name of DDO	Head	Supply Order Amount	Performance Guarantee 5%
1	THQ Hospital, Tandlianwala	Medicine	7.176	0.359
2	DHO-IV, Faisalabad	Medicine	2.667	0.267
3	THQ Hospital Chak Jhumra	Medicine	4.42	0.221
4	Government General Hospital 224/RB	Medicine	0.414	0.021
5	THQ Hospital Jaranwala	Medicine	8.162	0.408
6	CEO, DHA Faisalabad	Medicine	8.084	0.404
7	THQ Hospital Samundari	Medicine	0.396	0.023
<b>Total</b>			<b>31.319</b>	<b>1.703</b>

Audit is of the view that due to negligence on part of management, legal action was not initiated against firms for non-supply of medicines.

Non-supply of medicine amounting to Rs 31.319 million and non-forfeiture of Performance Guarantee/Security amounting to Rs 1.703 million resulted in loss to the DHA.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends action against defaulter firms, forfeiture of Performance Security besides fixing responsibility on the person(s) at fault.

[AIR Para: 10]

#### **9.2.5.3.4 Unjustified shifting of medicine to other health facilities – Rs 12.647 million**

According to Rule 4 of Punjab Financial Rules Volume-I, stores, in many cases, represent a locking up of capital which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the balance in hand does not exceed the maximum limit prescribed by the Competent Authority and is not in excess of requirements for a reasonable period.

Three DDOs of different health facilities and District Health Officer-IV Faisalabad shifted excess medicines amounting to Rs 12.647 million to other health facilities during 2018-19. Shifting of medicine depicted that the medicine was purchased without considering demand and actual requirements of said health facilities. The details are given in following table:

(Rupees in million)

Sr. No.	Name of Formation	Remarks	Amount
1	THQ Hospital, Jaranwala	Shifted to other health facilities	6.294
2	THQ Hospital, Tandlianwala	Shifted to other health facilities	2.918
3	DHO-IV, Faisalabad	Shifted to other health facilities	2.660
4	THQ Hospital Chak Jhumra	Shifted to other health facilities	0.775
<b>Total</b>			<b>12.647</b>

Audit is of the view that due to negligence on part of management, medicine purchased for hospital requirements was shifted to other health facilities without proper justification.

Shifting of hospital medicine to other health facilities resulted in violation of rules and purchases without considering actual requirement.

The matter was reported to the DDO during July to October 2019.

No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault.

[AIR Paras: 16, 12, 11 &10]

#### **9.2.5.3.5 Blockage of public resources – Rs 9.877 million**

According to Rule 2.10(a)(1) of the Punjab Financial Rules, Volume-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as person of ordinary prudence would exercise in respect of expenditure of his own money.

DDOs of three health facilities working under the administrative control of Chief Executive Officer DHA made procurement / received from PMU various medical equipment, furniture, generator, motor bikes etc. costing Rs 9.877 million. However, the same was lying packed in the stores and not made functional despite lapse of considerable time period. The details are as under:

(Rupees in million)

Sr. No.	Nature	Name of Formation	Amount
1	Medical Equipment, Furniture	THQ Hospital Samundri	5.248
	Electric Wire		1.090
2	Generator	THQ Hospital Chak Jhumra	2.100
3	Motor bikes	DHO (PS) Faisalabad	1.439
<b>Total</b>			<b>9.877</b>

Audit is of the view that due to negligence on part of management, costly medical equipment, furniture was procured without immediate requirement.

Non-functioning/utilization of medical equipment resulted in blockage of public resources amounting to Rs 9.877 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter besides immediate installation of machines without further delay.

[AIR Paras: 20, 15, 7 & 4]

**9.2.5.3.6 Non-repair of bio medical equipment within warranty, loss due to further deterioration – Rs 7.700 million**

According to Rule 2.33 of Punjab Financial Rules Volume-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 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. Further, according to Standard Bidding Document for procurement of bio medical equipment clause 15.1, a comprehensive warranty of three years (five years for high tech equipment amounting to Rupees 10 million or higher for single item) for complete system will be provided free of cost including parts, labor, unless otherwise separately mentioned in the specifications. The procuring agency may increase or decrease the span of warranty period as per their institutional requirement.

Chief Executive Officer Health DHA Faisalabad procured Chemistry Analyzer vide supply order No.776 dated 02/04/2015 amounting to Rs 7.700 million in 2016. The equipment was delivered to the THQ Hospital Samundri vide delivery challan No.790 dated 20.05.2016. During physical verification of diagnostic laboratory, the said equipment was found out of order due to technical fault since December, 2016. The lab staff reported that the bio medical equipment became non-functional/stopped working due to technical fault after six months of supply. No efforts were made for making functional the costly medical equipment.

Audit is of the view that due to weak negligence on part of management, costly medical equipment was not got repaired within the warranty period.

Non-repair of costly medical equipment within warranty period resulted in loss to DHA amounting to Rs 7.700 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends early rectification of technical fault from the original supplier and making functional of costly medical equipment.

[AIR Para: 16]

**9.2.5.3.7 Non-auction/disposal of dismantled material – Rs 2.021 million**

According to Rule 15.18 of the Punjab Financial Rules Volume-I, a periodical inspection must be made by a responsible Government servant, who must submit a report of surplus, unserviceable and obsolete stores to the authority competent to issue orders for their disposal. Further, according to Para 9(c) of Punjab District Authorities (Budget Rules) 2017, collecting officer is responsible to ensure timely recovery against each demand.

Two DDOs working under the administrative control of Chief Executive Officer DHA Faisalabad did not auction unserviceable/condemned material valuing Rs 2.021 million. No efforts were made by the Chief Executive Officer, DHA Faisalabad for disposal of the same to save them from further deterioration. The details are given below:

(Rupees in million)

Sr. No.	Name of Formation	Remarks	Value
1	THQ Hospital Samundri	Condemned Material	1.271
2	DHO (PS) Faisalabad	Condemned vehicle	0.400
		Condemned Bikes/bicycles	0.325
		Old compressors	0.025
<b>Total</b>			<b>2.021</b>

Audit is of the view that due to negligence and weak management, dismantled/unserviceable material was not auctioned.

Non-auction of dismantled/unserviceable material resulted in loss to the Government amounting to Rs 2.021 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to auction the dismantled/unserviceable material at the earliest and deposit auctioned amount in Health Authority Account-VI.

**9.2.5.3.8 Non-replacement of substandard medicines – Rs 1.271 million**

According to Special Conditions of the Contract & Technical Specifications of Standard Bidding Document in case of adverse/failure report the supplier is bound to re-supply the entire fresh stock of that batch free of cost. Furthermore, according to Rule 5(2) (m) of the Punjab District Authorities (Budget) Rules, 2017, the head of office and institution shall be responsible for guarding against waste and loss of public money.

Chief Executive Officer DHA Faisalabad issued various supply orders for purchase of medicine during the financial year, 2018-19. However, sample of two medicine/item costing Rs 1.271 million was declared failed/substandard but the same was not got replaced. The details are given below:

(Amount in Rupees)

Sr. No.	Contractor's Name	Name of Item	Order No./Date	Rate	Quantity	Amount	DTL Status
1	Danas Pharma Pvt. Ltd	Inj. Dexamethasone	478/ 01.03.2019	7.89	61,800	0.488	Failed
1	Danas Pharma Pvt. Ltd	Inj. Dexamethasone	611/ 02.03.2019	7.89	23,000	0.181	Failed
2	Surgical Fiber Multan	Absorbent Cotton wool 500gm	956/ 30.04.2019	172	3,500	0.602	Failed
<b>Total</b>						<b>1,271,072</b>	

Audit is of the view that due to weak internal controls, prompt action was not taken by the authorities for replacement of medicines and to safeguard the public resources.

Non-placement substandard medicines well in time resulted in non-provision of medicine amounting to Rs 1.271 million to the deserving patients.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends replacement of substandard medicines and imposing penalty on suppliers besides fixing responsibility on the person(s) at fault.

[AIR Para: 16]

**9.2.5.3.9 Loss to Government due to non-auction of parking stand – Rs 1.035 million**

According to Rule 130(3) of the PLG (Amended) Act, 2017, a Local Government may grant lease of its immovable property through competitive bidding by public auction in the prescribed manner.

Audit observed that Medical Superintendent Government General Hospital Samnabad auctioned parking stand for Rs 0.480 million & Rs 0.532 million during 2014-15 & 2015-16 respectively. However, parking stand was not auctioned for the period 2016-19. It is pertinent to mention that Faisalabad Parking Company Limited was operating the parking stand without authority/formal agreement.

Audit is of the view that due to lack of vigilance, parking stand was neither auctioned nor its share was recovered from FPCL.

Non-auction of parking stand/non-execution of agreement/non-recovery from FPCL resulted in loss to the public exchequer.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility and recovery from those held responsible for inflicting loss to the DHA.

[AIR Para: 29]

**9.2.5.3.10 Non-imposition of penalty – Rs 1 million**

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

Medical Superintendent Tehsil Headquarters Hospital Jaranwala awarded two works costing Rs 9.996 million to the different contractors in months of June and July, 2018 with the completion period of two months. However, the contractors failed to complete the works within stipulated time period. The Medical Superintendent did not impose penalty amounting to Rs 1 million due to non-completion of works. The details are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Award Letter No.</b>	<b>Date of Award</b>	<b>Date of Completion</b>	<b>Actual Completion Date</b>	<b>Work Order Amount</b>	<b>Amount of Penalty</b>
1	5-8/THQ/JRW	25.06.2018	25.08.2018	Not completed	4.997	0.500
2	5-8/THQ/JRW	21.07.2018	21.09.2018	Upto 30.09.2019	4.999	0.500
<b>Total</b>					<b>9.996</b>	<b>1.00</b>

Audit is of the view that due to weak internal controls and lack of vigilance, penalty was not imposed for non-completion of work.

Non-imposition of penalty amounting to Rs 1 million resulted in loss to the Government besides undue benefit to the contractor.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault and recovery of penalty amounting to Rs 1 million.

[AIR Para: 6]

#### **9.2.5.4 Others**

##### **9.2.5.4.1 Irregular retention of Government funds – Rs 1.299 million**

According to Rule 2.10(b) (5) of the Punjab Financial Rules Volume-I, no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

Bank statement of DDO Account No.4007631732 maintained at National Bank of Pakistan, Jaranwala by the Medical Superintendent, THQ Hospital Jaranwala depicted closing balance of Rs 1.299 million as on 30.06.2019, which indicated that funds were drawn from the Government treasury without immediate disbursement.

Audit is of the view that due to poor financial management, funds were withdrawn from treasury without need / immediate requirement.

Withdrawal of funds without need / immediate disbursement resulted in undue retention of Government funds amounting to Rs 1.299 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault.

[AIR Para: 7]



## 10. District Health Authority (DHA) Jhang

### Chapter 1

#### Public Financial Management Issues

Regional Directorate Audit Faisalabad conducts Financial Attest Audit of District Accounts Office Jhang on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis of District Health Authority Jhang

##### Introduction:

District Health Authority (DHA), Jhang was established w.e.f. 01.01.2017 under Punjab Local Government Ordinance, 2013. The main functions of the authority are to establish, manage and supervise primary and secondary health care facilities / institutions, approve the budget of the Authority and allocate funds to health institutions. CEO Health is the Principal Accounting Officer (PAO) of the authority. The authority oversees and manages the following health facilities and offices.

##### Sectoral Analysis:

##### a) Analysis of Human Resource

DHA Jhang is facing acute shortage of doctors and paramedics. Against 613 sanctioned posts of doctors/specialists only 454 posts are presently filled while 159 posts are vacant which is more than 25% of total sanctioned posts. While authority is also facing shortage of paramedics and other staff as detailed below:

(Figures in Nos.)

Sr. No.	Name of Post	Sanctioned	Filled	Vacant
1	Posts Doctors/ Specialist	613	454	159
2	Technical Staff	1,327	1,231	96
3	Other Staff	1,304	1,124	180
<b>Total</b>		<b>3,244</b>	<b>2,809</b>	<b>435</b>

(Source: Data received from CEO, DHA Jhang)

Audit is of the view that without ensuring the availability of doctors/specialists and paramedics the targets of effective service delivery cannot be

ensured. Human resource issue needs immediate attention of policy makers to make DHA an effective health service provider for better health care in the district.

### b) Analysis of Targets and Achievements

Sectoral analysis of DHA Jhang was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit) being part of CM Roadmap Programme 2014. The objectives of roadmap were to improve health facilities at each health unit, better environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

#### Status regarding indicators and their achievements

(Figures in Nos.)

Sr. No.	Indicator	Target 2018-19	Achievement	%age	Remarks
1	Outdoor Patients	3,811,237	3,798,060	99.65%	Not achieved
2	Indoor Patients	86,177	91,384	106.042%	Achieved
3	Surgical cases	15,972	12,466	78.04%	Not achieved
4	Cardiac Coronary Units	33,025	19,123	57.90%	Not achieved
5	Diagnostics services (Laboratory, Radiology)	500,795	459,167	91.69%	Not achieved
6	Family Planning Services at SHC	264,286	282,872	106.81%	Achieved
7	Peads	819,396	771,786	94.19%	Not achieved
8	Surgery	75,493	73,718	97.65%	Not achieved
9	T.B. Chest Treatment	1239	1118	90.23%	Not achieved
10	Free Medicine to patients	100	100	100%	Target achieved
11	EPI Vaccination	100	100	100%	Target achieved
12	All types of deliveries	32,495	32,094	98.77%	Not Achieved

(Source: Data received from CEO, DHA Jhang)

### c) Service Delivery Issues

In view of the above target achievement table, it could be noticed that District Health Authority Jhang failed to deliver the services in the area of outdoor patients' service, surgeries, T.B. Chest treatment, deliveries, cardiac coronary units, diagnostics services (Laboratory, Radiology) and peads as intended in the indicators during 2018-19.

**d) Serious Financial Irregularities and Findings**

The compliance with authority audit has shown that overall financial management of DHA Jhang was poor and serious lapses were observed which have highlighted the need for improving the internal controls and financial discipline. Some key issues are given below:

- i. Non-Production of record worth Rs 4.163 million was reported in one case.<sup>10</sup>
- ii. Fraud and Misappropriations involving an amount of Rs 83.959 million were reported in two cases.<sup>11</sup>
- iii. Irregularities amounting to Rs 350.981 million were noticed in 22 cases.<sup>12</sup>
- iv. Value for Money and Service Delivery Issues involving Rs 38.301 million were noticed in five cases.<sup>13</sup>
- v. Others issues involving an amount of Rs 131.134 million were noticed in 13 cases.<sup>14</sup>

Audit paras involving procedural violations including internal control weaknesses and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum of Departmental Accounts Committee (MFDAC) Annexure-A.

**e) Financial Attest Audit Findings**

Further, following findings regarding financial management issues were also conveyed to the PAO during Financial Attest Audit of DHA Faisalabad of the financial year 2018-19.

- i. Unauthorized credit of provincial receipt as district Health Authority Receipts – Rs 1.359 million
- ii. Non-of miscellaneous receipts – Rs 13.972 million

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<sup>10</sup> Para No. 10.2.5.1.1

<sup>11</sup> Para No. 10.2.5.2.1 to 10.2.5.2.2

<sup>12</sup> Para 10.2.5.3.1 to 10.2.5.3.23

<sup>13</sup> Para 10.2.5.4.1 to 10.2.5.4.5

<sup>14</sup> Para 10.2.5.5.1 to 10.2.5.5.12

- iii. Discrepancies/difference in financial statement/ appropriation account – Rs 52.645 million
- iv. Unknown whereabouts of public account fund – Rs 9.112 million
- v. Incorrect reporting of previous year’s figures in finance account – Rs 434.991 million
- vi. Non-reporting of fixed assets – Rs 7.522 million
- vii. Un-cleared balances in wages clearing account – Rs 85.155 million
- viii. Difference in closing Cash balance between NBP and SAP Data – Rs 0.461 million
- ix. Inadmissible payment of Conveyance Allowance – Rs 30.228 million

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, these issues have been reported in Audit Certificate/ Report of DHA, Jhang as emphasis of matter.

**f) Expectation Analysis and Remedial Measures**  
**District Health Authority Jhang**

CEO (DHA) failed to fully utilize the budget for the year 2018-19, and various funds of medicine and development remained un-utilized due to inefficiency of the management. It is also concluded that DHA failed to achieve the targeted indicators during 2018-19 set for the purpose of effective service delivery. Maternal Newborn and Child Health remained the weakest area in service delivery as target numbers of normal deliveries at BHU and RHC level were not achieved. The focus of DHA was on provision of trauma and outdoor patients’ services and no planning was carried out in public health. The shortage of manpower was also not catered effectively despite overburdening of facilities in terms of patient turnover. The procurement of medicines through MSD rate contracts was not done in timely manner and hospitals purchased medicines through LP at higher rates which caused loss to the Health Authority.

The management of the DHA should take following measures to achieve the targets:

- a. The District Health Authority should be immediately constituted so that an effective management of authority could be ensured.
- b. The DHA should exploit all possible revenue sources to generate funds for itself.
- c. There is a need to shift focus towards prevention, hygiene and public health issues and for that an effective and inclusive planning mechanism should be in place.
- d. Shortfall of Human Resource should be immediately filled to provide better service delivery to public.
- e. Medical, surgical, diagnostic equipment should be provided to the hospitals as per their requirement.

### **Conclusion:**

In view of the above analysis, it is concluded that DHA failed to achieve its planned targets due to shortage of doctors, paramedical staff and other supporting staff which hampers its ability to function effectively. There was lapse in both non-development and development budget which showed that the authority failed to spend in development schemes, up-gradation of existing facilities etc. as it did not up-grade any health facility during the financial year 2018-19. The performance of DHA was satisfactory in compliance of rules and regulations regarding expenditure and irregularities amounting to Rs 611.894 million were pointed out during audit of 2018-19.

### **10.1.1 Audit Paras**

#### **10.1.1.1 Unauthorized credit of Provincial Government Receipts as District Health Authority Receipts – Rs 1.359 million**

#### **Risk Categorization: High**

#### **Criteria**

According to Section 3.3.7.7 of Manual of Accounting Principle (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

**Observations**

District Accounts Officer, Jhang collected Punjab Sales Tax on Services amounting to Rs 1.359 million on behalf of Provincial Government under the head B02385 during 2018-19. Contrary to the above mentioned Section of the MAP, tax collected was booked under receipt head of District Health Authority, Jhang.

**Implications:**

Showing of Provincial Government receipts as District Health Authority, Jhang receipts resulted in wrong preparation of accounts and misleading figures in District Health Authority receipts.

**Recommendations:**

Audit recommends justification for wrong booking of Provincial Receipts in violation of above mentioned rule.

**Management Response:**

It is submitted that amount will be transferred in Provincial Govt.-I in the month of Oct/2019.

**Further Audit Comments:**

Audit stressed to resolve the issue and provide the evidence of transfer of receipts to concerned Government.

**DAC Decision:**

DAC directed to transfer the balances to concerned departments / Governments.

**10.1.1.2 Non transfer of miscellaneous receipts – Rs 13.972 million****Criteria**

According to Section 3.3.7.7 of Manual of Accounting Principle (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

**Observations**

District Accounts Officer, Jhang collected different receipts on behalf of the Federal and Provincial Governments against following GL Accounts during 2018-19 from claims of District Health Authority, Jhang. Scrutiny of the record revealed that the same were not transferred to the concerned Governments amounting to Rs 13.972 million, as detail given below:

(Amount in Rupees)

GL Account	General Ledger Accounts Description	Opening Balance 01.07.18	Receipts	Payments	Closing Balance 30.06.2019
G06103	General provident fund (civil)	5,277,418	59,083,040	58,898,506	5,461,952
G06215	District Government Employees Benevolent Fund	2,253,532	22,125,551	22,319,893	2,059,190
G06411	District Government Employees Insurance Fund	294,457	4,489,438	3,208,928	1,574,967
G11278	Contribution to GSHF from its member	306,500	3,505,607	3,540,607	271,500
G12713	Income tax deduction from salaries	1,325,092	8,567,297	8,970,994	921,395
G12714	Income Tax Deduction from Contractors/ Suppliers	441,113	9,780,477	6,825,699	3,395,891
G12777	Sales Tax Deductions at Source under Sales Tax	59,501	1,055,737	828,128	287,110
<b>Total</b>		<b>9,957,613</b>	<b>108,607,147</b>	<b>104,592,755</b>	<b>13,972,005</b>

(Reference: Page No.9 of Finance Accounts)

**Implications:**

Unnecessary retention of Federal and Provincial Government receipts in violation of above mentioned rule needed justification.

**Recommendations:**

Audit recommends justification besides transfer of these balances in proper/relevant authorities.

**Management Response:**

It is submitted that amount will be transferred in Provincial Government-I in the month of October 2019.

**Further Audit Comments:**

Audit stressed that the matter may be expedited.

**DAC Decision:**

DAC directed to transfer the balances to concerned departments / Governments and settled the para subject to verification of record.

**10.1.1.3 Discrepancies in Financial Statement / Appropriation Account –  
Rs 52.645 million**

**Risk Categorization: High****Criteria**

According to Section 7.1.1.2 of the APPM, Centralized Accounting Entities are required to produce (through DAO/AG/AGPR) their financial reports in accordance with the procedure set out and the format specified in the FRM.

**Observations**

Scrutiny of Financial Statement and Appropriation Account of District Health Authority, Jhang revealed following discrepancies:

**Appropriation Accounts:**

- Abstract of Grand Summary of Appropriation Account by Grant Wise Final Grant figure did not match with revised Schedule of Authorized Expenditure as detail below.

(Amount in Rupees)

	Revised Schedule of Authorized Expenditure	Grand Summary of Appropriation Accounts	Difference
Non Development	3,221,979,219	3,169,334,095	52,645,124
Development	76,951,540	76,951,540	0
<b>Grand Total</b>	<b>3,298,930,759</b>	<b>3,246,285,635</b>	<b>52,645,124</b>

**Financial Statement:**

- Page No.04 – Head wise Original and Revised Budget amounts for the financial year 2018-19 and 2017-18 are blank.



**Implications**

Incorrect reporting needs to be justified.

**Recommendations:**

Audit recommends to make necessary correction in Finance Account.

**Management Response:**

It is submitted that the amount Rs 52,645,124/- is surrendered portion of budget, that was released by Deputy Director Health Authority, Jhang.

**Further Audit Comments:**

Audit desired to reconcile the approved figures in summary of Budget appeared in Appropriation Accounts of DHA, Jhang.

**DAC Decision:**

DAC directed to settle the para subject to verification of record.

**10.1.1.4 Unknown where about of Public Account Fund – Rs 9.112 million****Risk Categorization: High****Criteria**

According to Note 14.1 of Financial Statements for the year 2017-18, the Public account consist of those money received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of Government, unless provided by legislation. The balance in the public account are carried forwarded at year end, to be used for the specific purpose for which they are established.

**Observations**

During Certification of accounts of District Health Authority, Jhang it was observed Closing balance of Public Account was 198.407 million as on 30.06.2019 while cash balance was only 189.295 million as on 30.06.2019 and whereabouts of difference of Rs 9.112 million was not explained in Financial Statements of the Authority.

**Implications:**

Difference of closing balance of cash and public account balance revealed that fund of Public Account was used for which they were not authorized according to above referred criteria.

**Recommendations:**

Audit recommends to justify difference of closing balance of cash and public account.

**Management Response:**

The reply will be submitted after consultation with high ups.

**Further Audit Comments:**

Audit stressed that the matter may be expedited.

**DAC Decision:**

DAC directed to inquire the matter and report progress to Audit at the earliest. Para kept pending.

**10.1.1.5 Non-reporting of Fixed Assets – Rs 7.522 million****Risk Categorization: High****Criteria**

According to Section 13.4.1.1 of the APPM, the categories of assets shall include land & building, civil works, plant & machinery, vehicles, furniture & fixtures, office equipment and computer equipment. Further according to Section 13.4.5.2 of the ibid, all DAOs shall prepare a fixed asset report from the fixed asset account on quarterly basis. Furthermore, according to Section 13.4.5.4 of ibid, the AG shall consolidate the above information for including to the annual accounts.

**Observations**

District Accounts Officer, Jhang made payments amounting to Rs 7.522 million for procurement of assets by the District Health Authority, Jhang during 2018-19. Contrary to the above referred Section of APPM, the expenditure was not included in statement of Capital Expenditure and asset side of Balance Sheet.  
**(Annexure-A)**

**Implications:**

Non-reporting of Fixed Assets resulted in violation of above mentioned rule of APPM.

**Recommendations:**

Audit recommends justification besides reporting of Fixed Assets in Balance Sheet.

**Management Response:**

With reference to preface Financial Statement “Commitment, Asset and Liability Accounting Practices are not yet implemented and these Financial Statements have been prepared on Cash basis of accounting and do not include accrued receipts and liabilities”. Current Financial Statements have been prepared under NAM and the format of International Public Sector Accounting Standards (IPSAS) Cash Basis – Financial Reporting under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements. Moreover, in future, this office will maintain (Form B3) as per APPM Rules.

**Further Audit Comments:**

The reply is not tenable because fixed assets statement is mandatory requirement of APPM which required to be prepared on prescribed format.

**DAC Decision:**

DAC directed to provide details of fixed assets for incorporation in subsidiary accounts / Balance Sheet in future. Para kept pending.

**10.1.1.6 Un-cleared balances in Wages Clearing Account – Rs 85.155 million****Risk Categorization: High****Criteria**

According to Accountant General Punjab, letter No.A/C-1/G05105/HM-/1070 dated 02.10.2018, wages clearing account must be Nil on monthly basis. Any difference in it means incomplete/incorrect processing of payrolls by an Account Office.

**Observations**

During Certification of accounts of District Health Authority, Jhang it was observed that Wages Clearing Account (G-05105) balance was Rs 85.155 million as on

30.06.2019. While Wages Clearing Account must be Nil on monthly basis. The difference of Rs 85.155 million was not explained.

(Amount in Rupees)

Sr. No.	Description	Opening Balance	Receipt during the year	Total	Payment made	Closing Balance
1	G05105-Wages Clearing Account	83,180,791	2,066,469,768	2,149,650,559	2,064,495,994	85,154,565

(Reference: Page No. 8 of Finance Accounts)

**Implications:**

Difference in Wage Clearing Account means incomplete / incorrect processing of payrolls and needed justification.

**Recommendations:**

Audit recommends justification for wages clearing difference in violation of above mentioned instructions.

**Management Response:**

It is submitted that there is no difference between payment and receipts of G05105 in financial year 2018-19. However, entries of previous years will be incorporated after the reconciliation of HR data and FI data.

**Further Audit Comments:**

The reply is not tenable because there is a difference of Rs 1.974 million during current financial year. Audit stressed to take up the matter with AG Punjab, Lahore and submit detailed report.

**DAC Decision:**

DAC directed to reconcile the matter within one week under intimation to Audit. Para kept pending.

**10.1.1.7 Difference in closing cash balance between NBP and SAP Data –  
Rs 0.461 million**

**Risk Categorization: High**

**Criteria**

According to provisions 6.3.4.1, 4.2 and 4.3 of Accounting Policy and Procedure Manual, a monthly reconciliation of bank accounts is a necessary part of financial management and is also an effective measure for detecting and deterring fraud and irregularities. Every DAO shall prepare a monthly reconciliation statement for expenditures and receipts, as set out in direction. The respective Accountant General shall prepare a consolidated monthly reconciliation statement for each government bank account, as set out in direction as per 6.3.5.2 of APPM.

**Observations**

During the Financial Attest Audit on the accounts of District Health Authority, Jhang for the Financial Year 2018-19, it was observed that actual closing cash balance as per NBP Jhang as on 31.05.2019 was Rs 407.023 million whereas closing cash balance reflected in SAP data as on 31.05.2019 was Rs (93.766) million. Whereas, actual closing cash balance as per NBP Jhang as on 30.06.2019 was Rs 189.757 million. Resultantly, there was a difference of Rs 0.461 million between Bank Reconciliation Statement and Finance Account which could not be reconciled at closing of the financial year.

(Amount in Rupees)

	Month	Opening Balance	Receipt	Total (O.B+Receipt)	Payment	Closing Balance
As per SAP Data	May-19	402,713,040	(250,394,238)	152,318,802	246,084,526	(93,765,724)
	Jun-19	(93,765,724)	686,207,956	592,442,232	403,147,008	189,295,224
As per Bank Reconciliation Statement	May-19	402,713,040	250,394,238	653,107,278	246,084,526	407,022,752
	Jun-19	407,022,752	185,880,816	592,903,568	403,147,008	189,756,560
<b>Difference in June</b>						<b>461,336</b>

**Implications**

The difference in Bank balance may result into non clearance of liabilities of the District Health Authority, Jhang or no-reconciliation of cash balance with NBP on monthly basis by the DAO.

**Recommendations:**

Matter regarding differences in closing figure of cash at bank and non-reconciliation of bank balance may be justified under report to Audit.

**Management Response:**

It is submitted that entry was wrongly punched but correction was made in June/2019. However, difference of Rs 461,336 belongs to financial year 2017-18. Entry was made in current financial year in June/2019 after rectification of difference. There is no difference in progressive total.

**Further Audit Comments:**

Reply is not tenable because there is a difference of cash balance amounting to Rs 0.461 million between NBP, SAP Data and Finance Accounts which needs justification.

**DAC Decision:**

DAC directed to reconcile the balances within one week. Para kept pending.

**10.1.1.8 Difference in budget figures of Schedule of Authorized Expenditure and Appropriation Accounts – Rs 52.638 million**

According to Provisions 2.1.6.3, 2.1.6.4 and 4.3.1 of Financial Reporting Manual, the budget figures will be the aggregate budget at the disposal of the Division/Department i.e. total of all grants available to DDO's within that District or Division/Department.

Audit observed a difference of Rs 52.645 million between revised budget estimates reflected in Appropriation Accounts of District Health Authority Jhang and Revised Schedule of Authorized Expenditure signed by the Deputy Commissioner for the financial year 2018-19. Resultantly Books of Accounts DHA Jhang did not reflect its true and fair view. The details are as under:

(Rupees in million)

Data of revised Schedule of Authorized Expenditure			Appropriation Account	Difference
Original Grant	Supplementary Grants	Total		
3143.984	102.309	3246.293	3298.931	52.638

Audit is of the view that due to weak financial controls, difference of budgeted figures was arisen between revised schedule of authorized expenditure and data reflected in Appropriation Account of DHA Jhang.

Difference of budget figures amounting to Rs 52.645 million resulted in non-depiction of true and fair of Books of Accounts of DHA Jhang.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter to find the reasons for difference besides rectification of Books of Accounts.

[AIR Para: 9]

## **Chapter 2**

### **DHA Jhang**

#### **10.2.1 Introduction**

District Health Authority Jhang was established on 01.01.2017 under Punjab Local Government Act (PLGA), 2013. DHA, Jhang 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 Health Authority Jhang as described in the Punjab Local Government Act, 2013 are as under:

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygienic and public health as prescribed by the Punjab Health Care Commission.

DHA Jhang manages following primary and secondary health care facilities and institutes:



Description	No. of Health Facilities / Institute	No. of DDOs
Basic Health Units (BHUs)*	59	0
Rural Dispensaries*	28	0
MCH Centers*	02	0
TB Clinic	01	1
Rural Health Centers	10	10
Tehsil Head Quarter Hospitals	04	4
District Head Quarter Hospital	01	1
Nursing School	01	1
Chief Executive Officer	01	1
District Health Officers (DHO PS + DHO HRMIS)	02	3
District Coordinator IRMNCH	01	1
Programme Director DHDC	01	1
Deputy District Health Officer	04	4
<b>Total</b>	<b>109</b>	<b>27</b>

\*District Health Officer (PS) also acts as DDO of BHUs, Rural Dispensaries and MCH Centres

The following table shows detail of total & audited formations of DHA Jhang:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2018-19	Revenue/ Receipts Audited FY 2018-19
1	Formations	27	08	737.497	5.282
2	Assignment Accounts (excluding FAP)	-	-	-	
3	Authorities/Autonomous Bodies etc. under the PAO	-	-		
4	Foreign Aided Projects (FAP)	01	01	199.452	

### 10.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to CEO DHA Jhang during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Lapse (-)	Lapse (%)
Non-Development (Salary + Non-Salary)	3169.334	2622.059	-547.274	17.27%
Development	76.952	72.859	-4.093	5.32%
<b>Total</b>	<b>3246.286</b>	<b>2694.918</b>	<b>-551.367</b>	<b>16.98%</b>

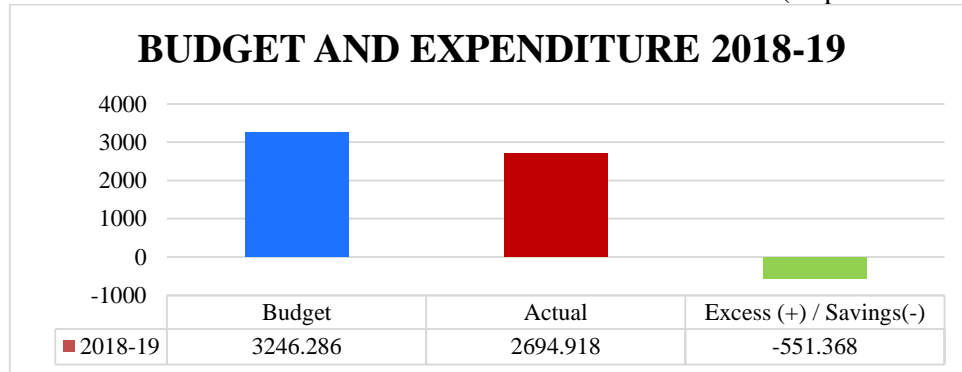
(Source: Appropriation Accounts 2018-19)

Analysis of budget and expenditure revealed that:

- An amount of Rs 325.939 million was provided for purchase of medicines against which only Rs 201.214 million were utilized resulting in lapse of Rs 124.725 million (38%).
- An amount of Rs 1.848 million was provided for purchase of furniture and fixture against which an amount of Rs 0.449 million was utilized resulting in lapse of Rs 1.399 million (75%)
- An amount of Rs 76.951 million was allocated for development schemes out of which only Rs 72.859 million was spent whereas remaining Rs 4.093 million were lapsed.
- The budget of DHA Jhang was approved by the Administrator in violation of PLGA, 2013 as District Health Authority was not constituted during 2018-19.

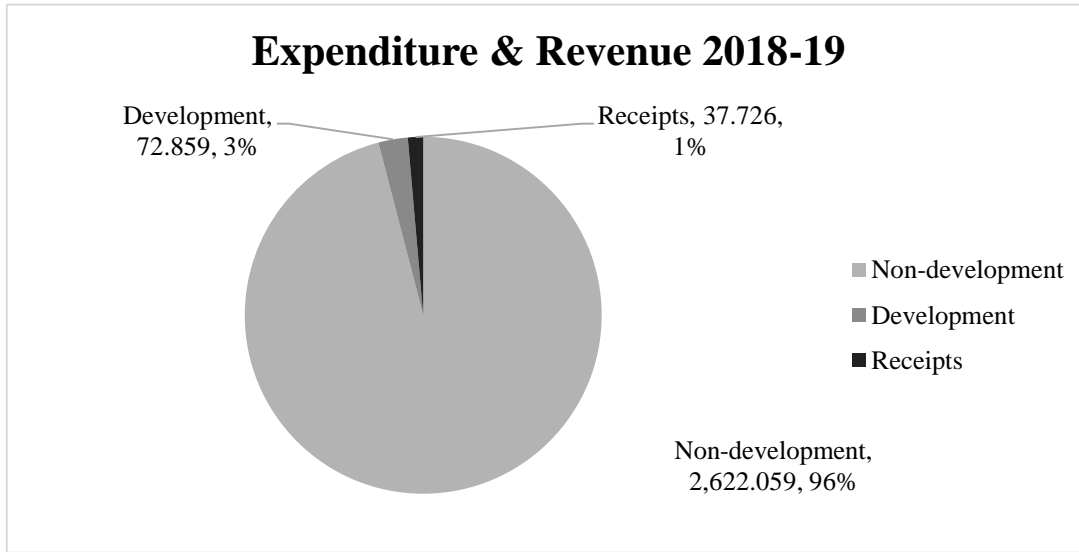
Graphical presentation of budget & expenditure is given below:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



### 10.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 608.538 million were raised as a result of this audit. This amount also includes recoverable of Rs 73.495 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	4.163
2	Reported cases of fraud	83.959
<b>3</b>	<b>Irregularities</b>	-
3A	HR/Employees related irregularities	127.561
3B	Procurement related irregularities	223.420
3C	Values for money	38.301
4	Others	131.134
	<b>Total</b>	<b>608.538</b>

#### **10.2.4 Comments on the Status of Compliance with PAC directives**

The Audit Reports pertaining to following year were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee so far.

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2017-18	17	PAC not constituted
2	2018-19	52	PAC not constituted

## **10.2.5 Audit Paras**

### **10.2.5.1 Non-Production of Record**

#### **10.2.5.1.1 Non-production of record – Rs 4.163 million**

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, "The Auditor General shall, in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts".

Audit observed that Medical Superintendent THQ Hospital, A.P Sial withdrew funds amounting to Rs 4.163 million from Government treasury during 2018-19 under different object codes i.e. Cost of other stores, Electricity, Hardware, POL for generator, Postage and telegraph, Printing and publication, Purchase of drug and medicines, Stationery, Travelling allowance, Purchase of plant and machinery etc. Contrary to the above provisions, requisite record i.e. payment vouchers, bills of suppliers, sanction of authority, competitive market rates etc. was not produced despite repeated requests for audit scrutiny. In the absence of record, authenticity of expenditure could not be ascertained.

Due to weak internal controls and willful evasion from audit, record was not produced for audit verification.

Non production of record created doubts regarding legitimacy of expenditure incurred amounting Rs 4.163 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides production of record to Audit for verification.

[AIR Para: 3]

## **10.2.5.2 Fraud and Misappropriations**

### **10.2.5.2.1 Incurrence of expenditure by adopting fraudulent procurement process – Rs 82.820 million**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules, 2017, the Drawing and Disbursing Officer (DDO) and payee of the pay, allowances, contingent expenditure or any other expenses shall be personally responsible for overpayment, fraud or misappropriation and shall be liable to make good that loss. Further, according to Rule 4 of the 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. Furthermore, according to Rule 2(p) of the Rules *ibid*, corrupt and fraudulent practice means misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agency of the benefits of free and open competition.

During 2018-19, District Health Authority, Jhang showed incurrence of expenditure amounting to Rs 82.820 million through different DDOs for procurement of laboratory items, X-rays material, dental material, stationery, printing, bedding clothing items, machinery, equipment, furniture / fixture, LP medicine etc. However, fraudulent procurement process was adopted by using fake invoices, demands, quotations, requests for quotations, comparative statements with the connivance of procurement authorities. Furthermore, actual existence of competitors was doubtful / not verifiable because neither their proper addresses nor contact numbers & registration with FBR were mentioned on letterheads used for quotations which also reflected that the names of such so-called bidders were used to prepare fake quotations. **(Annexure-E/JHG)**

Audit is of the view that due to delinquency and connivance of the purchase cell / personnel, procurements were made through fake invoices / competition.

Procurements through fake invoices / competition resulted in fraudulent procurement amounting to Rs 82.820 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this Report.

Audit recommends inquiry and strict disciplinary action against the person(s) at fault besides recovery of loss from the concerned.

[AIR Para: 19]

**10.2.5.2.2 Embezzlement of Government receipts and pilferage of public funds/resources – Rs 1.139 million**

According to Rule 4(1)(h) and Rule 68(1) of the Punjab District Authorities (Budget) Rules, 2017, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government / District Authority Fund and to record entries under proper receipt head. Further, according to Rule 2.33 of the Punjab Financial Rules, Volume-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.

Audit observed that staff of five health facilities/office of DHA Jhang embezzled the Government receipts amounting to Rs 0.270 million collected on account of Indoor Admission Fee & MLC Fee. Further, it was noticed that management withdrew funds from public exchequer amounting to Rs 0.614 million without incurrence of actual expenditure and it was also observed that consumable items costing Rs 0.259 million were embezzled during 2016-19. The details are given below:

(Rupees in million)				
Sr. No.	DDOs	Description of Receipt	Financial Years	Amount
1	Medical Superintendent THQ Hospital, Hospital 18-Hazari	Embezzlement of Indoor Admission Fee	2017-19	0.224
2	Medical Superintendent, THQ Hospital A.P. Sial	Embezzlement of MLC Fee	2018-19	0.046
3	Medical Superintendent THQ Hospital Shorkot	Pilferage of medicines	2018-19	0.094
		Pilferage of IV branulas		0.019
		Expenditure without actual supply of medicine		0.126
		Expenditure without actual supply of x-ray		0.044

Sr. No.	DDOs	Description of Receipt	Financial Years	Amount
		films		
4	District Officer Health (Preventive Services) Jhang	withdrawal of funds without actual expenditure	2018-19	0.430
		Misuse of disposable syringes		0.103
		Payment excess than the suppliers claims		0.014
5	SMO, RHC Garh Maharaja	Mis-utilization of medicine by recording lesser quantities in stock register and fake consumption	2016-19	0.039
<b>Total</b>				<b>1.139</b>

Audit is of the view that due to poor management, the Government receipts were embezzled and pilferage of other public resources was occurred.

Embezzlement of receipts and pilferage of public resources resulted in loss to public exchequer amounting to Rs 1.139 million.

The matter was reported to the DDO during July to October 2019.

No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for recovery of loss besides initiating strict disciplinary action against the person(s) at fault.

[AIR Paras: 14, 12,10, 14, 16, 13, 6, 16, 23, 2]



### **10.2.5.3 Irregularities**

#### **10.2.5.3.1 Unauthorized use of DDO powers for procurement of medicines – Rs 153.073 million**

According to Rule 2 (aa) (kk) of the Punjab District Authorities (Budget) Rules, 2017 Rule, Drawing and Disbursing Officer (DDO) means an officer designated as such by Principal Accounting Officer (PAO), who prepares estimates of expenditure and actually incurs expenditure and makes disbursement of amounts so withdrawn, in respect of a District Authority, office or institution under supervision and management of Authority. PAO means Chief Executive Officer (CEO) of a District Authority, responsible for completing business process from formulation to utilization to the prescribed manner and accountable to the Public Accounts Committee in respect of financial and budgetary matter of District Authority, offices and institution under the management of District Authority.

Audit observed that CEO DHA Jhang finalized MSD rate contracts for procumbent of medicines during 2018-19 and incurred expenditure amounting to Rs 157.073 million for procurement of drugs and medicines (75%) on behalf of DDOs which is a gross violation of schedule of authorized expenditure.

Audit is of the view that due to poor financial management, financial powers for the expenditure to be incurred by the DDOs of health facilities, were excised by the CEO.

Exercising the financial powers of DDOs of health facilities resulted in unauthorized expenditure of Rs 157.073 million by the CEO.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to inquire the matter at an appropriate level besides regularization of the matter from the Competent Authority.

[AIR Para: 18]

**10.2.5.3.2 Non-recovery of inadmissible Conveyance Allowance and House Rent Allowance – Rs 32.125 million**

According to Government of the Punjab, Finance Department letter No.FD.S.R.1.9-4/86 (PR)(P) dated 15.10.2011, employees residing in the residential colonies situated within work premises are not entitled for Conveyance Allowance. Further, according to Government of the Punjab, Finance Department letter No.FD(M-1)1-15/82-P-I dated 15.01.2000, House Rent Allowance is not permissible when facility of official accommodation is availed by the Government servant. Furthermore, according to Government of the Punjab, Finance Department letter No.FD.SRI9-4/66(P)(PR) dated 21.04.2014, the officers/officials who are availing facility of the Government vehicles including bikes (sanctioned/pool) are not entitled to the facility of Conveyance Allowance w.e.f. 01.03.2014.

Audit observed that 1,439 employees of DHA, Jhang withdrew House Rent Allowance and Conveyance Allowance amounting to Rs 31.946 million from different offices / health facilities during 2018-19 despite availing either the facility of official residences situated within work premises or official vehicles/motorbikes with POL. Furthermore, House Rent Charges amounting to Rs 0.179 million @ 5% were also not recovered. The details are as under:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Conveyance Allowance	HR Allowance	HR Charges	Total Amount
1	Chief Executive Officer, District Health Authority, Jhang	1348	30.228	0	0	30.228
2	Medical Superintendent, Tehsil Headquarters Hospital, Shorkot	11	0.091	0.219	0.030	0.340
3	District Health Officer (Preventive Services) Jhang	66	1.107	0	0	1.107
4	Senior Medical Officer Rural Health Center, Garh Maharaja	01	0	0.027	0	0.027
5	Senior Medical Officer Rural Health Center, Bagh	02	0	0.017	0	0.017
6	Medical Superintendent, Tehsil Headquarters	04	0.120	0	0.149	0.269

Sr. No.	DDOs	No. of Employees	Conveyance Allowance	HR Allowance	HR Charges	Total Amount
	Hospital, AP Sial					
7	Medical Superintendent, District Headquarters Hospital, Jhang	03	0	0.107	0	0.107
8	Medical Superintendent, Tehsil Headquarters Hospital, 18-Hazari	04	0	0.030	0	0.030
	<b>Total</b>	<b>1439</b>	<b>31.546</b>	<b>0.400</b>	<b>0.179</b>	<b>32.125</b>

Audit is of the view that due to poor financial management, payment of pay and allowances was made without deduction of inadmissible allowances, non-deduction / recovery of House Rent Charges.

Payment of pay and allowance without deduction of inadmissible allowances and non-deduction / recovery of House Rent Charges resulted in excess payment of Rs 32.125 million to the employees.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery from the employees concerned at the earliest.

[AIR Paras: 3, 9, 2, 4, 14, 14, 28, 16, 12]

#### **10.2.5.3.3 Unauthorized payments through adjustments – Rs 30.468 million**

According to Rule 2.20 of the Punjab Financial Rules, Volume-I, as a general rule every payment, including repayment of money previously lodged with Government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. As far as possible, the particular form of voucher applicable to the case should be used.

Audit observed that four DDOs of District Health Authority Jhang made payment of Rs 30.468 million to different employees through adjustments in pay and allowances during 2018-19 without maintaining ancillary record i.e. change statements duly notified to DAO, Jhang and arrear bills of the employees. The details are as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>Amount</b>
1	District Health Officer (Preventive Services) Jhang	19.029
2	Medical Superintendent, Tehsil Headquarters Hospital, AP Sial	4.448
3	Medical Superintendent, THQ Hospital, Shorkot	5.848
4	Senior Medical Officer, Rural Health Center, Garh Maharaja	1.143
<b>Total</b>		<b>30.468</b>

Audit is of the view that due to poor financial management, payment against pay and allowances was made through adjustments / without maintaining supporting record.

Payment of pay and allowances through adjustment / without maintaining ancillary record resulted in unauthorized payment of Rs 30.468.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides provision of ancillary record for verification.

[AIR Paras: 15, 24, 34, 5]

#### **10.2.5.3.4 Inadmissible Payment of Conveyance Allowance – Rs 30.228 million**

According to Last Pay Certificate issued by the Additional Program Director (IRMNCH & NP) Punjab, Lahore. Conveyance Allowance was not admissible to Lady Health Workers (BS-05).

During financial attest audit DHA Jhang, scrutiny of SAP/HR data of District Health Authority, Jhang depicted that 1,348 Lady Health Workers working under IRMNCH Programme were being paid inadmissible Conveyance Allowance amounting to Rs 30.228 million. the detail is as under:

(Rupees in million)

<b>Designation</b>	<b>Wage Type</b>	<b>No. of Employees</b>	<b>Rate</b>	<b>Recoverable Amount</b>
Lady Health Workers	Conveyance Allowance	1348	1,932	30.228

Audit is of the view that due to weak financial controls. Inadmissible Conveyance Allowance was paid to the employees.

Payment of inadmissible Conveyance Allowance resulted in excess payment of Rs 30.228 million to the employees.

In DAC meeting held in October, 2019, it was replied that Conveyance Allowance had already been stopped w.e.f 01.08.2019 and recovery would be started through SAP/HR in monthly installments. Audit stressed for recovery at the earliest. DAC directed to recover the amount from the concerned. No progress was intimated to Audit till finalization of this Report.

Audit recommends to recover the excess paid amount of Rs 30.228 million from the employees concerned at the earliest.

**10.2.5.3.5 Unjustified payment of Conveyance/House Rent Allowance – Rs 19.780 million**

According to Government of the Punjab, Finance Department, (Monitoring Wing) Lahore letter No.FD.(M-I)1-15/82-P-I, dated 15.01.2000, all the field offices were required to maintain pool register containing information regarding availability of residential facility and proper entry regarding allotment, possession and recovered / recoverable amounts and in case of vacancy, proper certificate be given on the register. In case of unauthorized drawl, not only recipient defaulters but DDO will also be liable to be proceeded against under E&D Rules for recovery and action. Further, in case of designated residences, the officers/officials for whom residence is meant cannot draw House Rent Allowance and will have to pay 5% House Rent charges. Furthermore, according to Government of the Punjab, Finance Department letter No.FD.S.R.1.9-4/86(PR)(P) dated 15.10.2011, employees residing in the residential colonies situated within work premises are not entitled for Conveyance Allowance.

Audit observed that District Health Officer (PS) Jhang did not maintain / produce any record of residential facilities at office / each health facility and paid House Rent Allowance / Conveyance Allowance amounting to Rs 19.780 million during 2018-19 to employees working / posted in different Basic Health Units (BHUs) / Dispensaries despite the fact that designated residences were situated in these health facilities. However, no permanent record indicating allotments / availing of designated residences was being maintained due to which it was not possible to

ascertain the admissibility and inadmissibility of House Rent / Conveyance Allowance. The details of paid amount are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Allowance</b>	<b>Amount</b>
1	House Rent Allowance	8.666
2	Conveyance Allowance	11.114
<b>Total</b>		<b>19.780</b>

Audit also noticed withdrawal of House Rent Allowance and Conveyance Allowance by some employees despite residing in Government residences. However, due to non-maintenance of requisite record actual amount of recovery could not be ascertained which is required to be calculated by constituting departmental committee and by maintaining complete record.

Audit is of the view that due to negligence, payment of House Rent / Conveyance Allowance was made without maintaining record of residences.

Payment of House Rent / Conveyance Allowance amounting to Rs 19.780 million without maintaining requisite record of residences resulted in non-verification of admissibility / inadmissibility of the same.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to maintain the requisite record of residences and allotments besides ascertainment of admissibility / inadmissibility of allowances and recovery of the same if any.

[AIR Para: 25]

**10.2.5.3.6 Doubtful withdrawal of pay & allowances through off cycle module – Rs 17.229 million**

According to provision 4.6.5.5 of Accounting Policies and Procedures Manual, any change in employee's allowances and deductions shall be notified through the change statement to the DAO/AG/AGPR. Further, according to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

Audit observed that one hundred eighty employees of different categories working under administrative control CEO, DHA Jhang, withdrew pay and allowances amounting to Rs 17.229 million through off-cycle module of SAP/R3 instead of incorporating adjustment in automated payroll system of SAP/R3.

Audit is of the view that due to poor financial management, payment of pay & allowances was made through off cycle module.

Withdrawal of pay & allowances amounting to Rs 17.229 million through off cycle module lead to doubtful withdrawal of pay & allowances and overpayment to employees.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility besides recovery of overpayment.

[ Para:13]

#### **10.2.5.3.7 Loss due to procurements at excessive rates – Rs 14.598 million**

According to Rules 4 and 9 of the 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. A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year accordingly without any splitting or regrouping of the procurements. Further, according to Rule 2.33 of Punjab Financial Rules Volume-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 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.

Audit observed that Six DDOs of DHA Jhang made procurements of different items i.e. medicines, OPD Tickets, lubricants, washing of bedsheets, blankets, supply of power cable, provision & installation of SMD lights, installation of Lysthetic Silk curtains etc. from local market through different suppliers during

2018-19. However, the procurements were made at excessive rates as compared to actual prevailing market rates or the rates finalized in framework contract which resulted in loss of Rs 14.598 million. Details are given in **(Annexure-F/JHG)**.

Audit is of the view that due to lack of planning and negligence, procurements were made at excessive rates.

Procurements at excessive rates resulted in excess expenditure and subsequent loss of Rs 14.598 million to DHA.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides recovery of excess paid amount of Rs 14.598 million at the earliest.

[AIR Paras: 1, 2, 3, 13, 15, 3, 6, 11, 14, 4, 17b, 7, 12, 22, 4, 5, 1]

#### **10.2.5.3.8 Irregular expenditure on Local Purchase/Day to Day Purchase of medicine – Rs 12.818 million**

According to para 2(iv)(c) of Government of the Punjab, Primary & Secondary Healthcare Department letter No.PSHD-TCO-I(M)6-14/2017 dated 16.12.2017, purchase order may be emailed to the L.P. Supplier through L.P. portal. Contractor will submit invoice / bill with supply on daily basis. Further, according to Para 2(xviii) of letter ibid, local purchase will be initiated with the order of Consultants / Senior Medical Officer via prescription that will be maintained as record of Local Purchase (LP) and it will not be for more than 7 days for one patient. Further, payment for items out of formulary will be made after receiving report of DTL.

Audit observed that four DDOs of DHA Jhang incurred expenditure of Rs 12.818 million on account of day to day local purchase of medicines during 2016-19 in violation of prescribed instructions. Neither any prescription/ recommendation for individual patients was made by the authorized medical practitioners nor indent for each patient was forthcoming from record and procurements were made without mentioning reference of the patients for whom medicines were purchased. Medicines of routine/common use were procured from day to day budget instead of procuring the same in bulk through District Purchase Committee. Further, unauthentic



procurement was made through manual supply orders and invoices instead of generating the same through LP portal. Furthermore, payments were made without getting the medicine tested from Drug Testing Laboratory (DTL). The details are given below:

(Rupees in million)

Sr. No.	DDOs	Remarks	Amount
1	MS THQ Hospital, 18-Hazari	Procurements without mentioning reference of the patients; Routine medicine procured from Day to Day budget instead of procuring the same in bulk; LP without generating supply orders and invoices through LP portal; Payment without getting the quality of medicine tested from DTL: LP in THQ Hospital A.P. Sial on the demands of charge nurses / store keeper instead of pharmacist / authorized medical practitioners.	2.524
2	MS THQ Hospital, Shorkot		2.465
3	MS THQ Hospital, A.P. Sial	LP without mentioning reference of the patients, without non-availability certificate and without signatures of MS on indents; Procurements without generating supply orders and invoices through LP portal; Charts of patients were either not maintained or not-produced for verification.	4.697
4	MS DHQ Hospital, Jhang		0.205
5	SMO RHC, Bagh	LP without mentioning reference of the patients; Routine medicine procured from Day to Day budget instead of procuring the same in bulk; Payment without getting the quality of medicine tested from DTL: Procurements through quotations / by splitting to avoid tendering.	2.927
<b>Total</b>			<b>12.818</b>

Audit is of the view that due to negligence, local purchase of medicines for specific patients was made without consideration of SOPs.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Local purchase of medicines without consideration of SOPs resulted in irregular expenditure of Rs 12.818 million.

Audit recommends to probe the matter besides regularization of the same from the Competent Authority.

[AIR Paras: 20, 35, 31, 06, 08]

**10.2.5.3.9 Unnecessary purchase and shifting of medicine to other health facilities – Rs 12.453 million**

According to Rule 4 of Punjab Financial Rules Volume-I, stores, in many cases, represent a locking up of capital which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.

Audit observed that Medical Superintendent District Headquarters Hospital of DHA Jhang shifted various medicine to health facilities of other districts in Punjab valuing Rs 12.453 million during 2018-19. Record showed that medicines were purchased in excess than the requirement.

Audit is of the view that due to poor planning, excess medicine was purchased.

Excess procurement costing Rs 12.453 million resulted in inappropriate utilization of budget for purchase of medicine beyond the demand of hospital.

The matter was reported to the DDO during the month of October, 2019. It was replied that the medicine was supplied at central level and the medicine was delivered to other health facilities on their demand. Audit did not agree with the reply as the all medicine shifted to other health facilities was purchased and supplied to the DHQ from allocated budget of this hospital but due to inappropriate demand/supply the same was shifted to the other health facilities which needs proper investigation. No DAC meeting was held till the finalization of this report.

Audit recommends to investigate the matter at an appropriate level besides regularization of expenditure from competent authority.

[AIR Para: 26]

#### 10.2.5.3.10 Irregular hiring of contingent paid staff – Rs 9.833 million

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008 read with Para 3 of Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, appointment of work charge / daily wages employees was only to be made after proper advertisement of the posts in the leading newspapers and recruitment to all the posts was to be made on the basis of merit specified for regular establishment. Furthermore, according to Government of the Punjab, Primary & Secondary Healthcare Department Notification No. SO-(G-II)P&SHD/Misc./2017 dated 09.01.2017 read with Notification of even No. dated 19.12.2016, the Medical Superintendents of THQs of the Punjab were authorized to hire daily wages staff i.e. five Data Entry Operators and five Wheelchair & Stature Bearers from Health Council funds.

Audit observed that five DDOs of DHA Jhang made payment of Rs 9.833 million on account of salaries of contingent paid staff & work charged daily wage employees from regular budget and Health Council funds, as detailed below:

(Rupees in million)

Sr. No.	DDOs	Source of Funds	Amount
1	Medical Superintendent, District Headquarters Hospital, Jhang	Health Council	5.180
2	Medical Superintendent, Tehsil Headquarters Hospital, Shorkot		1.427
3	District Health Officer (Preventive Services) Jhang	Regular Budget	0.784
4	Medical Superintendent, Tehsil Headquarters Hospital, Ahmad Pur Sial	Health Council	1.283
5	Medical Superintendent, Tehsil Headquarters Hospital, 18-Hazari		1.159
<b>Total</b>			<b>9.833</b>

However, incurrence of expenditure was held irregular on the following grounds:

- 1 Recruitments were made without advertising the posts in newspapers.
- 2 No detail of total applications received and merit lists prepared before appointment was forthcoming from the record.
- 3 Recruitments were made without constituting recruitment / selection committee as no minutes of any such committee were available on record.

- 4 Findings of an inquiry conducted by the Additional Deputy Commissioner (Finance & Planning), Jhang, in case of DDO mentioned at Sr. No. 3 above, reflected that merely a simple notice was shown to be prepared for inviting applications retrospectively and that too without mentioning dates for receipt of applications / closing dates for submission of applications and without specifying recruitment criteria.
- 5 MS DHQ Hospital, Jhang made payment to 45 employees against the provision of 10 employees from the Health Council funds.

Audit is of the view that due to negligence and weak internal controls, recruitments of contingent paid & daily wage work charged staff were made without adopting prescribed procedure.

Recruitments in violation of prescribed procedure resulted in irregular expenditure amounting to Rs 9.833 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Paras: 8, 31,3,19, 8]

**10.2.5.3.11 Irregular expenditure without quotations/tenders – Rs 7.859 million**

According to Rules 9, 12(1) and 59(b) of the Punjab Procurement Rules, 2014, 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. Procurement of more than Rs 100,000 and up to the limit of Rs 2.000 million shall be advertised on the website of the Authority but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. 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 procedure.

Four DDOs of District Health Authority Jhang incurred expenditure of Rs 7.859 million for purchase of stationery, printing material, general store items, medical equipment, procurement of OPD tickets, stationery, dental X-rays, painting material and washing of bedding clothing items, installation kits for air conditioners, UPS, battery, stabilizers, LEDs conditioners etc. during 2017-19. Contrary to the above rules, expenditure was incurred by splitting the cost of procurements to keep the amount of each purchase below the financial limit of Rs 100,000 to avoid tendering and Rs 50,000 to avoid quotations. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Amount
1	Medical Superintendent, DHQ Hospital, Jhang	1.873
		0.537
2	District Health Officer (Preventive Services) Jhang	2.327
3	Medical Superintendent, THQ Hospital, Shorkot	1.114
		1.101
		0.581
4	Senior Medical Officer Rural Health Center, Garh Maharaja	0.326
<b>Total</b>		<b>7.859</b>

Audit is of the view that due to financial mis-management, non-competitive procurements were made by splitting the cost.

Non-competitive procurements resulted in resulted in mis-procurement and irregular expenditure of Rs 7.859 million.

The matter was reported to the PAO and DDOs concerned during December, 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 4, 14,18,17,29,32,6]

#### **10.2.5.3.12 Procurement through fake competition and managed quotations – Rs 7.792 million**

According to Rule 4 of the 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 observed that three DDOs of DHA Jhang made procurements of dental material, stationery, electrical items, machinery/equipment, furniture, general store items and printing material, energy savers, sanitation material etc. amounting to Rs 7.792 million from different suppliers / contractors during 2018-19. However, procurements were made by using managed quotations to keep the bid prices at artificial / non-competitive level with the connivance of hospital authorities because businesses of the suppliers/ contractors and so called competitors were being run actually by the same person. The details are as follows:

(Rupees in million)

Sr. No.	DDOs	Amount
1	Medical Superintendent, THQ Hospital, Shorkot	3.494
2	Medical Superintendent, THQ Hospital, 18-Hazari	1.571
3	District Health Officer (Preventive Services), Jhang	2.727
<b>Total</b>		<b>7.792</b>

Audit is of the view that due to negligence and connivance of procuring authorities, procurements were made through managed quotations.

Procurements through managed quotations resulted in fake competition and mis-procurement amounting to Rs 7.792 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter at appropriate level besides fixing responsibility on the person(s) at fault.

[AIR Paras: 18, 09, 11]

#### **10.2.5.3.13 Overpayment of pay and allowances – Rs 7.580 million**

According to Government of the Punjab, Health Department order No.SO(ND)2-26/2004(Vol-II) dated 03.01.2013, Health Risk Allowance @ Rs 1,500 per month was granted to Paramedics Staff (BS-01 to BS-04) working at MCH Centers, GRDs, BHUs, RHCs and T.B. Centers. Furthermore, according to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

Audit observed that seven DDOs of District Health Authority Jhang made excess payment of pay and allowances due to either non-fixation of pay after regularization of services of contract employees or non-stoppage of pay after resignation / transfer and payment of inadmissible allowances i.e. Health Risk Allowance, Integrated Allowance, Adhoc Allowance-2010, Social Security Benefit (SSB), Non-Practicing Allowance (NPA), Practice Compensatory Allowance (PCA), Health Sector Reforms Allowance (HSRA) etc. which resulted in overpayment of Rs 7.580 million to 158 employees during 2018-19. **(Annexure-G/JHG)**

Audit is of the view that due to negligence, payment of pay and allowances was made either on excessive rates or without admissibility.

Payment of excess / inadmissible pay and allowances resulted in overpayment payment of Rs 7.580 million to the employees and subsequent loss to the DHA.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of overpaid pay and allowances amounting to Rs 7.580 million from the concerned at the earliest.

[AIR Paras: 10, 14, 15,16, 1, 9, 15, 17, 28,9, 27, 22, 17, 18, 19, 16, 7, 8, 9, 17, 28, 39, 7, 5, 6]

#### **10.2.5.3.14 Unauthorized withdrawal of allowances during leave – Rs 5.961 million**

According to Rule 1.15(2) of the Punjab Travelling Allowance Rules, Conveyance Allowance will not be admissible during leave. Further, according to Government of the Punjab, Health Department letter No.SO(A-3-MCW)9-17/84-IV dated 12.02.1987, Mess and Uniform / Dress Allowance will not be admissible during leave. Furthermore, according to Government of the Punjab, Finance Department and Health Department clarifications issued vide letter No.SO X-H-I/6-91/2004-1 dated 14.07.2008, Health Sector Reforms Allowance (HSRA) will not be admissible to the officers/officials during leave period.

Audit observed that 358 employees working in different health facilities/offices of District Health Authority, Jhang withdrew an amount of Rs 5.961 million on account of various allowances i.e. Conveyance Allowance,

HSRA, Dress Allowance, Mess Allowance and Incentive Allowance without admissibility during leave period. **(Annexure-H/JHG)**

Audit is of the view that due to negligence on the part of DDOs concerned, inadmissible allowances were drawn by the employees during leave.

Withdrawal of inadmissible allowances during leave resulted in excess payment of Rs 5.961 million to the employees concerned.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of overpaid allowances amounting to Rs 5.961 million from the concerned at the earliest.

[AIR Paras: 5, 7, 12, 13, 16, 15, 8, 5, 8, 39]

**10.2.5.3.15 Award of contract without open competition – Rs 4.168 million**

According to Rule 4 of the 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. Furthermore, according to Rule 9 of the Rules *ibid*, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

Audit observed that Medical Superintendent, THQ Hospital, Shorkot awarded contract for execution of a civil work costing Rs 4.168 million under revamping program to a contractor before the date of opening of bids. As opening of bids was shown to be made on 26.06.2018 whereas the bid of successful bidder was accepted and Advance Acceptance letter was issued on 15.06.2018 i.e. 11 days before opening and evaluation of bids. Subsequently, the date of award was tempered as 16.07.2018 but scrutiny of Letters Dispatched Register also indicated that the work was awarded on 15.06.2018 vide letter No. 728. Further, the letter No. 855 shown to be issued for Advance Acceptance was actually issued to the Procurement Officer. Furthermore, a blank letter head of M/s Rana Muzaffar Abbas was found in the



hospital record which reflected that different documents on behalf of the contractor were being managed by the hospital authorities.

Audit is of the view that due to connivance of hospital management, work was awarded before opening of bids / tenders.

Award of work before opening of bids resulted in non-competitive procurements amounting to Rs 4.168 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 02]

**10.2.5.3.16 Unauthorized payment of salaries against fake attendance and doubtful appointment orders – Rs 3.515 million**

According to 2.31(a) of Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that detect any attempt of leakage of finance is likely to occur. Further, according to Rule 38(3, 4&5) of the Punjab District Authorities (Accounts) Rules, 2017, the DDO and Accounts Officer shall maintain establishment check register and payroll on system respectively. At the beginning of each year, the entries in the establishment check register showing sanctioned strength of establishment and remuneration for each post shall be scrutinized and verified by the DDO.

Audit observed that three DDOs of DHA Jhang paid salaries amounting to Rs 3.515 million to six employees during 2017-19. However, salaries were paid either by marking fake attendance in manual attendance registers or against the doubtful appointment orders. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Designation	No. of Employees	Amount	Remarks
1	Medical Superintendent, THQ Hospital, Shorkot	Medical Officers	03	2.514	Fake attendance was marked in attendance register for whole year. Whereas biometric attendance showed attendance

Sr. No.	DDOs	Designation	No. of Employees	Amount	Remarks
					for three to seven days in each month.
2	Senior Medical Officer, RHC, Bagh	Naib Qasid	01	0.267	As per appointment orders they were appointed against advertisement for the post, published in Daily "Express" dated 18.11.2016 and its corrigendum dated 25.11.2016. But scrutiny of the Newspapers depicted that no such advertisement and corrigendum were published in the newspapers.
3	Medical Superintendent, THQ Hospital, AP Sial	Sanitary Patrol	01	0.267	
		Dispenser	01	0.467	Withdrawal of salary without performing duty at the health facility
<b>Total</b>			<b>6</b>	<b>3.515</b>	

Audit is of the view that due to weak monitoring mechanism and negligence, salaries were paid against either fake attendance or doubtful appointment orders.

Payment of salaries against fake attendance / doubtful appointment orders resulted in unauthorized payment amounting to Rs 3.515 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter at appropriate level besides recovery of amount paid against fake attendance.

[AIR Paras: 7, 12, 10, 11]

#### **10.2.5.3.17 Loss due to procurement through managed quotations / fake competition – Rs 2.502 million**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules, 2017, the Drawing and Disbursing officer and payee of the pay, allowances, contingent expenditure or any other expenses shall be personally responsible for overpayment, fraud or misappropriation and shall be liable to make good that loss. Further, according to Rule 4 of the 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.

Medical Superintendent Tehsil Headquarters Hospital Shorkot incurred expenditure of Rs 4.992 million on procurement of laboratory & X-Rays material by splitting the cost of procurements to avoid open competitive bidding / invitation of tenders during 2018-19. However, excess payment of Rs 2.502 million was made to the suppliers by making procurements on much higher rates by using managed quotations to keep the bid prices at artificial / non-competitive level as compared to the rates of same items paid by the Medical Superintendent, DHQ Hospital, Toba Tek Singh. Instances of fake competition / quotations managed with the connivance of hospital authorities are as under:

1. The word "Widal Kit" was spelled as "Wida Kit" & the word "Fixer Liquid" was spelled as "Fixer Lique" on all the managed quotations of so-called competitors, comparative statements, requests for quotations, supply orders and invoices which indicated that all the documents pertaining to the supplier, so-called competitors and hospital correspondence were prepared by one person by repeating same mistakes with the connivance of the procuring agency;
2. Acknowledgements / receiving of the cheques issued in the names of suppliers were given by the so-called competitors which indicated that business of the suppliers and the so-called competitors were run by the same person;
3. Actual existence of the so-called competitors was doubtful / not verifiable because neither their proper addresses nor contact numbers & registration with FBR were mentioned on letterheads used for quotations which reflected that the names of such so-called bidders were used just to prepare fake quotations;
4. Quotations were called from M/s Imman Traders, M/s Hamza Brothers and M/s Friends Corporation vide letter No. 951-53 dated 07.05.19 but one quotation was shown to be submitted by M/s Mujahid Traders instead of M/s Hamza Brothers and the rates shown to be quoted by M/s Mujahid Traders were shown as rates quoted by M/s Hamza Brothers in the comparative statement due to carelessness of the person who prepared managed quotations and comparative statement; and
5. In some cases, quotations, supply orders and requests for quotations were without number and date.

Audit is of the view that due to delinquency and connivance of the hospital authorities, procurements were made through managed quotations / fake competition.

Procurements through managed / fake quotations resulted in non-competitive procurements amounting to Rs 4.992 million and subsequent loss of Rs 2.502 million to the DHA.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends inquiry and recovery of loss from the concerned.

[AIR Para: 1]

#### **10.2.5.3.18 Suspicious expenditure by Health Councils – Rs 2.218 million**

According to the Guidelines for Health Councils issued by Government of the Punjab, Health Department and Notification No. FD (FR) II-2/89(2016) (P-III) dated 26.12.2017 read with Rules 9 and 12(1) of the Punjab Procurement Rules, 2014, each health council shall follow standard procedure and all proposed procurements for each financial year shall be announced in appropriate manner and proceed with accordingly without any splitting or regrouping of the procurements so planned. All members of Health Council shall monitor the development work to get it complete with economy and efficiency. The money transferred shall be spent judiciously setting excellent standards of integrity to uphold the trust of the Government. The Health Council shall execute the development work according to Government approved design and specifications and in case of technically complex works may get the technical guidance from concerned Government Department in writing.

Audit observed that different Health Councils of BHUs under the administrative control of District Health Officer (Preventive Services) Jhang incurred expenditure of Rs 2.218 million on civil works, painting / white wash of building, procurement of furniture / fixtures, medical equipment, electric items, medicine and repair of furniture, equipment etc. Expenditure was held suspicious due to following reasons:

- Expenditure was incurred by some Health Councils through fake invoices as the invoices showing procurement in different months were prepared / managed at the same time because they were in consecutive serial numbers which indicated that the vendors did not make any sale to any other persons during continuous 9 months. Another example of fake invoices was that invoice No. 2970 was shown issued on 28.05.19 whereas invoice No. 3083 on 04.05.19 and 2969 on 03.05.19.
- Fake invoices were prepared by using names and registration numbers of two registered persons because the bills had also printed stamp for Chairperson Signatures and bills were also without signatures of the so-called supplier.
- Suspicious billing as repair of 8 biometric devices shown i.e. 4 in one bill and then again 4 in other bill of the same date without justifying presence of 8 biometric devices in one BHU. Further, other items like UPS repair, emergency medicine, plants etc. were repeated in both the invoices of the same date which reflected that the invoice were managed just to withdraw funds without supplies of material.
- Civil work executed without seeking specifications and guidelines from the Buildings Department.
- Duplicate bills were prepared because for the 1<sup>st</sup> time bills of M/s Saim & Co. were prepared with some higher rates without GST invoices and then the same bills were issued by M/s Adeel Traders by including GST. Further, M/s Adeel Traders neither remained involve in procurement process nor supply orders were issued to him rather supply orders were issued to M/s Saim & Co for these procurements.
- Managed quotations were found in record because same mistake was repeated in the quotations, supply order and bills.
- Funds were withdrawn through suspicious bills of suppliers by mentioning description of item as “emergency medicine” rather describing the items name and their quantities.
- Two different bills of installation of gate were found in record. In one undated bill amount of grill of gate was Rs 4,000 and funds for gate grill amounting to Rs 50,000 were withdrawn through another bill dated 19.04.19 and stock entry in register was made on 31.08.2018.

- Funds were withdrawn in cash beyond permissible limit of Rs 10,000.
- Suspicious record of Health Council meetings was prepared because meeting No. 21 shown on 23.05.19 whereas meeting no. 22 shown on 20.05.19. It depicted that expenditure was incurred without the approval of Health Council.
- Health Councils of the BHUs neither ensured quality of civil works nor made assessment of work done before making payments.
- Funds were transferred and expenditure was incurred without pre-audit.

Audit is of the view that due to weak monitoring mechanism, Health Council funds were utilized by preparing managed / suspicious record and without fair price competition.

Utilization of funds amounting to Rs 2.218 million by preparing suspicious record and without fair competition created doubts about the legitimacy of the expenditure incurred.

The matter was reported to DDO in August, 2019. It was replied that the matter would be inquired & detailed report will be submitted accordingly. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing of responsibility and recovery of loss at the earliest.

[AIR Para: 10]

**10.2.5.3.19 Loss due to uneconomical purchase of laboratory and stationery items – Rs 1.742 million**

According to Rules 4, 9, 12(1) and 59 (b) of the 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. A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year accordingly without any splitting or regrouping of the procurements. Procurements of more than Rs 100,000 and upto the limit of Rs 2 million shall be advertised on the website of the Authority but if deemed in public interest, the procuring agency may also advertise the

procurement in at least one national daily newspaper. Further, a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than Rs 50,000 but less than Rs 100,000.

Audit observed that Medical Superintendent THQ Hospital, 18-Hazari made procurement of pathology laboratory items including test strips, reagents, chemicals, disposable items, stationery items, various electric/electronic items, installation/service charges of air conditioners alongwith allied material, liquid power batteries, PC Wi-Fi link devices etc. costing Rs 5.005 million during 2018-19. Contrary to the above, the procurement was made by splitting up the cost of procurement to avoid open competition due to which excess payment of Rs 1.742 million was made by applying excessive rates as compared to rates at which Government General Hospital Samanabad Faisalabad procured through framework contract for the financial year 2018-19 and it was also noticed that hospital itself made procurements of similar items on lesser rates as forthcoming from financial record.

Audit is of the view that due weak managerial controls, uneconomical procurements were made without open competition.

Uneconomical procurements without open competition resulted in loss of Rs 1.742 million to DHA.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides recovery from the person(s) at fault.

[AIR Paras: 2, 5, 6]

**10.2.5.3.20 Non-obtaining of Performance Security and non-recovery of Stamp Duty – Rs 1.658 million**

According to Para 2 of the Notification of Award/Advance Acceptance of Tender for Purchase of Medicine, Performance Security in the form of Irrevocable Bank Guarantee equivalent to 5% of the contract amount was required to

be submitted by the suppliers besides provision of Stamp Papers as Stamp Duty @ 0.25% of the value of the contract.

Audit observed that CEO DHA Jhang awarded contracts to seven firms / suppliers for supply of medicine costing Rs 31.574 million without obtaining Performance Security amounting to Rs 1.579 million @ 5% of contract amount and without executing contract on Stamp Papers valuing 0.079 million.

Audit is of the view that due to negligence, contract for supply of medicine was awarded without fulfilling the due obligations by the suppliers.

Award of contract without fulfilling due obligations resulted in non-obtaining of Performance Security and Stamp Duty amounting to Rs 1.658 million.

The matter was reported to the DDO concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides recovery of Stamp Duty amounting to Rs 0.079 million from the concerned.

[AIR Para: 9]

**10.2.5.3.21 Uneconomical procurements of stationery items – Rs 1.515 million**

According to Rules 4, 9, 12(1) and 59 (b) of the 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. A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year accordingly without any splitting or regrouping of the procurements. Procurements of more than Rs 100,000 and upto the limit of Rs 2.000 million shall be advertised on the website of the Authority but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. Further, a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than Rs 50,000 but less than Rs 100,000.



Audit observed that Medical Superintendent THQ Hospital, 18-Hazari purchased stationery items including OPD pads, laboratory test results pads, paper reams, envelops, other store items etc. costing Rs 1.515 million during 2018-19. Contrary to the above, the procurements were made by adopting unhealthy and uneconomical procurement procedure due to following reasons:

1. Purchases were made by splitting up the cost of procurement to avoid open competition and advertising the same on PPRA's website.
2. Purchase Committee was not involved in procurement process.
3. In some cases, duplicate bills were issued by the supplier.
4. All the requisitions for procurements were initiated by Admin Officer of the hospital. However, some unsigned requisitions were also allowed by the MS of the hospital.
5. Audit observed that all the stationery items were issued without any indent/requisitions. Further, bulk quantities of items were shown issued to different departments of hospital just after procurement of the same.
6. In some cases, Procurements were made from unregistered supplier.
7. In some cases, quotations were called from the firms which belonged to same person.

Audit is of the view that due to weak managerial controls, procurements were made by adopting uneconomical/unhealthy procedure and without open competition.

Procurements through unhealthy procedure resulted in uneconomical / unauthentic expenditure of Rs 1.515 million.

The matter was reported to the PAO and DDO concerned in October, and November 2019. No DAC meeting was convened despite repeated requests by Audit.

Audit recommends to probe the matter besides regularization of the expenditure from the Competent Authority.

[AIR Para: 4]

**10.2.5.3.22 Withdrawal of Incentive Allowance without doing evening round – Rs 1.070 million**

According to Government of the Punjab, Primary and Secondary Health Care Department Notification No.PA/OS/(G)4-8/2016 dated 03.08.2016, 40 percent of the existing allowance shall be paid subject to conducting of evening rounds in hospital by consultant on call basis, for the purpose of Adjustment in duty roster as devised by Punjab Information Technology Board. The consultant shall checkout from morning shift through biometric attendance system after 2:00 pm and shall check in again after 5:00 pm. The consultant shall remain in hospital at least for one hour and shall conclude the round by checking out again. Their attendance and evening rounds shall be strictly monitored through biometric attendance system.

Audit observed that Medical Superintendent THQ Hospital, Shorkot paid Incentive Allowance amounting to Rs 2.675 million to three consultants during 2018-19. However, 40 percent of the allowance amounting to Rs 1.070 million was not deducted from the total amount of the allowance because no documentary evidence i.e. biometric system (BMS) regarding evening round was forthcoming from the record. The details are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Personnel No.</b>	<b>Name of Employee</b>	<b>BS</b>	<b>Job Title</b>	<b>Incentive Allowance</b>	<b>Amount (40%)</b>
1	30794260	Dr. Ghulam Yasin	18	Ophthalmologist	0.900	0.360
2	30675879	Dr. Imran Haidar	18	Pediatrician	1.080	0.430
3	31384179	Dr. Safder Abbas	18	Consultant Surgeon	0.695	0.280
<b>Total</b>					<b>2.675</b>	<b>1.070</b>

Audit is of the view that due to weak monitoring mechanism, Incentive Allowance was paid without evening round by the consultants.

Non-deduction of 40 percent Incentive Allowance due to non-performing evening round resulted in excess payment of Rs 1.070 million.

The matter was reported to the DDOs concerned during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of 40 percent Incentive Allowance from concerned doctors at the earliest.

[AIR Para: 21]

#### **10.2.5.3.23 Doubtful procurements from suspected firms – Rs 1.024 million**

According to Rules 30 and 31 of the Punjab District Authorities (Accounts) Rules 2017, the DDO shall raise a sequentially numbered purchase order (on Form-4A) for all contingent expenditures. The payment of an amount exceeding the value of rupees one thousand for supplies made, services rendered, work done under a contract or other agreement, the DDO shall follow the following process, claim voucher shall be prepared (on Form-4B), complete the claim voucher (bill) with details of the officer making the claim, name of supplier or firm with NTN, STRN, bank account number, full postal address and the registered title. Contract reference, actual date of supply or period of service or work, location and particulars of supply, service or work in respect of which expenditure is being incurred. The officer making the claim shall provide a statement, under his signature, that the supplies have been received in good order and condition and have been counted and entered in the assets/stock register, and/or the services have been satisfactorily carried out, as provided for in the contract or purchase order.

Audit observed that Medical Superintendent THQ Hospital, 18-Hazari incurred expenditure of Rs 1.024 million on procurement of printing of different hospital forms, flexes, recharging of internet packages, stationery items, minor civil work etc. during 2018-19. Contrary to the above rules, the procurement was made through incomplete record of financial transactions and suspicious procurement process due to following reasons:

1. In most of the cases, suppliers did not mention NTN, STRN and full postal address on bills. Further, postal/registered address of two suppliers did not match with invoices furnished by them.
2. In some cases, registered name of the firm did not match with name mentioned on invoices. Similarly, in one case STRN mentioned on bill was not matched with FBR information provided on FBR online Portal.
3. One of the supplier was unregistered person and invoices furnished by him were without any address, NTN, STRN and detail of work done, signature of authorized person.

4. In all the case no requisition from the person concerned was raised and all the procurements were made without involvement of purchase committee.
5. In most of the cases, supply orders were not issued, entries in stock register were either not made or fake issuance without indents was noticed as items were “issued to hospital” instead of mentioning the name and designation of particular persons/employees.
6. Civil works were executed without scope of work, bills were furnished by service providers without any detail of work done and payment was made accordingly without assessment of work executed by the service providers.
7. In most of the cases, supplier did not affix signatures on invoices.
8. Internet packages were recharged without mentioning details of package, period of recharge, name of devices for which recharges were made and without recording the previous history of recharge. Further in two case invoices were not in chronological order.

Audit is of the view that due to financial mismanagement, procurement was made through fake billing and incomplete record/details.

Procurements through fake billing and non-maintenance of complete record resulted in uneconomical expenditure of Rs 1.024 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility besides recovery of loss.

[AIR Paras: 11, 32]

#### **10.2.5.4 Value for Money and Service Delivery Issues**

##### **10.2.5.4.1 Blockage/non utilization of public resources – Rs 12.129 million**

According to Rule 15.21 (4) of Punjab Financial Rules Volume-I, stores, in many cases, represent a locking up of capital which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.

Audit observed that costly machinery & medical equipment valuing Rs 12.129 million received from Government of the Punjab, Primary and Secondary Health Care Department, Lahore was found in the stores of DHQ Hospital Jhang, during physical inspection by audit and the same was deteriorating in shelves.

Audit is of the view that due to negligence and poor planning, costly machinery and equipment was remained unutilized.

Non-utilizing of machinery and equipment resulted in blockage of resources and amounting to Rs 12.129 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to install machinery without further delay besides inquiry at an appropriate level.

[AIR Para: 16]

##### **10.2.5.4.2 Irregular payment of previous year's liabilities – Rs 11.920 million**

According to Rule 8(f) of the Punjab District Authorities (Budget) Rules, 2017, the DDO is responsible for preparation of statement of liabilities, if any, at the end of each financial year and including the same by carrying them forward in the liability statement of next financial year. Furthermore, according to Rule 2.10 (b)(3) of the Punjab Financial Rules, Volume-I, the authorities incurring expenditure should see that all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year.

Audit observed that two DDOs of DHA Jhang made payment of Rs 11.920 million during 2018-19 to clear the pending liabilities of previous financial i.e. 2018-19 on account of stationery, medicine, general store items, printing etc.

Contrary to the above rules, liabilities were paid without inclusion of the same in annual budget of current financial year i.e. 2018-19 and approval of the same from the Competent Authority. The details are as under:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>Amount</b>
1	Medical Superintendent, District Headquarters Hospital, Jhang	9.806
2	District Health Officer (Preventive Services) Jhang	2.114
<b>Total</b>		<b>11.920</b>

Audit is of the view that due to poor financial management, liabilities of previous financial year were paid without budget allocation and approval of the Authority.

Payment of previous year's liabilities without allocation of budget and approval of the Authority resulted in irregular payment amounting to Rs 11.920 million.

The matter was reported to the DDOs during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 5, 26]

#### **10.2.5.4.3 Wasteful expenditure due to posting of staff at non-functional health facility – Rs 6.102 million**

According to Section 94 of the Punjab Local Government Act, 2013, a District Health Authority shall coordinate planning and allocate finances for provision of service delivery at District level & develop linkages between private and public health sectors for enhancing access and coverage of health care facilities to the general public and improving quality of these services. Furthermore, according to Rules 3(f) and 4(1)(I) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure. The CEO shall act as PAO of the Authority and shall ensure the utilization of funds in the public interest and on specified objects.

Audit observed that Medical Superintendent, THQ Hospital Shorkot was also the In-charge of Gynae Hospital Shorkot which was non-functional unit. However, 12 employees remained posted at Gynae Hospital, Shorkot and withdrew salary of Rs 6.102 million from budget of THQ Hospital Shorkot.

Audit is of the view that due to negligence and financial indiscipline, staff was remained posted at non-functional health facility and expenditure on salaries was incurred.

Posting of staff of staff at non-functional health facility resulted in wasteful expenditure of Rs 6.102 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides taking steps for operationalization of the health facility.

[AIR Para: 20]

#### **10.2.5.4.4 Loss due to non-realization of income – Rs 4.653 million**

According to Rules 4(1)(h) and 68(1) of the Punjab District Authorities (Budget) Rules, 2017, the Chief Executive Officer shall act as Principal Accounting Officer (PAO) of the Authority and shall monitor the receipts and expenditure of District Authority, offices, institutions. The primary obligation of the collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately to the District Authority Funds and to record entries under proper receipt head.

Audit observed that four DDOs of District Health Authority Jhang did not deposit/recover an amount of Rs 4.653 million on account of parking fee, tender fee, stamp duty, auction amount of ambulances and hospital canteen during 2018-19. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Chief Executive Officer, District Health Authority, Jhang	Non-recovery of auction amount of ambulances	1.975
2	Medical Superintendent, District Headquarters Hospital, Jhang	Non-recovery of stamp duty	0.125
		Non-deposit of tender fee	0.066
		Non-recovery of auction money	0.149
3	Medical Superintendent, THQ Hospital, Shorkot	Non-deposit of parking fee	1.041
		Non-deposit of tender fee	0.036
		Non-deposit of MLC fee	0.006
4	Medical Superintendent, Tehsil Headquarters Hospital, 18-Hazari	Non-recovery of auction amount of parking fee and canteen	0.430
		<b>Total</b>	<b>4.653</b>

Audit is of the view that due to poor financial management, Government receipts were not realized / deposited into Government Treasury.

Non-deposit / non-realization of receipts into Government Treasury resulted in loss amounting to Rs 4.653 million to DHA.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends immediate recovery / deposit of the receipt into DHA fund.

[AIR Paras: 6, 18, 20, 6, 5, 23, 29, 4, 24]

#### **10.2.5.4.5 Payment of salary without ensuring service delivery by relevant staff – Rs 3.497 million**

According to Rules 3(f) and 4(1)(I) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure. The CEO shall act as PAO and shall ensure the utilization of funds in the public interest and on specified objects. Furthermore, according to Section 17(6) of the Punjab Local Government Act 2013, the Chairman and Chief Executive Officer of the Authority shall be personally responsible to ensure that the business of



the Authority is conducted proficiently, in accordance with law and to promote the objectives of the Authority.

Audit observed that three DDOs of DHA, Jhang paid salaries amounting to Rs 3.497 million during 2016-19 to 10 employees without performing duties. Further Medical Superintendent, Tehsil Headquarters Hospital Shorkot made paid salaries to an unknown person bearing Personnel No. 32080661 but no such employee was found actually working as per attendance registers and biometric attendance system during 2018-19. The details are as under:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Description	Amount
1	Chief Executive Officer, District Health Authority, Jhang	06	Payment of pay and allowances without performing duty by drivers	1.571
2	Senior Medical Officer, Rural Health Center, Garh Maharaja	03	Payment of salary without service delivery	1.659
3	Medical Superintendent THQ Hospital, Shorkot	01	Payment of salary to unknown person without service delivery	0.267
<b>Total</b>		<b>10</b>		<b>3.497</b>

Audit is of the view that due to poor planning and weak administrative control, expenditure was incurred on salaries of the staff without service delivery.

Payment of salaries amounting to Rs 3.497 million without service delivery resulted in mis-utilization of public resources.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 5, 8, 23]

### 10.2.5.5 Others

#### 10.2.5.5.1 Non-deduction of taxes and payment of GST on exempted items – Rs 1.259 million

According to Section 153(1) of the Income Tax Ordinance, 2001, every prescribed person while making a payment in full or part shall deduct tax at prescribed rates. Further, according to Section 1.3 of the Sales Tax Special Procedure (Withholding) Rules, 2007, withholding agents falling under category “A” were required to deduct an amount equal to 1/5<sup>th</sup> (20%) of the total Sales Tax shown in Sales Tax invoice issued by registered persons. Furthermore, according to of Sixth Schedule of Sales Tax Act 1990, certain stationery items, energy saver lamps and laboratory diagnostic kits etc. are exempted supplies. Furthermore, according to Rule 5 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent, having Free Tax Number (FTN) or National Tax Number (NTN), shall on receipt of taxable services from an unregistered service provider, deduct Sales Tax at the applicable rate of the value of taxable services provided to him.

Audit observed that four DDOs of DHA Jhang made payments against supply of goods, rendering of services and execution of contracts during 2018-19. Contrary to the above provisions, an amount of Rs 0.831 million on account of Income Tax, General Sales Tax and Punjab Sales Tax on Services was not/less deducted from the payments. Furthermore, an amount of Rs 0.428 million was paid General Sales Tax on exempted items. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Income Tax	1/5 <sup>th</sup> GST	Exempted GST	Sales Tax on Services	Amount
1	Medical Superintendent, District Headquarters Hospital, Jhang	-	-		0.068	0.068
		-	-		0.030	0.030
2	Senior Medical Officer Rural Health Center, Bagh	-	-	0.115	0.091	0.206
3	Medical Superintendent, Tehsil Headquarters Hospital, 18-Hazari	0.221	-	0.107	0.147	0.475
4	District Health Officer (Preventive Services) Jhang	0.125	0.072	0	0.077	0.274
		-	-	0.206	0	0.206
<b>Total</b>		<b>0.346</b>	<b>0.072</b>	<b>0.428</b>	<b>0.413</b>	<b>1.259</b>

Audit is of the view that due to negligence on part of the management, Income Tax, Sales Tax on Services and General Sales Tax were not/less deducted.

Non-deduction/collection of taxes resulted in loss of Rs 1.259 million to DHA.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery from the concerned besides reporting the matter to FBR and PRA.

[AIR Paras: 17a, 17b, 3, 10, 13, 21, 12, 13,25, 25, 26]

**10.2.5.5.2 Non-forfeiture of Performance Security and non-recovery of Liquidated damages – Rs 1.945 million**

According to Clause 10 (v) of the Bidding Documents for Purchase of Drugs & Medicine for the financial year 2018-19, in case of late delivery of goods beyond the periods specified in the Schedule of Requirements and after issuance of subsequent contract/purchase order by the consignee, a penalty @ 2% per month (0.067% per day) of the cost of late delivered supply shall be imposed upon the supplier.

Audit observed that four DDOs of District Health Authority Jhang issued supply orders to different firms / suppliers for supply of medicine during 2018-19. However, some of the firms either failed to supply the medicine or made supplies after stipulated period. It was noticed that DDOs did not take action for forfeiture of Performance Security amounting to Rs 1.305 million and recovery of Liquidated Damages amounting to Rs 0.640 million. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Chief Executive Officer, District Health Authority, Jhang	Non-forfeiture of Performance Security	0.412
2	Medical Superintendent District Headquarters Hospital, Jhang	Non-forfeiture of Performance Security	0.636
3	Medical Superintendent, Headquarters Hospital, 18-Hazari Tehsil	Non-forfeiture of Performance Security	0.257
4	Medical Superintendent District Headquarters Hospital, Jhang	Non-recovery of Liquidity Damages	0.640
<b>Total</b>			<b>1.945</b>

Audit is of the view that due to negligence, no action was taken for non-supply / late supply of medicine.

Non-initiation of action regarding forfeiture of Performance Security and recovery of Liquidated Damages resulted in loss of Rs 1.945 million to the DHA.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends early recovery of loss from the concerned besides fixing responsibility on person(s) at fault.

[AIR Paras: 2, 10, 29, 11, 25]

### 10.2.5.5.3 Irregular consumption of POL – Rs 3.652 million

According to Rule 2.33 of the Punjab Financial Rules, Volume-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. Further, according to Government of the Punjab, Health Department letter No. SO(B&A)28-2/2006 (P-1) Meeting dated 2305.2011, procedure for operation of generators was prescribed to minimize the POL pilferage.

Audit observed that three DDOs of DHA Jhang incurred expenditure of Rs 3.652 million against fuel consumption in hospital generators during 2018-19. However, incurrence of expenditure was held irregular on the grounds, as mentioned below in the table.

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Medical Superintendent, THQ Hospital, Shorkot	Register of load shedding was not maintained and verified by WAPDA; Payment of previous year's claim without justifying the reason; Same average of fuel consumption throughout the year was shown despite the fact that actual load variates during different seasons i.e. summer (use of A/Cs & fans, winter (no use of A/Cs & fans) & spring (Use of fans but no use of A/Cs).	2.635
2	Medical Superintendent, District Headquarters Hospital,	Meter reading of generator was taken in kilometers instead of hours, however	0.991

Sr. No.	DDOs	Description	Amount
	Jhang	average certificate was obtained as liters/hours, Register of load shedding was not maintained and verified by WAPDA and cutting and erasing of column hours run in most of cases were found.	
3	District Health Officer (Preventive Services) Jhang	Withdrawal of funds by showing consumption in irrelevant vehicles	0.026
<b>Total</b>			<b>3.652</b>

Audit is of the view that due to weak managerial controls, expenditure on POL was incurred without observing the prescribed procedure.

Consumption of POL without observing prescribed procedure resulted in irregular expenditure amounting to Rs 3.652 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of the same from the Competent Authority.

[AIR Para: 37, 30, 21]

#### **10.2.5.5.4 Doubtful expenditure by Health Council - Rs 2.907 million**

According to Paras 4.1, 4.2, 4.6, 4.7 and 4.8 of Guidelines issued for Health Councils, Secretary of the Health Councils shall prepare M&R Schemes, purchase and repair of machinery/ equipment and may suggest to the Health Council any step they deem necessary for up-keep of that health facility and improve service delivery. After approval from Health Council, the scheme shall be executed using local expertise. The money transferred shall be spent judiciously setting excellent standards of integrity to uphold the trust of the Government. The Health Council shall execute the development work according to Government approved design and specifications and in case of technically complex works may get the technical guidance from concerned Government Department in writing.

Audit observed that Health Councils THQ Hospital AP Sial and Rural Health Center Bagh incurred expenditure of Rs 2.907 million on execution of civil works, hiring of tents/catering material, white wash, procurement of tablets/smartphones, medical equipment, electric installations, furniture/fixtures,

portable internet devices/ recharging of internet packages, electric items, installation of doors/wooden cabin etc. during 2017-19. The expenditure was held irregular / doubtful due to following reasons:

1. Most of the expenditure was incurred without approval of Health Council.
2. No need assessment was carried out by the secretary Health Council before incurrence of expenditure. Therefore, most of the expenditure was incurred on such articles which did not cover in the purview of health council.
3. Civil works were executed without preparation of development plan, technical estimates, designs & specifications duly approved by the Health Councils.
4. Health Councils neither ensured quality of civil works nor made assessment of work done before making payments thereof.
5. In most of the cases, expenditure was incurred through fake competitive bidding because participation of only four firms belonging to one person was shown in procurement process.
6. Procurement was made by splitting cost of procurement to keep it below the financial limit of Rs 100,000 to avoid tenders and Rs 50,000 to avoid quotations.
7. Specifications were not prepared / observed for technically complex items during procurement process.
8. Procurement procedure and bills of the suppliers depicted that fake bills were obtained and payment was made without mentioning detail of items, quantity and work done and serial Nos of invoices issued by a specific supplier were not in chronological order. Further, supplier did not mention the amount of GST in invoices while supplying the taxable supplies.
9. Six tablets/smartphones were procured without need assessment.
10. Dead stock articles were not properly accounted for in stock registers for safe custody.
11. In most of the cases, approval of Health Council was accorded before requisition date.
12. In some cases, only electric items were procured without installation charges.

Audit is of the view that due to weak internal controls, Health Council funds were utilized in doubtful manner, without actual requirements and specifications of items.

Utilization of funds amounting to Rs 2.907 million without justifying actual requirements and without observing prescribed procedure resulted in incurrance of doubtful expenditure.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority alongwith physical verification of stores.

[AIR Para: 1,18]

**10.2.5.5.5 Loss due to recording more than actual expense of medicine – Rs 7.638 million**

According to Rule 15.4(a) of the Punjab Financial Rules, Volume-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. Furthermore, according to Rule 9(b) of the Punjab District Authorities (Accounts) Rules, 2017, the drawing and disbursing officer and payee of the pay, allowances, contingent expenditure or any other expenses shall be personally responsible for overpayment, fraud or misappropriation and shall be liable to make good that loss.

Audit observed that in THQ Hospital, Shorkot medicine costing Rs 7.638 million was misused by recording more than actual expense in OPD / Dispensary of the hospital. As all the expense in Dispensary was being recorded on assumption basis without maintaining patient wise expense. Audit carried out the calculations of sample expense for 10 days of June i.e. from 21.06.2019 to 30.06.2019. The quantities were calculated from the OPD tickets through in-charge of Dispensary / OPD which indicated that 2/3rd of the total expense was recorded in excess. The overstated ratio of 2/3rd was spread over the whole quantity shown to be consumed during the year. Further, expense of such items was also recorded which

had not actually been issued from main medicine store which showed fake consumption of items.

Audit is of the view that due to delinquency and weak monitoring mechanism, medicine was misused by the personnel responsible for receipt / expense of medicine.

Misuse of medicine costing Rs 7.638 million resulted in loss to DHA besides non-provision of medicine to the patients.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter at appropriate level besides recovery of loss from the concerned.

[AIR Para: 8]

#### **10.2.5.5.6 Doubtful utilization of medicine and other items – Rs 17.810 million**

According to Rule 15.4(a) of the Punjab Financial Rules, Volume-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. Furthermore, according to Rule 9(b) of the Punjab District Authorities (Accounts) Rules, 2017, the drawing and disbursing officer and payee of the pay, allowances, contingent expenditure or any other expenses shall be personally responsible for overpayment, fraud or misappropriation and shall be liable to make good that loss.

Audit observed that five DDOs of DHA Jhang purchased medicine and different surgical and disposable items i.e. laboratory test strips, regents, chemicals, permanent and consumable record, medical and non-medical equipment, instruments, machinery, other store items, furniture & fixtures etc. costing Rs 17.810 million during 2017-19 without maintaining consumption record and most of the disposable items were shown used in wards in bulk without mentioning registration numbers of



the patients. Similarly, stocks were shown issued without any indent and signature of receiving officials. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description of Items	Amount
1	MS, THQ Hospital, 18-Hazari	Consumption of medicine, disposable items without maintenance of proper record.	5.061
		Utilization of laboratory items including test strips, kits and disposable items without consumption record	0.478
		Expenditure on procurement of electric items, sanitary/water supply material, sweets for patients, civil work, repair of machinery and equipment, furniture and fixtures, lighting, tenets etc.	0.573
2	MS, THQ Hospital Shorkot	Doubtful consumption because all the medicines received in emergency department from main medicine store were shown consumed immediately upon each receipt without recording patient wise expense, throughout the year. Further, expense record of medicine was frequently tempered / overwritten in the expense books of indoor department and labour room.	7.462
3	SMO, RHC Bagh	Suspicious utilization of medicines in OPD and indoor	3.129
		Utilization of surgical and disposable items i.e. laboratory test strips, regents, chemicals etc. without maintaining record.	0.127
4	District Health Officer (Preventive Service) Jhang	Unknown whereabouts of two mobile phones / tablets and power banks	0.095
5	MS, DHQ Hospital, Jhang	Doubtful consumption of injectables at OPD	0.885
<b>Total</b>			<b>17.810</b>

Audit is of the view that due to weak monitoring mechanism, medicine and other items were utilized on assumption basis without maintaining proper record.

Utilization of material on assumption basis / without maintaining proper record resulted in doubtful expenditure amounting to Rs 17.810 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 27, 3, 10, 12, 9, 11, 22, 21]

**10.2.5.5.7 Irregular expenditure on execution of civil works – Rs 12.028 million**

According to Government of the Punjab, Finance Department letter No. FD(TMA)1-158/2005 dated 21.10.2010 read with Circular No.FD(FR)-II-2/89 dated 24.06.1996, particulars of Technically Sanctioned Estimates (TSE) like amount, number, date etc. must be mentioned in Notice Inviting Tenders (NITs) to ensure that estimates have been technically sanctioned before invitation of tenders. Furthermore, according to Government of the Punjab, Finance Department instructions vide letter No.RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department. The Chief Engineers on the basis of these inputs rates shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction in accordance with notification number No.RO(TECH)FD 2-3/2004 dated 02.08.2004. However, the finished rate of an item of work shall not exceed the market rate of that item.

Audit observed that two DDOs of DHA Jhang got executed civil works amounting to Rs 12.028 million through two contractors under revamping program. The details of expenditure are given below:

(Rupees in million)

Sr. No.	DDOs	Amount
1	Medical Superintendent THQ Hospital Shorkot	3.502
		3.527
2	Medical Superintendent THQ Hospital AP Sial	4.999
<b>Total</b>		<b>12.028</b>

However, following irregularities were noticed in award and execution of works:

- i. Detailed estimates were not prepared and got technically sanction from the Competent Authority.
- ii. All the items were executed on item rate without referring to the MRS but analyses of rates, along with complete specification of items, were not got prepared and approved from the Competent Authority. For instance, payment for construction of QMS hall was made in square feet without specifying item wise quantities used / to be used in the plinth, foundation, height of wall / roof, thickness of walls, quantity, ratio and thickness of RCC work etc.
- iii. Payments were made without getting the measurements recorded in the Measurement Books.
- iv. Disclaimer regarding non-assurance of quality and quantity of work was also given by the Sub Divisional Officer, Building Sub Division, Shorkot by describing that neither the schemes were got estimated from the Buildings Department nor the same were technically sanctioned by the Competent Authority so the Buildings Department will not bear the responsibility of quality and quantity of works.
- v. Execution of work like p/f of tuff tiles was shown in non-clinical area in violation of the condition imposed by Government of the Punjab, Project Management Unit, Lahore.
- vi. Specifications of tiles were changed without approval of Health Council.

Audit is of the view that due weak internal controls, civil works were got executed either without preparation of detailed estimates on the basis of MRS or without preparation / approval of analysis of rate / getting the estimates technically sanctioned by the Competent Authority and without recording measurements in the Measurement Books.

Execution of works without technical sanction of estimates / preparation & approval of analysis of rates and without getting the quality and quantity ensured by the relevant department resulted in irregular expenditure amounting to Rs 12.028 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Paras: 19, 20]

**10.2.5.5.8 Loss by overstating the consumption of medicine – Rs 10.269 million**

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules, 2017, the drawing and disbursing officer and payee of the pay, allowances, contingent expenditure or any other expenses shall be personally responsible for overpayment, fraud or misappropriation and shall be liable to make good that loss. Furthermore, according to Rule 15.4(a) of the Punjab Financial Rules, Volume-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

Audit observed that DDOs of three health facilities of DHA Jhang showed excess consumption of medicine, insulin and ARV vials amounting to Rs 10.269 million in manual expense books as compared to the actual medicine consumption recorded in Prescription Management Information System (PMIS). The details are as under:

(Rupees in million)

Sr. No.	DDOs	Item Description	Amount
1	Medical Superintendent THQ Hospital Shorkot	Medicine	4.904
2	Medical Superintendent THQ Hospital AP Sial	Medicine	4.009
		Insulin Vials	0.572
3	Medical Superintendent THQ Hospital 18-Hazari	Inj. ARV Vials	0.319
		Insulin Vials	0.465
<b>Total</b>			<b>10.269</b>

Audit is of the view that due to weak internal controls, more than actual consumption of medicine was shown in manual record.

Incurrence of expenditure by overstating the consumption of medicine resulted in loss of Rs 10.269 million to DHA.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter at appropriate level besides recovery of loss from the concerned.

[AIR Paras: 30, 1, 2, 21, 23, 28]

#### 10.2.5.5.9 Irregular retention of Government funds – Rs 6.909 million

According to Rule 2.10(b)(5) of the Punjab Financial Rules, Volume-I, the authorities incurring expenditure should see that no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

Bank statements of two DDOs of District Health Authority Jhang depicted closing balance of Rs 6.909 million as 30.06.2019 which indicated that funds were withdrawn by the DDOs from the Government Treasury without need / immediate disbursement. The details are given in following table.

(Rupees in million)

Sr. No.	DDOs	Bank Account No. & Branch Name	Amount
1	District Health Officer (PS) Jhang	Account No.6510117527600019 maintained at Bank of Punjab, Yousaf Shah Road Branch, Jhang	5.987
2	Medical Superintendent THQ Hospital Shorkot	Account No.4035387794 maintained at National Bank of Pakistan, Main Branch, Jhang	0.922
<b>Total</b>			<b>6.909</b>

Audit is of the view that due to poor financial management, funds were drawn from Treasury without need / immediate requirement.

Withdrawal of funds from Treasury without need / immediate disbursement resulted in undue retention of DHA funds amounting to Rs 6.909 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides immediate deposit of unspent balance in DHA Account.

[AIR Paras: 27, 40]

**10.2.5.5.10 Withdrawal of Health Council funds without pre-audit – Rs 9.360 million**

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe.

Audit observed that Health Councils of various health facilities of DHA Jhang received budget of Rs 14.162 million from DG Health, Punjab Lahore and incurred expenditure amounting to Rs 9.360 million during 2018-19. Contrary to the above provisions, the funds were utilized without pre-audit of claims from District Accounts Office Jhang.

Audit is of the view that due to weak financial controls, funds were utilized without pre-audit of claims from DAO Jhang.

Utilization of funds without pre-audit resulted in irregular expenditure amounting to Rs 9.360 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from competent authority

[AIR Para: 2]

**10.2.5.5.11 Irregular expenditure on washing of bed sheets – Rs 3.313 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through 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.

Audit observed that Medical Superintendent District Headquarter Hospital Jhang incurred expenditure amounting to Rs 3.313 million for washing of bed sheets through district rate contract upto January, 2019. Afterwards the contract was awarded to another firm after establishing Laundry Unit in hospital premises during February, 2019. However, following discrepancies were observed in procurement process:

1. Quantity of bed sheets to be washed was reduced to 1/3<sup>rd</sup> after execution of new contract as compared to quantity washed by M/s Ali Traders. Average reduction in number of bad sheets was dropped to 4,843 from 11,306 per month after execution of new contract.
2. Detailed record of bed sheets washing was not maintained by each ward separately.

The details are given in **(Annexure-I/JHG)**.

Audit is of the view that due negligence, expenditure on washing of bed sheets was incurred without proper record.

Incurrence of expenditure without supporting record resulted in suspicious expenditure amounting to Rs 3.313 million.

The matter was reported to the DDO in the month of October, 2019. It was replied that these bed sheets were washed on demand basis of each ward. However, the matter would be investigated and detailed reply would be submitted after consulting the record. Audit stressed upon investigation of the matter of massive difference of number of bed sheets and production of relevant record by the wards.

Audit recommends to probe the matter besides fixing responsibility on person(s) at fault and recovery of loss.

[AIR Para: 24]

#### **10.2.5.5.12 Excess payment of Sales Tax charged on exempted supplies – Rs 1.406 million**

According to Serial No.52A of Sixth Schedule of Sales Tax Act, 1990, hospitals having more than 50 beds are exempted from the payment of Sales Tax. Further, according to decision of Federal Tax Ombudsman regarding Complaint No.282/LHR/ST(35)572/2011 dated 04.06.2011 read with the Government of



Pakistan, Ministry of Law and Justice letter No.128/2011-Law (FTO) dated 16.07.2012, exemption of sales tax on electricity was allowed. The President of Pakistan dismissed the representation of the Federal Board of Revenue in this regard. Further, according to Sixth Schedule of the Sales Tax Act, 1990, laptop computers, energy saver bulb, bricks, air conditioners, LED TVs etc. are exempt from payment of Sales Tax on subsequent supplies including those as made by a retailer.

Audit observed Medical Superintendent THQ Hospital Shorkot paid amount of Rs 1.037 million as GST charged in FESCO bills during 2018-19. However, being the more than 50 beds hospitals the entity was exempted from sales tax and undue GST was charged and paid to FESCO. Further, Medical Superintendent THQ Hospital A.P. Sial paid GST amounting to Rs 0.369 million on exempted supplies i.e. general store items, stationery, X-ray films, printing, IT equipment, electric items, bedding clothing etc. during 2018-19. The details are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	Medical Superintendent, THQ Hospital, Shorkot	General Sales Tax on FESCO and SNGPL Bills	1.037
2	Medical Superintendent, THQ Hospital, Ahmad Pur Sial,	GST on Exempted Supplies i.e. general store items, stationery, X-ray films, Printing, IT equipment, Electric items, Bedding Clothing etc.	0.369
<b>Total</b>			<b>1.406</b>

Audit is of the view that due to poor financial management, payment of General Sales Tax was made on exempted supplies.

Payment of Sales Tax on exempted supplies resulted in excess payment to suppliers amounting to Rs 1.506 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery/adjustment of Sales Tax amounting to Rs 1.406 million at the earliest.

[AIR Paras: 25, 21]

## 11. District Health Authority (DHA) Toba Tek Singh

### Chapter 1

#### Public Financial Management Issues

Regional Directorate Audit Faisalabad conducts Financial Attest Audit of the District Accounts Office Toba Tek Singh on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis of District Health Authority Toba Tek Singh

##### Introduction:

District Health Authority (DHA) Toba Tek Singh was established on 01.01.2017 under Punjab Local Government Act 2013. CEO is the Principal Accounting Officer of the Authority. He is responsible to ensure that the business of the institution / health facilities / offices is carried out in accordance with the laws. Besides this, it coordinates the activities for coherent planning, development, effective and efficient functioning of health institutions. CEO Health is the Principal Accounting Officer (PAO) of the authority. The authority oversees and manages the following health facilities and offices.

##### Sectoral Analysis:

##### a) Analysis of Human Resource

DHA TT Singh is facing acute shortage of doctors and paramedics. Against 453 sanctioned posts of doctors/specialists only 386 posts are presently filled while 67 posts are vacant which is more than 14% of total sanctioned posts. While authority is also facing shortage of paramedics and other staff, as detailed below:

(Figures in Nos.)

Sr. No.	Name of Post	Sanctioned	Filled	Vacant
1	Doctors / Specialist	453	386	67
2	Technical Staff	1477	1042	435
3	Other Staff	2361	2274	87
	Total staff	4291	3702	589

(Source: Data received from CEO, DHA Toba Tek Singh)

Audit is of the view that without ensuring the availability of doctors/specialists and paramedics the targets of effective service delivery cannot be ensured. Human resource issue needs immediate attention of policy makers to make DHA an effective health service provider for better health care in the district.

**b) Analysis of Targets and Achievements**

Sectoral analysis of DHA Toba Tek Singh was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit) being part of CM Roadmap Programme 2014. The objectives of roadmap were to improve health facilities at each health unit, better environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level.

**Status regarding indicators and their achievements**

(Figures in Nos.)

Sr. No.	Indicators	Target	Achievement	% age	Remarks
1	Cardiac Coronary Unit	35,516	6,183	17%	Targets not Achieved
2	Surgery	100,000	39,596	40%	Targets not Achieved
3	Peads	300,000	179,141	60%	Targets not Achieved
4	Served Outdoor Patients	4,950,000	3,274,230	66%	Targets not Achieved
5	Served Indoor Patients	200,000	160,847	80%	Targets not Achieved
6	Free Medicine to Patients	100%	100%	100%	Targets Achieved
7	EPI Vaccination	100%	100%	100%	Targets Achieved
8	Surgical Cases	20,000	22,311	112%	Targets Achieved
9	Diagnostics Services (Laboratory, Radiology)	550,000	779,548	142%	Targets Achieved
10	Family Planning Activities	40,000	61,448	154%	Targets Achieved
11	T.B chest Treatment	1,000	2,282	228%	Targets Achieved

Source: Data received from CEO, DHA Toba Tek Singh)

**c) Service Delivery Issues**

In view of the above target achievement table, it could be noticed that District Health Authority Toba Tek Singh failed to deliver the services in the area of cardiac coronary unit, surgeries, peads, served outdoor patients, served indoor patients as intended in the indicators during 2018-19.

**d) Serious Financial Irregularities and Findings**

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Misappropriations / Fraud involving an amount of Rs 1.496 million were reported in one cases.<sup>15</sup>
- ii. Irregularities and Non-Compliance involving an amount of Rs 99.253 million were noticed in 12 cases.<sup>16</sup>
- iii. Value for Money and Service Delivery Issues involving Rs 36.217 million were noted in six cases.<sup>17</sup>
- iv. Other issues involving amounting to Rs 98.876 million in sixteen cases.<sup>18</sup>

Audit paras involving procedural violations and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum of Departmental Accounts Committee (MFDAC) Annexure-A.

**e) Financial Attest Audit Findings**

Further, following findings regarding financial management issues were also conveyed to the PAO during Financial Attest Audit of DHA Toba Tek Singh for financial year 2018-19:

- i. Transfer of miscellaneous receipts excess than actual – Rs 0.128 million.
- ii. Non-transfer of Income Tax on salaries – Rs 0.343 million
- iii. Unauthorized drawl of HSRA – Rs 0.238 million
- iv. Overpayment during leave without pay – Rs 0.937 million.
- v. Overpayment after resignation from government service – Rs 0.750 million
- vi. Allotment of two personal numbers by tempering CNIC number.

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and

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<sup>15</sup> Para No.11.2.5.1.1

<sup>16</sup> Para No.11.2.5.2.1 to 11.2.5.2.15

<sup>17</sup> Para No.11.2.5.3.1 to 11.2.5.3.5

<sup>18</sup> Para No.11.2.5.4.1 to 11.2.5.4.16

Finance Department Punjab. However, these issues have been reported in Audit Certificate/Report of DHA, Toba Tek Singh as emphasis of matter.

**f) Expectation Analysis and Remedial Measures**

**District Health Authority Toba Tek Singh**

CEO (DHA) failed to fully utilize the budget for the year 2018-19, and various funds of medicine and development remained un-utilized due to inefficiency of the management. It is also concluded that DHA failed to achieve the targeted indicators during 2018-19 set for the purpose of effective service delivery.

The focus of DHA was on provision of trauma and outdoor patients' services and no planning was carried out in public health. The shortage of manpower was also not catered effectively resulting in overburdening of facilities in terms of patient turnover. The procurement of medicines through MSD rate contracts was not done in timely manner and hospitals purchased medicines through LP at higher rates which caused loss to the Health Authority.

The management of the DHA should take following measures to achieve the targets:

- a. The District Health Authority should be immediately constituted so that an effective management of authority could be ensured.
- b. The DHA should exploit all possible revenue sources to generate funds for itself.
- c. There is a need to shift focus towards prevention, hygiene and public health issues and for that an effective and inclusive planning mechanism should be in place.
- d. Shortfall of Human Resource should be immediately filled to provide better service delivery to public.
- e. Medical, surgical, diagnostic equipment should be provided to the hospitals as per their requirement.

**Conclusion:**

In view of the above analysis, it is concluded that DHA failed to achieve its planned targets due to shortage of doctors, paramedical staff and other supporting staff which hampers its ability to function effectively. There was lapse in both non-development and development budget which showed that the authority failed to spend in development schemes, up-gradation of existing facilities etc. as it did not up-grade any health facility during the financial year 2018-19.

**11.1.1 Audit Paras****11.1.1.1 Transfer of miscellaneous receipts excess than actual – Rs 0.128 million****Risk Categorization: High****Criteria**

According to Section 3.3.7.7 of Manual of Accounting Principle (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

**Observations**

During Financial Attest Audit of District Health Authority, Toba Tek Singh for the period 2018-19, it was observed that District Accounts Officer, Toba Tek Singh collected different receipts on behalf of the Federal and Provincial Governments against various GL Accounts during 2018-19. Scrutiny of the record revealed that the same were transferred in excess as compared to collected amount. The details are given in following table.

(Amount in Rupees)

Sr. No.	Description	Opening Balance	Receipt during the year	Payment Made	Closing Balance
1.	G06103-General Provident Fund (Civil)	10,423,989	45,791,973	56,268,461	(52,499)
2.	G06215-District Govt. Employee B.F	4,221,488	21,752,288	25,983,468	(9,692)
3.	G12714-Income Tax deduction from suppliers	181,270	5,776,845	6,002,973	(44,858)
4.	G12777-Sale Tax Deduction at source under sales tax	42,852	644,997	708,398	(20,549)
<b>Total</b>					<b>(127,598)</b>

(Reference Page No.4/6 and 5/6 of Finance Accounts)

**Implications:**

Transfer of receipts in excess than collected amount resulted in extra burden on the financial exchequer of the District Health Authority.

**Recommendations:**

Audit recommends justification for excess transfer of funds to different Governments.

**Management Response:**

Balance shown in the above mentioned para will be adjusted with the amount deducted during the financial year 2019-20.

**Further Audit Comments:**

Audit stressed upon early compliance. DAC settled the para subject to verification of record.

**11.1.1.2 Non-transfer of Income Tax on Salaries – Rs 0.343 million**

**Risk Categorization: High**

**Criteria**

According to Section 3.3.7.7 of Manual of Accounting Principle (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as

revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

**Observations**

During Financial Attest Audit of District Health Authority, Toba Tek Singh for the period 2018-19, it was observed that District Accounts Officer, Toba Tek Singh collected Income Tax on Salaries on behalf of the Federal Governments against following GL Account but an amount of Rs 0.343 million was not transferred to the concerned Governments. The details are given below:

Sr. No.	Description	Opening Balance	Receipt during the year	Payment made	Closing Balance
1.	G012713-Income Tax deduction from salaries	2,910,911	5,063,461	7,631,247	343,125

**Implications**

Non-transfer of receipts resulted in misleading figures in the accounts of the District Health Authority.

**Recommendations:**

Audit recommends transfer of the same to Governments concerned at the earliest, under intimation to Audit.

**Management Response:**

Balance shown in the above mentioned para will be adjusted/transferred with the amount deducted during the month of September, 2019.

**Further Audit Comments:**

Audit stressed upon early compliance.

**11.1.1.3 Allotment of two personal number by tempering CNIC number**

**Risk Categorization: High**

**Criteria**

According to the Section 4.6.12.13 of Accounting Policies and Procedures Manual, the supervising payroll officer shall check that all amendments to payroll are accurate and there are no unauthorized amendments, compare current month payroll to last month and review any exceptions and compare manual payroll to computer



payroll to ensure that no employee is paid twice. Further, 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 overcharges, fraud and misappropriation.

**Observations**

Scrutiny of SAP HR data of District Health Authority, Toba Tek Singh revealed that two personal numbers were allotted to Mst. Kaneez Fatima in SAP/HR by tempering last digit of her CNIC Number. The details are given below:

CNIC No.	Personnel No.	Name	Designation	Cost Center	Description
3320212789496	30813224	Kaneez Fatima	Principal	TY-9004	General Nursing School, TTS
3320212789490	30829239	Kaneez Fatima	Principal	TY-9004	-do-

**Implications**

Allotment of two personal numbers by tempering CNIC number resulted in failure of internal controls on SAP system.

**11.1.1.4 Loss due to non-realization of revenue – Rs 3.629 million**

According to Rules 5 and 9(2)(m) of the Punjab District Authorities (Budget) Rules, 2017, the head of offices and institutions shall be responsible for guarding against waste and loss of public money. Collecting officer shall be responsible to prepare estimates of receipts for each head of income and their timely submission to Chief Executive Officer. Ensure timely recoveries against each demand. Further, according to Rules 4(1)(h) and 68(1) of the Punjab District Authorities (Budget) Rules, 2017, the Chief Executive Officer shall act as Principal Accounting Officer (PAO) of the Authority and shall monitor the receipts and expenditure of District Authority, offices, institutions. The primary obligation of the collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately to the District Authority Funds and to record entries under proper receipt head.

Audit observed that two DDOs of health facilities of DHA Toba Tek Singh did not deposit / recover hospital receipt, parking fee, tender fee, sale proceeds of old material etc. into the Government treasury. Resultantly, Government sustained

a loss of Rs 3.629 million due to non-realization of income from these sources. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	Non-recovery of parking fee	1.335
		Non-recovery from the contractor of canteen	0.757
		Less collection / deposit of test fees	0.557
		Less deposit of sale proceeds of old / condemned material	0.293
		Non-deposit of parking fee	0.325
		Non / less deposit hospital receipt	0.187
		Non-deposit of tender fee	0.049
3	Medical Superintendent, THQ Hospital, Kamalia	Non-deposit of parking fee	0.126
<b>Total</b>			<b>3.629</b>

Audit is of the view that due to negligence and poor financial management, the Government revenue was not realized and deposited in Government Treasury.

Non-realization of from the defaulters and non-deposit in the Government treasury resulted in loss of Rs 3.629 million to Health Authority.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for immediate recovery of from the defaulters.

[AIR Paras: 2, 5, 3, 9, 6, 1, 20, 14]

**Recommendations:**

Audit recommends investigation of the matter and report progress to Audit regarding factual position of the matter at the earliest.

**Management Response:**

The personal No. of Kaneez Fatima Principal was allotted in SAP R/3 system by the District Accounts Office, Jhang.

**Further Audit Comments:**

Audit stressed upon investigation of the matter and report progress to Audit at the earliest. DAC directed to investigate the matter and report progress to Audit, at the earliest.

## Chapter 2

### DHA Toba Tek Singh

#### 11.2.1 Introduction

District Health Authority, Toba Tek Singh was established on 01.01.2017 under Punjab Local Government Act (PLGA), 2013. DHA, Toba Tek Singh 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.

CEO is the Principal Accounting Officer of the District Health Authority and is responsible to the Public Accounts Committee of the Provincial Assembly. He is personally responsible to ensure that the business of the DHA is carried out proficiently, in accordance with law and to promote the objectives of the Authority.

DHA Toba Tek Singh manages following administrative offices and health facilities:

Description	No. of Health Facility/Institute	No. of Formations
CEO DHA	01	01
District Health Officers	01	02
Deputy District Health Offices	04	04
District Headquarter Hospital	01	01
Tehsil Head Quarter Hospitals	02	02
Rural Health Centre	09	09
IRMNCH	01	01
District Health Development Centre	01	01
Nursing School	02	02
Government City Hospitals	02	02
Blood Transfusion Officer	01	01
Basic Health Units	70	-
Government Rural Dispensary	23	-
MCH Centers	02	-
<b>Total</b>	<b>120</b>	<b>26</b>

(Source: Data received from CEO, DHA Toba Tek Singh)

The following table shows detail of total & audited formations of DHA Toba Tek Singh:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2018-19	Revenue/ Receipts Audited FY 2018-19
1	Formations	26	08	464.816	10.305
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	01	01	170.565	-

### 11.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets as assigned to the PAO by the Government of Punjab, following financial resources were given to CEO (DHA) Toba Tek Singh during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+)/ Lapse (-)	Lapse (%)
Non-Development (Salary + Non-Salary)	2,061.385	1,865.990	-195.395	-9.48
Development	152.784	18.243	-134.541	-88.06
<b>Total</b>	<b>2,214.169</b>	<b>1,884.233</b>	<b>-329.936</b>	<b>-97.54</b>
Receipts	-	29.443	-	-

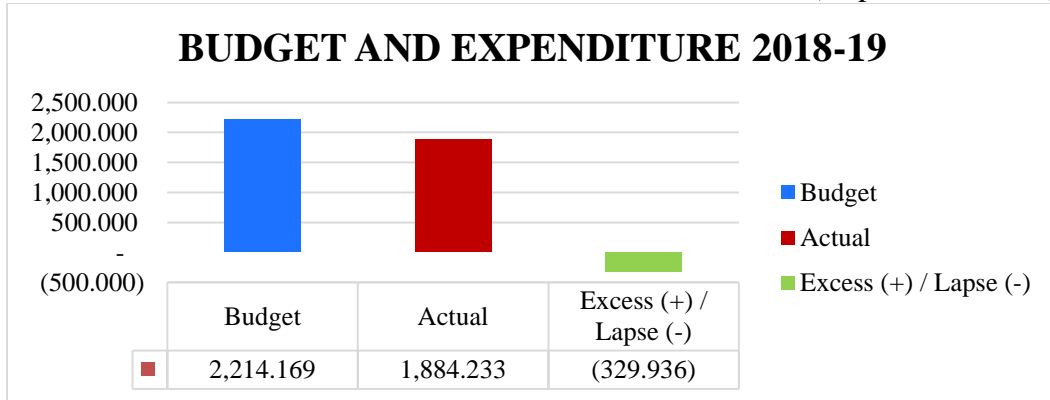
(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 209.530 million was provided for purchase of medicines against which only Rs 109.291 million were utilized resulting in lapse of Rs 100.247 million (48%).
- An amount of Rs 134.067 million was provided for purchase of machinery and equipment against which an amount of Rs 1.200 million was utilized resulting in lapse of Rs 132.867 million 99%)
- An amount of Rs 152.784 million was allocated for development schemes out of which only Rs 18.243 million was spent whereas remaining Rs 134.541 million 88% were lapsed.

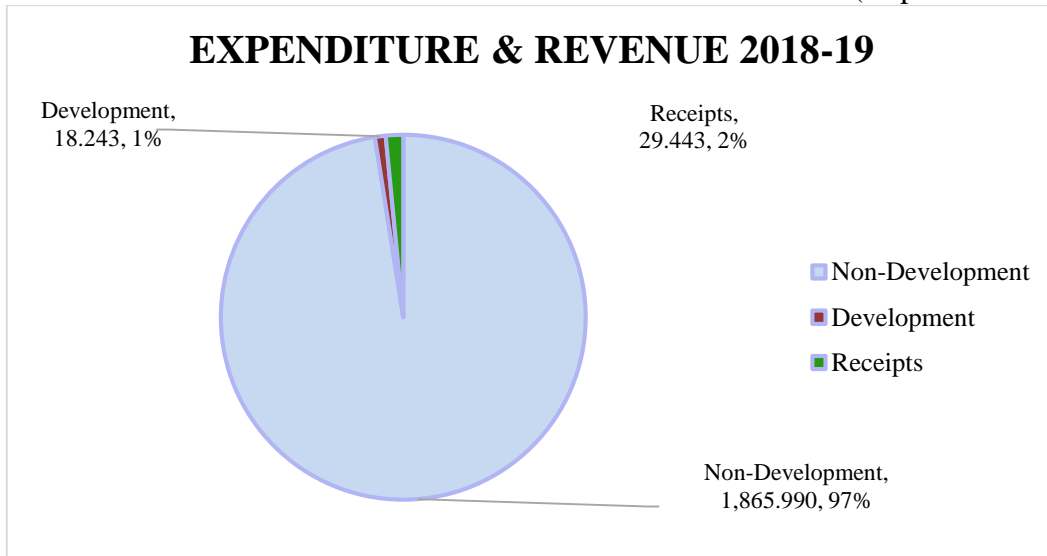
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



### 11.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 235.842 million were raised as a result of this audit. This amount also includes recoverable of Rs 62.940 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	1.496
3	Irregularities	
A	HR/Employees related irregularities	52.079
B	Procurement of related irregularities	47.174
C	Management of Accounts with Commercial Banks	0
4	Values for Money and Service Delivery Issues	36.217
5	Others	98.876
	<b>Total</b>	<b>235.842</b>

### 11.2.4 Comments on the Status of Compliance with PAC directives

The Audit Reports pertaining to following year were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee so far.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	17	PAC not constituted
2	2018-19	42	PAC not constituted

## 11.2.5 Audit Paras

### 11.2.5.1 Fraud and Misappropriations

#### 11.2.5.1.1 Embezzlement of public funds – Rs 1.496 million

According to Rule 2.31(a) of Punjab Financial Rules Volume-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 Rule 2.10(b)(5) of the Punjab Financial Rules, Volume-I, no money is withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance.

Audit observed that three DDOs of different health facilities under the administrative control of District Health Authority, Toba Tek Singh withdraw funds amounting to Rs 1.496 million from treasury through fake billing, payment of salaries without performance of duty and misappropriation of pathological laboratory test diagnostic kits. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	Withdrawal of funds through fake billing.	0.526
2	Medical Superintendent, THQ Hospital, Kamalia	Misappropriation of lab strips.	0.154
		Procurement of lab test kits through fake bills.	0.116
3	Senior Medical Officer, Rural Health Center, Nia Lahore	Payment of salaries through fake attendance and absence period.	0.700
<b>Total</b>			<b>1.496</b>

Audit is of the view that due to negligence and poor financial management, amount was embezzled through fake billing and salaries without performance of duty.

Embezzlement of Rs 1.496 million resulted in loss to public exchequer.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.



Audit recommends to probe the matter for recovery of loss besides initiating strict disciplinary action against the persons involved in embezzlement.

[AIR Paras: 30, 2, 6, 2]

## 11.2.5.2 Irregularities

### 11.2.5.2.1 Irregular expenditure without quotations/tenders – Rs 26.672 million

According to Rules 09, 12(1) and 59(b) of the Punjab Procurement Rules, 2014, 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. A procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. 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 procedure.

Six DDOs of District Health Authority, Toba Tek Singh incurred expenditure of Rs 26.672 million on purchase of laboratory material, medicine, electric material, general store items, printers, disposable items, hiring of tents etc. Contrary to the above rules, expenditure was incurred by splitting the cost of procurements and keeping the amount of each purchase below the financial limit of Rs 100,000 to avoid tendering and Rs 50,000 to avoid quotations. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Amount
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	16.495
2	Medical Superintendent, Eye Cum General Hospital, Gojra	3.325
		0.350
3	Medical Superintendent, THQ Hospital, Kamalia	1.796
4	Senior Medical Officer, Rural Health Center, Nia Lahore	1.090
		0.557
5	Senior Medical Officer, Rural Health Center, Rajana	2.145
6	Senior Medical Officer, Rural Health Center, 394/JB	0.914
<b>Total</b>		<b>26.672</b>

Audit is of the view that due to financial mis-management, expenditure was incurred without open competition.

Procurement without open competition resulted in mis-procurement and irregular expenditure of Rs 26.672 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority besides fixing of responsibility on the person(s) at fault.

[AIR Paras: 31, 26, 41, 8, 17, 7, 7, 10, 7, 4]

**11.2.5.2.2 Unjustified payment through adjustments without supporting record – Rs 19.330 million**

According to provision 4.6.5.5 of Accounting Policies and Procedures Manual (APPM), any change in employee’s allowances and deductions shall be notified through the change statement to the DAO/AG/AGPR. Further, according to Rule 2.20 of the Punjab Financial Rules, Volume-I, every payment, including repayment of money previously lodged with Government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. As far as possible, the particular form of voucher applicable to the case should be used.

Contrary to the above provisions, three DDOs of District Health Authority, Toba Tek Singh made payment of pay & allowances amounting to Rs 19.330 million to different employees through adjustments in monthly payroll without maintaining ancillary record i.e. change statements duly notified to DAO, Toba Tek Singh and arrear bills of the employees. The details are as under:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Amount
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	136	17.760
2	District Health Officer, Toba Tek Singh	1	0.494
3	Senior Medical Officer, Rural Health Center, Rajana	8	1.076
<b>Total</b>		<b>145</b>	<b>19.330</b>

Audit is of the view that due to poor financial management, arrears of pay and allowances were paid without maintaining supporting record.

Payment of pay and allowances through adjustment without maintaining ancillary record resulted in unjustified payment of Rs 19.330 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides provision of ancillary record for verification.

[AIR Paras: 46, 9, 3]

#### **11.2.5.2.3 Withdrawal of inadmissible allowances – Rs 13.298 million**

According to Government of the Punjab, Health Department Notification No.PO(P&E-I)19-113/2004(v) dated 13.04.2007 read with letter of even No. dated 22.11.2006 and Punjab Finance Department letter No.FD(SR-II)/9-36/06(P) dated 03.04.2013, Health Sector Reforms Allowance (HSRA) at DHQ/THQ hospitals was admissible to MO, WMO, Dental Surgeon, Medical Superintendent, Anesthetist, Radiologist and other specialists only and at RHC and BHUs level HSRA is admissible to nursing, paramedical and allied staff and frozen at the level of its admissibility as on 30.06.2011. Further, Non-practicing Allowance is admissible to the doctors working at THQs/DHQs who did not opt private practice. Further, according to Rule 1.15(2) of the Punjab Travelling Allowance Rules, Conveyance Allowance will not be admissible during leave. Further, according to Government of the Punjab, Health Department letter No.SO(A-3-MCW)9-17/84-IV dated 12.02.1987, Mess and Uniform / Dress Allowance will not be admissible during leave. Furthermore, according to Government of the Punjab, Finance Department and Health Department clarifications issued vide letter No.SO X-H-I/6-91/2004-1 dated 14.07.2008, HSRA will not be admissible to the officers/officials during leave period. Furthermore, according to Government of the Punjab, Health Department letter No.PA/DS(G)4-8/2016 dated 03.08.2016, the Incentive Allowance shall be paid subject to the conduct of evening rounds in duty roster as devised by the consultants.

Audit observed that one hundred and seventy six employees of various categories working at different health facilities of DHA, Toba Tek Singh withdrew inadmissible Health Sector Reform Allowance (HSRA), Incentive Allowance, Dress Allowance, Mess Allowance, Qualification Allowance, Conveyance Allowance, TA /

DA, Social Security Benefit and salaries amounting to Rs 13.298 million as detailed in (Annexure-J/TTS).

Audit is of the view that due to poor financial management, employees were allowed to withdraw pay and allowances without admissibility.

Withdrawal of pay and allowances without admissibility resulted in overpayment of Rs 13.298 million to the employees concerned.

The matter was reported to the DDOs during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to recover overpaid/inadmissible allowances from the concerned at the earliest.

[AIR Paras: 11,12,13,15,16,27,40,5,13,20,21,3,6,7,5,7,9,10,8,6,4,6,9,8,6]

#### **11.2.5.2.4 Irregular local purchase of medicine – Rs 10.660 million**

According to Government of the Punjab, Primary & Secondary Healthcare Department Notification No. PSHD-TC0-1 (M) 6-14/2017 Dated 16.12.17 regarding policy and operational guidelines for local purchase of medicines, in order to ensure transparency, a local on line purchase portal has been designed with various features and requirements for data entry in Local Purchase portal and locally purchased items will be posted in portal on daily basis. Purchase order may be emailed to the LP supplier through LP portal. Contractor will submit invoice/bill with supply on daily basis. The Tender should be awarded to the contractor as per Punjab Procurement Rules, 2014 offering maximum discount on following categories for multinational manufacturers, local manufacturers and surgical/disposable items separately. Furthermore, a formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic. in case any health facility prefers to procure medicine of brands other than mentioned in formulary, the Medical Superintendent/ Incharge of such health facility shall ensure that the medicine brand supplied for the first time (after this notification) are sent to respective Drugs Testing laboratory.

Audit observed that Medical Superintendent THQ Hospital Gojra incurred expenditure of Rs 10.660 million on local purchase of medicine during 2018-19. The expenditure was held irregular due to following reasons:

- i. Local purchase of medicine was not made through Local Purchase of Medicines Portal especially designed for the purpose by Government of the Punjab, Primary & Secondary Health Care Department.
- ii. Discount rate was not obtained on the basis of prescribed three categories separately i.e. for multinational manufacturers, local manufacturers and surgical/disposable items.
- iii. Medicines were procured without ensuring the approved / permissible brands in the Punjab Medicine Formulary against each generic.
- iv. Irregular utilization and payment of medicines procured outside of formulary was made without clearance from Drugs Testing Laboratory.

Audit is of the view that due to negligence, medicines were procured against the policy guidelines.

Purchase of medicine in violation of prescribed policy resulted in irregular purchase of Rs 10.660 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the competent authority.

[AIR Para: 3]

#### **11.2.5.2.5 Irregular hiring of contingent paid staff – Rs 7.918 million**

According to para 2 of preface of schedule of wage rate, 2017, appointment to be made by the Competent Authority subject to the following conditions. The post(s) shall be advertised properly in the leading newspapers. The recruitment to all the posts be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD vide No.SOR-IV) 10-1/2003 dated 17.09.2004 (amended to date). Further, according to Provision 5.1 read with Provision 5.2(vii) of Guidelines issued to Health Council, the Secretary of the health council shall be responsible for maintenance of accounts/record including vouchers, cash book, bank statement, minutes of meeting, approval of Health Council etc. Furthermore, according to government of the Punjab Primary & Secondary Healthcare Department Notification No.SO-(G-II)P&SHD/Misc./2017 dated 09.01.2017 read with notification of even No. dated 19.12.2016,

the Medical Superintendents of THQs of the Punjab are authorized to hire daily wages staff i.e. five Data Entry Operators and five wheelchair & Stature Bearers.

Audit observed that two DDOs incurred expenditure of Rs 7.918 million during 2018-19 out of Health Council Funds on remuneration of daily wages staff including Data Entry Operators, Stretcher Bearers, Security Guards, Sewer man, Electrician, Generator Operator, Dialysis Technician etc. Contrary to the above provisions, recruitments were made without advertising the posts in newspapers. Detail of total applicants and merit list was also not forthcoming from record. The details are given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Financial Year</b>	<b>Amount</b>
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	2018-19	5.061
2	Medical Superintendent, THQ Hospital, Kamalia	2018-19	2.857
<b>Total</b>			<b>7.918</b>

Audit is of the view that due to non-observance of appointment rules, daily wages staff was hired without adopting prescribed procedure.

Hiring of daily wages staff without adopting prescribed procedure resulted in irregular expenditure amounting to Rs 7.918 million.

The matter was reported to the DDOs during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from competent authority.

[AIR Paras: 34, 4]

#### 11.2.5.2.6 Loss due to procurements at excessive rates – Rs 4.439 million

According to Rule 2.33 of the Punjab Financial Rules, Volume-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. According to Rules 4 of the 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.

Five DDOs of District Health Authority, Toba Tek Singh made procurement of printers, stationary, medicine, store items, lab items, mobile phones, X-rays material of Rs 4.439 million from local market through different suppliers at excessive rates. Resultantly, an amount of Rs 4.496 million was paid in excess to the suppliers due to charging of excess rates. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	Procurement of printer and stationery items at higher rates	0.414
2	Medical Superintendent, THQ Hospital, Kamalia	Purchase of medicine and store items at higher rates	0.946
3	Medical Superintendent, THQ Hospital, Gojra	Local purchase of medicine at higher rates	2.841
4	Senior Medical Officer, Rural Health Center, Rajana	Purchase of disposable syringes at higher rates	0.036
5	Senior Medical Officer, Rural Health Center, Nia Lahore	Procurement of medicine, lab items, mobile phones, X-ray material at high rates.	0.202
<b>Total</b>			<b>4.439</b>

Audit is of the view that due to weak financial management, procurements were made at higher rates.

Procurements at higher rates resulted in loss of Rs 4.439 million to public exchequer.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.



Audit recommends to probe the matter besides recovery of loss at the earliest.

[AIR Paras: 25, 10, 13a, 13b, 1, 5, 4]

**11.2.5.2.7 Non-recovery of inadmissible Conveyance Allowance and House Rent Allowance – Rs 4.261 million**

According to Government of the Punjab, Finance Department, letter No.FD.S.R.1.9-4/86 (PR)(P) dated 15.10.2011, employees residing in the residential colonies situated within work premises are not entitled for Conveyance Allowance. Further, according to Government of the Punjab, Finance Department letter No.FD(M-1)1-15/82-P-I dated 15.01.2000, House Rent Allowance is not permissible when facility of official accommodation is availed by the Government servant. Furthermore, according to Government of the Punjab, Finance Department (Monitoring Wing) Notification No.FD (M-I)1-15/02-P-I dated 15.01.2000, in case of designated residences, the officers/officials for whom residence is meant will have to pay 5% House Rent Charges.

Thirty five employees of different health facilities/offices of District Health Authority, Toba Tek Singh withdrew inadmissible House Rent Allowance amounting to Rs 0.867 million and Conveyance Allowance amounting to Rs 0.922 million as the employees remained resided in the Government residences within premises of the hospitals. Further, House Rent Charges amounting to Rs 0.070 million and penal rent amounting to Rs 2.402 million was also not recovered from various employees and illegal occupants respectively. The details are given below:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Conveyance Allowance	HR Allowance	HR Charges	Penal Rent	Total Amount
1	MS, DHQ Hospital, Toba Tek Singh	2	-	-	-	0.864	0.864
		1	-	-	0.070	-	0.070
2	MS, Eye Cum General Hospital, Gojra	1	-	-	-	0.462	0.462
		1	-	0.057	-	-	0.057
		4	0.126	0.038	-	-	0.164
		0	0.089	0.076	-	-	0.165
3	SMO RHC, Rajana	1	-	-	-	1.076	1.076
		25	0.707	0.696	-	-	1.403
<b>Total</b>		<b>35</b>	<b>0.922</b>	<b>0.867</b>	<b>0.070</b>	<b>2.402</b>	<b>4.261</b>

Audit is of the view that due to poor financial management, payment of inadmissible allowances was made to employees and necessary deduction/recovery was also not made from the concerned.

Payment of inadmissible allowance and non-recovery of necessary deductions resulted in excess payment and loss of Rs 4.261 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery from the employees concerned at the earliest.

[AIR Paras: 38, 39, 14, 15, 19, 18, 2, 1]

**11.2.5.2.8 Unauthorized expenditure out of Health Council Funds – Rs 3.922 million**

According to Rule 5(2)(i) of the Punjab District Authority (Budget) Rules, 2017, the head of office and institution shall be responsible for ensuring that the funds allotted shall be spent on the activities for which they were provided. Further, according to Guidelines issued by the College of Physicians and Surgeons Pakistan vide letter No.CPSP/SEC/2017/246 dated 28.02.2017, every trainee must be paid stipend for training as per decision of the Provincial Government. Furthermore, according to Para 4.7 of the Health Council Guidelines 2018 issued by Government of the Punjab, Health Department vide Notification No. SO(B&A)1-48/2017-18 dated 20.11.2018, remuneration of only Data Entry Operators was allowed to be paid from the Health Council Funds. Further, according to Government of the Punjab Primary and Secondary Healthcare Department letter No.PSO/Secy/.P&SH/05/2016 according to the TORs/ Functions of the Health Councils money transferred shall be spent judiciously setting excellent standards of integrity to uphold the trust of the Government.

Audit observed that Health Councils of two Hospitals of DHA Toba Tek Singh withdraw amount of Rs 3.922 million from the Health Council funds on account of remuneration of Post Graduate Trainees and payment of electricity bill during 2018-19. However, the expenditure was not admissible from Health Council funds. The details are given below:

(Rupees in million)

DDOs	Description	Month	No. of Payees	Amount
Medical Superintendent, DHQ Hospital, Toba Tek Singh	Post Graduate Trainees remuneration	Aug-18	6	0.418
		Sep-18	6	0.418
		Apr-18	11	0.747
		May-18	11	0.534
		Jun-18	6	0.407
		Jul-18	6	0.418
Medical Superintendent, THQ Hospital, Kamalia	FESCO bill	Aug-18	-	0.980
<b>Total</b>				<b>3.922</b>

Audit is of the view that due to poor financial management, unauthorized expenditure was incurred without admissibility from Health Council funds.

Inadmissible expenditure from Health Council funds resulted in unauthorized expenditure of Rs 3.922 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of the expenditure from competent authority

[AIR Paras: 33, 5]

#### **11.2.5.2.9 Withdrawal of pay and allowances during absent period – Rs 3.334 million**

According to Rule 2.31(a)&(b) of Punjab Financial Rules Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. He should, therefore make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that he can be in a position to detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur. The responsibility of countersigning officers will be that which attaches to all Controlling Officers and which brings them under liability to make good any loss arising from their culpable negligence.

Sixteen employees of various categories including Medical Officers, Women Medical Officers, Lady Health Visitor, Emergency Medical Officer, Dental Surgeon, Charge Nurses, Junior Technician etc. working under the administrative control of District Health Authority, Toba Tek Singh withdrew pay and allowances amounting to Rs 3.334 million after resignation / retirement from the Government service or during absent period. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Description	No. of Employees	Amount
1	MS, DHQ Hospital, Toba Tek Singh	Pay and allowances after resignation	1	0.750
		Pay after termination of contract appointment	1	0.562
2	MS, Eye Cum General Hospital, Gojra	Pay and allowances after relieving from duty	6	0.783
3	District Health Officer, Toba Tek Singh	Pay and allowances after resignation	1	0.469
		Pay and allowances after retirement	2	0.366
4	SMO RHC, Nia Lahore	Pay and allowances after termination	4	0.291
5	SMO RHC, 394/JB	Pay and allowances after absconded from service	1	0.113
<b>Total</b>			<b>16</b>	<b>3.334</b>

Audit is of the view that due to weak financial management, inadmissible pay and allowances was made to the employees.

Payment of inadmissible pay and allowances resulted in loss of Rs 3.334 million to public exchequer.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of overpaid pay and allowances from the concerned at the earliest.

[AIR Paras: 10, 14, 12, 8, 4, 3, 7]

**11.2.5.2.10 irregular expenditure on salaries without performing duty – Rs 2.758 million**

According to 2.31(a) of Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that detect any attempt of leakage of finance is likely to occur. Further, according to Rule 38(3, 4&5) of the Punjab District Authorities (Accounts) Rules, 2017, the DDO and Accounts Officer shall maintain establishment check register and payroll on system respectively. Further, at the beginning of each year, the entries in the establishment check register showing sanctioned strength of establishment and remuneration for each post shall be scrutinized and verified by the DDO. Any variation in the schedule of establishment shall be communicated to Accounts Officer through the Budget & Accounts Officer.

Two DDOs of DHA, Toba Tek Singh made payment of salaries to three employees amounting to Rs 2.758 million. However, the said employees withdrew salaries without performing duty at their respective health facility/office. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Designation	Observation	No. of Employees	Amount
1	Medical Superintendent, Eye Cum General Hospital, Gojra	Medical Lab Technologist, Junior Pharmacy Technician	Employees remained on General duty even after cancellation of orders	2	1.672
2	District Health Officer (III), Toba Tek Singh	Driver	Employee withdrew salary without availability of vehicle	1	1.086
<b>Total</b>				<b>3</b>	<b>2.758</b>

Audit is of the view that due to weak financial management, salary was paid to the employees without performing duty at their original place of posting.

Expenditure on salary without performing duty resulted in irregular expenditure of Rs 2.758 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from competent authority.

[AIR Paras: 6, 5]

**11.2.5.2.11 Suspicious procurement of medicines in violation of policy guidelines – Rs 1.481 million**

According to Para 1, 2, 4, 5, 14, 26, 28, 29 and 30 of Local Purchase Policy Guidelines for Local Purchase of medicines issued vide No. SO(P-I)H/3-64/2008 dated 12-09-2013, local purchase in Government Hospitals is allowed to ensure fulfillment of immediate need of medical treatment that is otherwise not possible from medicines and surgical/disposables available within the hospital. Local purchase is permitted for emergencies on indoor patients' department on the prescription of authorized medical practitioner. The non-availability of prescribed medicines or its alternates within the hospital generates justification of local purchase; therefore, the policy requires hospitals to establish non-availability of prescribed medicine through an authorized pharmacist in the hospital on case to case basis to avoid duplication of resources. It is established policy of the Government to enter into local purchase contract through open competitive tendering as per Punjab Procurement Rules. Treatment register should be maintained encompassing name, registration number, address, diagnosis and description of medicines etc. Local purchase should not be for more than seven days for one patient.

Senior Medical Officer RHC Chak 394/JB Toba Tek Singh incurred expenditure of Rs 1.481 on Local Purchase of Medicine during financial year 2015-19. Contrary to the above, following discrepancies were observed in procurement process:

1. Procurement was made without entering into local purchase contract through open competitive bidding and medicines were procured in peace meal purchases by splitting the cost of procurements.
2. Neither any prescription/recommendation for individual patients on case to case basis was created by the authorized medical practitioners nor non-availability of medicine certificate was authorized.
3. In some cases, procurement was made in bulk and such medicines/disposables were purchased which were also included in

rate contracts of bulk purchase of medicines for the relevant financial years.

4. The supplier did not provide warranty certificates and authentic price list of the medicines along with the bills to compare the prices with the bills.
5. Central registration procedure for patients was not adopted / made operated.
6. Treatment register was not maintained encompassing name, registration number, address, diagnosis and description of medicines etc.

Audit is of the view that due to negligence, local purchase of medicine was made in violation of Policy and Operational Guidelines.

Procurement of medicines in violation of policy guidelines resulted in irregular expenditure amounting to Rs 1.481 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of the expenditure from the Competent Authority.

[AIR Para: 3]

**11.2.5.2.12 Irregular payment of pay and allowances by shifting of Headquarter – Rs 1.180 million**

According to Government of the Punjab, Finance Department Notification No.FD/SRIV-8-1/76(PROV) dated 16.03.1998, shifting of headquarter of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department. Further, according to the letter from Directorate General Health Services Punjab, Lahore No.211-246/Admn dated 08.01.2018 addressed to all Chief Executive Officer, District Health Authorities “In order to run the affairs of Hospitals/Health institutions in a smooth manner, the competent authority was pleased to discontinue all general duties assignments of doctors and staff working in Health facilities.

Two employees of RHC Rajana were working in the office of District Health Officer (PS) on general duty since 2016 despite the fact that all general duties were cancelled by the Director General Health Services. The details are given below:

(Rupees in million)

Sr. No.	Name	Designation	Drawl of Pay & Allowances
1	Mr. Babar Bashir	Computer Operator	0.910
2	Muhammad Ijaz Anwar	Sanitary Patrol	0.269
<b>Total</b>			<b>1.179</b>

Audit is of the view that due to weak financial management, pay and allowances were withdrawn without performing duties at their original place of posting.

Withdrawal of pay and allowances without performing duties at actual place of posting resulted in irregular expenditure amounting to Rs 1.179 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of matter from the Competent Authority.

[AIR Para: 9]

#### **11.2.5.2.13 Overpayment during leave without pay – Rs 0.937 million**

According to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any over charge, frauds and misappropriations.

During Financial Attest Audit of District Health Authority, Toba Tek Singh, it was observed that two doctors working in DHQ Hospital, Toba Tek Singh remained on Extra Ordinary Leave (EOL) without pay. Scrutiny of SAP/HR data depicted that District Accounts Officer paid salaries amounting to Rs 0.937 million to the employees during extra ordinary leave. The detail is as under:



(Rupees in million)

Sr. No.	Personnel No.	Name / Designation	Period of Leave	Period of overpayment	Total
1	31984671	Arsla Anwer Cheema, WMO	01.08.18 to 31.07.20	01.08.18 to 28.02.19	0.700
2	31910218	Faizan Ghani, MO	17.02.19 to 16.02.21	17.02.19 to 30.04.19	0.237
<b>Total</b>					<b>0.937</b>

Audit is of the view that due to weak financial controls, salaries were paid to employees during EOL.

Payment of salaries during leave resulted in excess payment of Rs 0.937 million to employees and loss to public exchequer.

In DAC meeting held in October, 2019, it was replied that recovery would be made through concerned Department. Audit stressed upon early recovery and record be produced to Audit for verification. DAC directed to recover overpaid amount at the earliest. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs 0.937 million from the employees concerned at the earliest.

#### **11.2.5.2.14 Payment of salaries after resignation from Government service – Rs 0.750 million**

According to Rule 2.31(a) of the Punjab Financial Rules, Volume-I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any over charge, frauds and misappropriations.

Dr. Usama Mushtaq, Emergency Medical Officer (EMO) remained working in the DHQ Hospital, Toba Tek Singh had resigned from Government service w.e.f 01.04.2018. Scrutiny of SAP/HR Data depicted that District Accounts Officer paid pay and allowances to the employee for the period 01.04.2018 to 31.08.2018 after resignation from service. Resultantly, an amount of Rs 0.750 million was overpaid to him. The details are given in following table.

(Rupees in million)

Personnel No.	Name / Designation	Date of Resignation	Period of overpayment	Monthly Pay	Recoverable
31960349	Usama Mushtaq, EMO	01.04.2018	01.04.18 to 31.08.18	0.150	0.750

Audit is of the view that due to weak financial controls, salaries were paid to employee after resignation from service.

Payment of salaries resignation from Government service resulted in excess payment of Rs 0.750 million to employee and loss to public exchequer.

In DAC meeting held in October, 2019, it was replied that recovery would be made through department concerned. Audit stressed upon early recovery and record be produced to Audit for verification. DAC directed to recover overpaid amount at the earliest. No progress was intimated to Audit till finalization of this Report

Audit recommends recovery of Rs 0.750 million from the concerned at the earliest.

#### **11.2.5.2.15 Unauthorized withdrawal of HSRA – Rs 0.238 million**

According to Government of the Punjab, Health Department, Lahore letter No.(P&E)19-113/2004 (V) dated 13.04.2007 that Health sector reform allowance is allowed to doctors i.e. Medical Officer, Woman Medical Officer, Medical Superintendent and Specialists posted at THQ and DHQ Hospitals.

During Financial Attest Audit of District Health Authority, Toba Tek Singh for 2018-19, it was observed that District Accounts Officer issued pay slips to two SMOs and one APMO and allowed to draw Health Sector Reforms Allowance @ Rs 15,000 and Rs 7,000 per month in violation of above referred instructions of Government of the Punjab. Resultantly an amount of Rs 0.238 million was overpaid to the doctors concerned.

Audit is of the view that due weak financial controls, inadmissible allowance was withdrawn by the employees.

Withdrawal of inadmissible Health Sector Reforms Allowance resulted in overpayment of Rs 0.238 million and loss to public exchequer.

In DAC meeting held in October, 2019, it was replied that HSRA irregularly withdrawn by the said doctors which would be recovered through installment from their salaries and rate of HSRA would also be get corrected. Audit stressed upon early recovery and record be produced to Audit for verification. DAC directed to recover overpaid amount at the earliest. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of overpaid amount of Rs 0.238 million from the employees concerned at the earliest.

### 11.2.5.3 Value for Money and Service Delivery Issues

#### 11.2.5.3.1 Loss to Government due to non-auction of condemned material – Rs 9.445 million

According to Para 2,3&4 of Government of the Punjab, Health Department Notification No.S.O.(PH)1-10/2008 dated 16.04.2013, all hospital administrations are directed to immediately take necessary action for auction of the parking stands / lots available in hospitals strictly in accordance with PPRA Rules.

Audit observed that five DDOs of DHA Toba Tek Singh did not auction unserviceable medical equipment, vehicles, old building material costing Rs 8.848 million. Further, Medical Superintendent DHQ Hospital Toba Tek Singh auctioned the canteen at lesser than offered auction amount which resulted in loss of Rs 0.597 million. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Medical Superintendent, Eye Cum General Hospital, Gojra	Non-auction of unserviceable medical equipment	1.408
2	District Health Officer, Toba Tek Singh	Non-auction of old unserviceable vehicles	1.910
3	District Health Officer (III), Toba Tek Singh	Non-auction of old building material	5.530
4	Senior Medical Officer, Rural Health Center, Nia Lahore	Non-auction of condemned material	0
<b>Total</b>			<b>8.848</b>
5	Medical Superintendent, DHQ Hospital, Toba Tek Singh	Loss due to award of contract at lesser than offered auction amount	0.597
<b>Total</b>			<b>9.445</b>

Audit is of the view that due to negligence on part of the management, old material either was not auctioned and canteen was auctioned at lesser rate than bid amount.

Non-auction of old material and realization of short revenue resulted in loss to the District Health Authority amounting to Rs 9.445 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides auction of condemned/unserviceable material.

[AIR Paras: 7, 11, 13, 1, 15]

**11.2.5.3.2 Wasteful expenditure without service delivery – Rs 8.977 million**

According to Section 94 of the Punjab Local Government Act, 2013, a District Health Authority shall coordinate planning and allocate finances for provision of service delivery at District level & develop linkages between private and public health sectors for enhancing access and coverage of health care facilities to the general public and improving quality of these services. Furthermore, according to Rules 3(f) and 4(1)(I) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure. The CEO shall act as PAO of the Authority and shall ensure the utilization of funds in the public interest and on specified objects.

Medical Superintendent DHQ Hospital Toba Tek Singh incurred expenditure of Rs 8.977 million on salaries of six Dental Surgeons and two Dental Technicians whereas only one dental unit was functional in the hospital throughout the financial year. The hospital management failed to acquire the dental units for effective deployment of qualified dental surgeons.

Audit was of the view that due to poor management, excess dental surgeons and technicians were deployed without availability of dental unit.

Deployment of excess staff without availability of resources and service delivery resulted wasteful expenditure of Rs 8.977 million to the District Health Authority.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter and appropriate action for efficient utilization of human resource may be ensured.

[AIR Para: 35]

**11.2.5.3.3 Loss due to disposal of old material in a non-transparent manner – Rs 6.214 million**

According to Sr. No. 6 Note-V and Sr. No. 6 (s) of Second Schedule (Rule 3) of the Punjab District Authorities (Delegation of Financial Power) Rules, 2017, surplus, unserviceable of condemned vehicle / machinery / equipment / spares / stores / stocks etc. shall be sold through competitive bidding by public auction and their market price shall be determined, after market survey, by a committee constituted by the Authority on recommendation of the Chief Executive Officer.

Audit observed that old / unserviceable material was auctioned by Medical Superintendent District Headquarters Hospital Toba Tek Singh for Rs 0.955 million. However, the value of old/ unserviceable material was assessed as Rs 7.169 million during last year's Audit Report. Further scrutiny of record depicted that price assessment and disposal of old material was carried out in non-transparent manner by the entity which caused loss of Rs 6.214 million due to following reasons:

- i. Market price determination / estimation Committee was constituted by the CEO DHA Toba Tek Singh on 12.06.2019 and 1<sup>st</sup> meeting of the committee was held on 15.06.2019 in which the committee decided to call four scrap dealers to assess / ascertain the market price of condemned stores. Whereas, the price estimation statements of scrape dealers depicted that same was carried out during 08.06.2019 to 10.06.2019 i.e. before constitution of price estimation committee. This record showed that merely minutes of meeting were prepared on 15.06.2019 by relying upon the price assessment already managed by the hospital authorities.
- ii. The price estimation of old stores was made in lump sum without mentioning the description of items, quantities thereof and price of each item.
- iii. The price estimation statements submitted by the scrape / auction dealers indicated that the statement was about the material dumped at eight different sites whereas minutes of Price Estimation Committee meeting showed that the material was dumped at ten different sites. It resulted in concealment of material lying at two unexplained sites.
- iv. Consequently, auction was made on lump sum basis without identifying nature of items quantities thereof and item wise prices.

- v. A comparative statement indicating the number of items obtained as a result of condemnation and number of items disposed of was neither maintained to mitigate the element of theft or its unauthorized disposal as there was a huge difference between previously pointed out cost of material and auction price.

Audit is of the view that due to negligence and mismanagement, old material was auctioned in non-transparent manner and Government revenue was not realized at its optimum.

Non-transparency in auction process resulted in loss of Rs 6.214 million to public exchequer.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to inquire the matter at an appropriate level besides recovery of loss from the defaulter at the earliest.

[AIR Para: 4]

#### **11.2.5.3.4 Blockage of public resources due to non-utilization of medical equipment – Rs 4.231 million**

According to Rule 15.21 (4) of Punjab Financial Rules Volume-I, stores, in many cases, represent a locking up of capital which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.

Audit observed that costly machinery & medical equipment valuing Rs 4.231 million received from PMU, Lahore was found non-functional at Tehsil Headquarter Hospital Kamalia and was deteriorating without use.

Audit is of the view that due to negligence and mismanagement, costly machinery and equipment was remained unutilized.

Non-utilizing of machinery and equipment resulted in blockage of resources and amounting to Rs 4.231 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to make the assets functional without further delay besides inquiry of the matter for poor planning.

[AIR Para: 8]

**11.2.5.3.5 Non-forfeiture of performance security and non-recovery of late delivery charges – Rs 3.721 million**

According to Condition 11(a) of Special Conditions of the Rate Contract, in case where the deliveries as per contract are not completed within the time frame specified in the schedule of requirement, the contract to the extent of non-delivered portion of supply may be cancelled. No supplies shall be accepted and the amount of Performance Guaranty/ Security to the extent of non-delivered portion of supplies of relevant item shall be forfeited. Further, according to page 22 of bidding document, Schedule of Requirements, after completion of due delivery period penalty @4% per month (0.134% per day) shall be imposed.

Audit observed that two DDOs of District Health Authority Toba Tek Singh made procurement of medicines from different suppliers/firms during 2018-19. However, the supplies were delayed from the delivery period mentioned in supply orders but payment to the suppliers was made without deduction of late delivery charges amounting to Rs 1.823 million. Further, the DDOs issued various supply orders to different firms for supply of medicines but the firms failed to supply the medicines. Contrary to the above provisions, action regarding forfeiture of performance security amounting to Rs 0.962 million was not taken against defaulting firms. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Amount	Remarks
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	1.507	Penalty on late delivery of medicines
		0.828	Non-forfeiture of Performance Security
2	Medical Superintendent, THQ Hospital, Kamalia	0.134	Non-forfeiture of Performance Security
		0.316	Non-recovery of liquidated damages for late supply of medicine
<b>Total</b>		<b>2.785</b>	

Audit is of the view that due to weak financial management, payments were made to firms without recovery of late delivery charges and performance security of defaulting firms was also not forfeited.



Payment to the suppliers without recovery of late delivery charges and non-forfeiture of performance security resulted in loss to the DHA amounting to Rs 2.785 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for recovery from the concerned besides forfeiture of performance security.

[AIR Paras: 24, 23, 19, 12]

#### **11.2.5.4 Others**

##### **11.2.5.4.1 Unjustified cash payments and irrelevant transactions through DDO bank account – Rs 26.840 million**

According to Rule 4 of the Punjab District Authorities (Accounts) Rules, 2017, the mode of making payments from Local Fund of District Authority shall be that the payments exceeding Rs 1,000 shall be made through crossed non-negotiable cheque and the cheque shall be collected by the payee in person or through authorized agent or if so desired may be sent through post.

District Health Officer (Preventive Services) Toba Tek Singh withdrew funds amounting to Rs 26.840 million from treasury and further withdrew cash from DDO Bank account for disbursements to payees. Contrary to the above provisions, disbursements/ payments to vendors were made in cash instead of payments through crossed/ non-negotiable cheques. Further scrutiny of bank statement of DDO bank account depicted that irrelevant / heavy transactions in the bank account and a huge closing balance of Rs 2.861 million.

Audit is of the view that due to weak financial management, payments were made in cash besides making irrelevant transactions through DDO bank account.

Payment in cash and irrelevant transactions in DDO bank account amounting to Rs 26.840 million resulted in violation of rules.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter at the earliest besides regularization of matter from competent authority.

[AIR Para: 10]

##### **11.2.5.4.2 Irregular payment of previous year liabilities – Rs 16.948 million**

According to Rules 8(f) of the Punjab District Authorities (Budget) Rules, 2017, the DDO is responsible for preparation of statement of liabilities, if any, at the end of each financial year and including the same by carrying them forward in the liability statement of next financial year. Further, according to Rule 2.10 (b)(3) of the Punjab Financial Rules, Volume-I, the authorities incurring expenditure should

see that all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year.

Audit observed that Medical Superintendent DHQ Hospital Toba Tek Singh made payment of Rs 9.926 million to different suppliers/firms for procurement of medicines, lab items, computers, stationery, POL etc. during 2018-19 to clear the liabilities of previous financial years 2015-18. Further, irregular procurements of Rs 7.022 million was made during 2018-19 by throwing forward the liabilities to be clear from the budget of next financial year 2019-20. Contrary to the above provisions, clearance of liabilities and accrual of the same was without approval of competent authority and inclusion of these in annual budget estimates of current / succeeding financial years. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	Payment of previous year liabilities	9.926
		Throw forward of current year liabilities	7.022
<b>Total</b>			<b>16.948</b>

Audit is of the view that due to weak financial management, previous year liabilities were cleared and throw forward liabilities were paid without approval of the authorities.

Payment of previous year and throw forward liabilities amounting to Rs 16.948 million resulted in irregular utilization of funds and extra burden on DHA funds.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from competent authority.

[AIR Paras: 32, 37]

#### **11.2.5.4.3 Irregular expenditure by Health Councils – Rs 9.896 million**

According to Provisions 4.1, 4.2, 4.6, 4.7 and 4.8 of Guidelines issued to Health Council, Secretary of the Health Councils shall prepare M&R schemes, purchase and repair of machinery/ equipment and may suggest to the Health Council any step they deem necessary for up-keep of that health facility and improve service

delivery. After approval from Health Council, the scheme shall be executed using local expertise. All members of Health Council shall monitor the development work to get it complete with economy and efficiency. The money transferred shall be spent judiciously setting excellent standards of integrity to uphold the trust of the Government. The Health Council shall execute the development work according to Government approved design and specifications and in case of technically complex works may get the technical guidance from concerned Government Department in writing. Furthermore, according to Notification No.FD (FR) II-2/89(2016) (P-III) dated 26.12.2017 read with Rules 9 and 12(1) of PPRA Rules, 2014, each health council shall follow standard procedure including advertisement in newspaper is required under PPRA. 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.

Health Councils of various BHUs working under the administrative control of DM, PHFMC, Toba Tek Singh incurred expenditure of Rs 9.896 million during 2017-19 on execution of civil works, holding of health weeks, white wash, procurement of tablets/smartphones, medical equipment, electric installations, furniture/fixtures, internet portable devices/recharging of internet packages etc. The expenditure was held irregular due to following reasons:

1. In most of the cases, expenditure was incurred without approval of Health Councils.
2. No need assessment was carried out by the secretary Health Councils before incurrence of expenditure. Therefore, most of the expenditure was incurred on such articles which did not cover in the preview of Health Council budget i.e. catering, meal for staff, lunch boxes, internet packages devices/recharging of packages, Tablet/ smartphones, original work wall paneling & false ceiling of MO offices, tile flooring, procurement of luxurious revolving chairs/visitor chairs etc.
3. Civil works were executed without preparation of development plan, technical estimates and designs & specifications duly approved by the Health Councils.
4. Health Councils of the BHUs neither ensured quality of civil works nor made assessment of work done before making payments thereof.

5. In most of the cases, expenditure was incurred through fake competitive bidding and splitting the cost of procurement by keeping it below the financial limit of Rs 100,000 to avoid tenders and Rs 50,000 to avoid quotations.
6. Quotations were collected without calling letter, fake quotations were collected through collusive practice.
7. Specifications were neither specified for technically complex items during procurement process. No supply orders were issued to suppliers.
8. Procurement procedure and bills of the suppliers depicted that fake bills were obtained and payment was made without mentioning detail of items, quantity and work done.
9. In all cases cash was withdrawn from bank accounts and payments to suppliers were made without acknowledgement of the payments.
10. In most of the cases Procurement of Tablet/smartphones was made in bulk i.e. 3 to 4 per BHU with recharging unlimited internet packages without need assessment.
11. Material procured was not properly accounted for in stock registers for safe custody.

Audit is of the view that due to poor financial management, Health Council funds were utilized without fulfilling requisite codal formalities.

Utilization of funds without fulfilling requisite codal formalities resulted in irregular expenditure amounting to Rs 9.896 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from competent authority.

[AIR Para: 1]

#### **11.2.5.4.4 Irregular expenditure on POL – Rs 6.765 million**

According to Government of the Punjab, Health Department letter No.SO(B&A)28-2/2006)P-1 dated 23.05.2011, for the operation of generators, per hour consumption may be determined and recorded in log book and an officer may be deputed to authenticate the logs of log book. A separate register be maintained to

record load-shedding and got countersigned from WAPDA Division concerned. Head of the institution may compare both the registers/record to ensure proper consumption of POL and another register may be maintained to enter the POL requisition slip which may be crosschecked at the time of submission of bill. Strict vigilance by Medical Superintendent and Accounts people is required in this regard.

Two DDOs of District Health Authority, Toba Tek Singh incurred expenditure of Rs 6.765 million against POL of generators during 2018-19. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Financial Year	Amount	Remarks
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	2018-19	4.521	Generator
2	Medical Superintendent, Eye Cum General Hospital, Gojra	2018-19	2.244	Generator
<b>Total</b>			<b>6.765</b>	

Audit observed following discrepancies:

- i. The register regarding load shedding timing was not maintained due to which actual load shedding timing was not got verified from the WAPDA Division concerned;
- ii. Previous years' claims of POL were entertained made without justifying the reasons due to which chances of duplicate payment cannot be ruled out.
- iii. An officer was not deputed to authenticate the entries made in the log book of generators with physical verification of meter reading.
- iv. Separate register for accounting for the POL requisition slips was not maintained to crosscheck the bill submitted by the contractor/supplier.
- v. Senior Medical Officer did not analyze both the electricity and POL billing to see the trend of expenditure.

Audit is of the view that due to poor financial management, funds were withdrawn without observing the standing instructions and maintenance of proper record.

Withdrawal of funds without maintenance of proper record resulted in irregular expenditure of Rs 6.765 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from competent authority.

[AIR Paras: 45, 10]

#### **11.2.5.4.5 Non/less deduction of Taxes – Rs 5.191 million**

According to Serial No.1 (b)(ii), 2(ii)(b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, the rate of tax to be deducted from a payment for goods or services shall be 4.5 percent of gross amount payable, if the person is a filer and 7.75 percent if the person is a non-filer. In the case of rendering of or providing of services, Income Tax shall be deducted @ 10 percent of the gross amount payable, if the person is a filer and 17.5 percent if the person is non-filer. Further, according to Section 2(3)(i) of Sales Tax Special Procedure (Withholding) Rules, 2007, withholding agents falling under category “A” were required to deduct an amount equal to 1/5th (20 percent) of the total Sales Tax shown in Sales Tax invoice issued by registered persons, whereas, on purchase of taxable goods from unregistered persons, Sales Tax was required to be deducted at the applicable rate of the value of taxable supplies. Further, according to Rule 5 read with Sub-Rule (2) of Rule 1 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall, on receipt of taxable services from an unregistered service provider, deduct Sales Tax @ 16% of the value of taxable services provided to him.

Audit observed that six DDOs of District Health Authority Toba Tek Singh did not deduct Income Tax amounting to Rs 0.073 million or deducted at lesser rate from the claims of the suppliers. Further, 1/5th of General Sales Tax and Punjab Sales Tax on Services amounting to Rs 5.118 million were also not deducted before making payments to the suppliers and service providers. It is pertinent to mention that some suppliers charged GST on exempted supplies or through suspicious invoices. Resultantly, taxes amounting to Rs 5.191 million were less/not deducted from claims of the suppliers/service providers or GST was paid without valid charge. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Income Tax	Sales Tax on Services	General Sales Tax	Amount	Remarks
1	MS, DHQ Hospital, Toba Tek Singh	0	0	1.188	1.188	Sales tax on exempted supplies
		0.042	0	0	0.042	Non/Less deduction
		0	0	0.158	0.158	Sales tax on exempted supplies
		0	0.427	0	0.427	Non recovery of Punjab Sales Tax
2	MS, Eye Cum General Hospital, Gojra	0.031	0.020	0	0.051	Non-deposit of Income Tax and PST
3	District Health Officer, Toba Tek Singh	0	0	0.645	0.645	Recovery on account of GST
		0	0	1.657	1.657	GST against suspicious invoices
4	SMO RHC, Nia Lahore	0	0	0.080	0.080	Sales tax on exempted supplies
5	SMO RHC, 394/JB	0	0.043	0	0.043	Excess payment of Sales Tax on Services
		0	0	0.142	0.142	Recovery on account of GST
		0	0	0.448	0.448	GST against suspicious invoices
6	SMO RHC, Rajana	0	0	0.310	0.310	Payment of GST due to non-verification of GST invoices
<b>Total</b>		<b>0.073</b>	<b>0.490</b>	<b>4.628</b>	<b>5.191</b>	

Audit is of the view that due to negligence, Income Tax, Sales Tax on Services and General Sales Tax were not / less deducted or paid to supplier through suspicious invoices.

Non-deduction of taxes or payment of same without admissibility resulted in loss of Rs 5.191 million to District Health Authority.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends recovery amounting to Rs 5.191 million from the concerned besides depositing the same into the Government Treasury.

[AIR Paras: 21, 19, 17, 18, 22, 3, 2, 5, 5, 2, 1, 10]



**11.2.5.4.6 Non-blacklisting of firms due to non-supply of medicine – Rs 5.156 million**

According to Clause 10(iii) of Standard Bidding Documents Government of the Punjab, Health Department for the procurement of medicines for the financial year 2016-17, if the supplier fails to supply the whole consignment and not able to deliver to consignee's end, the firm shall be blacklisted minimum for two years for future participation.

Medical Superintendent, THQ Hospital, Gojra issued supply orders to six different suppliers for provision of medicines amounting to Rs 5.156 million during 2018-19. All firms failed to supply the medicines within stipulated period even after lapse of considerable time but no action was taken for blacklisting of firms due to non-supply of medicine.

Audit is of the view that due to negligence, action was not initiated against the supplier who did not supply medicine.

Non-blacklisting of firms due to non-supply of medicine of Rs 5.156 million resulted in undue favor to the supplier.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends appropriate action against the defaulting supplier.

[AIR Para: 7]

**11.2.5.4.7 Utilization of funds without maintenance of record by Health Council – Rs 4.344 million**

According to Para 2.1.7 of the Health Council Guidelines 2018 issued by Government of the Punjab, Health Department vide Notification No. SO(B&A)1-48/2017-18 dated 20.11.2018, the detail of all deposit and withdrawal transactions form Health Council Funds shall be maintained in the Cash Book specified for Health Councils and its one copy would be sent to the Development Wing.

Audit observed that Health Council of DHQ Hospital, Toba Tek Singh withdrew funds amounting to Rs 4.344 million from the Health Council bank account during 2018-19. Contrary to the above provisions, funds were withdrawn without maintenance of relevant record i.e. nature of expenditure, approval of Health Council,

evidence of disbursement to payees, claim bills, recording of transactions in cash book.

Audit is of the view that due to weak financial management, detail record of transactions was neither maintained and withdrawal of funds was concealed.

Non-maintenance of record and concealment of utilization of funds amounting to Rs 4.344 million resulted in doubtful expenditure.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter regarding illegitimate utilization of funds besides production of record for audit scrutiny.

[AIR Para: 36]

**11.2.5.4.8 Irregular expenditure from health council budget – Rs 4.269 million**

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe. Further, according to Government of the Punjab Finance Department letter No.SO (TT) 6-1/2013 (2015) dated 15.07.2015, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals or for en-block transfer of funds in commercial banks / Development Financial Institutions (DFIs). Withdrawals from the Special Drawing Accounts shall only be admissible, if these are required to meet validly accrued liabilities / booked expenditure, duly pre-audited, where so required.

Health Council of THQ Hospital Gojra incurred expenditure of Rs 4.269 million out of Health Councils funds during 2018-19 on repair of furniture and fixture, salaries of contingent paid staff etc. contrary to the above provisions, expenditure was incurred without pre-audit from District Accounts Office. Further, entire expenditure was incurred through quotations without observing the

procurement rules. Further, the minutes of meetings of Health Council were also not sent to P&SHCD in violation of guidelines of Health Council.

Audit is of the view that due to weak financial management, funds were withdrawn without pre-audit.

Withdrawal of funds without pre-audit and observing codal formalities resulted in irregular expenditure of Rs 4.269 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to get the expenditure regularized from competent authority.

[AIR Para: 4]

**11.2.5.4.9 Wastage of Government recourses due to supply of air conditioners without need assessment of Hospital – Rs 3.765 million**

According to Rule 16.10 (xiii) (b) of the Punjab Budget Manual, purchases largely in excess of requirements are a financial irregularity.

Medical Superintendent THQ Hospital Gojra received 45 air conditioners valuing Rs 3.765 million from PMU of Health Department Government of the Punjab without any demand and need in the hospital Whereas, Health Council of the hospital also purchased air conditioners through quotations out of Health council fund during the financial year 2016-18. PMU neither obtained any demand nor informed THQ about purchase of air conditioners. This supply of air conditioners, excess than requirement resulted in wastage of public resources of Rs 3.765 million. The details are given below:

(Rupees in million)

Date of Receipt	Name of Item	Quantity supplied	Rate per unit	Amount
28.03.2019	Air conditioner 2-ton cabinet Haier company	22	74,999	1.650
26.11.2018	Air conditioner 2-ton cabinet Haier company	12	74,999	0.900
15.05.2018	Air conditioner 04-ton cabinet Haier company	5	125,000	0.625

24.11.2018	Air conditioner 04-ton cabinet Haier company	4	125,000	0.500
12.06.2019	AC Split wall mounted	2	45,000	0.090
<b>Grand Total</b>		<b>45</b>	<b>-</b>	<b>3.765</b>

Audit is of the view that due to negligence, Government spent huge amounts without need assessment.

Purchase without need assessment resulted in wastage of public resources of Rs 3.765 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the competent authority.

[AIR Para: 9]

**11.2.5.4.10 Doubtful consumption of medicine without record – Rs 3.636 million**

According to Sr. No.3 of Second Schedule of the Punjab District Authorities (Delegation of Financial Powers) Rules, 2017, Chief Executive Officer empowered up to Rs 0.500 million in each case for sanction reimbursement of medical charges. Further, according to Rule 2.31 (a) & 2.32 of Punjab Financial Rules, 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, 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 to the Accountant General that claim which has been accepted is valid. It is further essential that the record of payment, measurement and transaction in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts". Further, according to Rule 5(2)(i) of the Punjab District Authority (Budget) Rules, 2017, the head of office and institution shall be responsible for ensuring that the funds allotted shall be spent on the activities for which they were provided.

Five Drawing and Disbursing Officers of District Health Authority, Toba Tek Singh consumed medicine of Rs 3.636 million during 2018-19 without maintenance of consumption record. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Financial Year	Amount
1	THQ Hospital, Gojra	Suspected misappropriation of medicines through adjustment quantity and non-maintenance of consumption record of medicines	2018-19	3.488
2	THQ Hospital, Kamalia	Excess issuance of medicine than actual record entry in stock register	2018-19	0.019
3	Senior Medical Officer, Rural Health Center, Rajana	Doubtful consumption of medicines and injectable at dispensary leads to misappropriation of Government funds	2018-19	0.129
4	DHQ Hospital, Toba Tek Singh	Improper maintenance of record and suspected misuse of medicine	2018-19	0
<b>Total</b>				<b>3.636</b>

Audit is of the view that due to poor administration medicines were consumed without maintenance of auxiliary record.

Non-maintenance of record resulted in doubtful consumption of medicine amounting to Rs 3.636 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority and fixing responsibility against the officers/officials concerned.

[AIR Paras: 42, 44, 2, 15, 8]

#### **11.2.5.4.11 Unauthorized change in scope of work and execution of excess quantity than the estimated provisions – Rs 2.365 million**

According to Rule 59(c) (iv) of the Punjab Procurement Rules, 2014, a procuring agency may utilize the alternative method of “Direct Contracting” for procurement of goods, services and works, through “Repeat Orders” not exceeding

fifteen per cent of the original procurement. Furthermore, according to Inter Departmental Committee of the Public Accounts Committee decision dated 17.11.2001, the management is not empowered to award a new work as an additional work to an existing contractor without calling open tenders.

Medical Superintendent, Tehsil Headquarters Hospital, Kamalia awarded civil work for construction / repair of buildings to contractor during October 2018 at an agreement cost of Rs 5 million. Audit observed that the work was executed entirely deviating the original scope of work and quantity of item provision of porcelain tile was executed excess than the estimated provisions. Resultantly, amount of Rs 2.365 million was excess paid to contractor by deviating the estimated provisions without approval of competent authority. Further, the additional work was not awarded through retendering. The details are as under:

(Amount in Rupees)

Sr. No.	Name of Item	Work order No/dated	Quantity Provided in estimate (sft)	Quantity Executed (Sft)	Difference	Rate	Amount
1	Full body porcelain tiles 24"x24" flooring	3871/08.10.2018	1,823	6,509	4,686	220	1.031
2	Full body porcelain tiles 24"x24" skirting	3871/08.10.2018	840	6,640	5,800	230	1.334
<b>Grand Total</b>							<b>2.365</b>

Audit is of the view that due to negligence, work was executed by deviating the scope of work in violation of rules.

Unauthorized deviation in scope of work and violation of rules resulted in irregular expenditure of Rs 2.365 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides regularization of expenditure from competent authority.

[AIR Para: 1]

#### **11.2.5.4.12 Doubtful expenditure from health council funds – Rs 2.133 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-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. Further, according to Rule 15.4(a) of the Punjab Financial Rules, Volume-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. Furthermore, according to Section 23(1) of the Sales Tax Act 1990, a registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the complete particulars.

Senior Medical Officer, Rural Health Center Nia Lahore withdrew funds amounting to Rs 2.133 million out of Health Council funds during 2016-19. However, incurrence of expenditure was held doubtful / suspicious due to following reasons:

- i. Items shown purchased were not properly accounted for in stock register and fake certificates regarding entries in the stock register were recorded on the invoices;
- ii. Suspicious Sales Tax Invoices were attached with bills and same were not in chronological order with regard to dates;
- iii. Some fake invoices were found in record as the invoices of same serial numbers, dates and amounts were attached with different items;
- iv. Quotations for purchases made before 12.07.2017 were signed by the Dental Surgeon before his appointment which also indicated fake procurement process; and
- v. In some cases, items were shown received from office of CEO (DHA) Toba Tek Singh but funds were withdrawn from Health Council budget against suspicious invoices.

Audit is of the view that due to weak financial management, funds were withdrawn through fake bills and without recording actual receipt of items in the relevant stock register(s).

Withdrawal of funds through fake invoices and without recording actual receipt of items resulted in doubtful expenditure of Rs 2.133 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for recovery of loss besides fixing of responsibility at the earliest.

[AIR Para: 1]



**11.2.5.4.13 Unauthorized up-gradation of posts and payment of arrears – Rs 2.085 million**

According to Sr. No. 5 to 8 of Schedule-I of Government of the Punjab, Health Department, Allied Health Professional Rules, 2012 read with Government of the Punjab, Health Department Notification No.SOR-III(S&GAD) 1-25/2008 dated 28.01.2015, appointment of Allied Health Professional by promotion would be made on the basis of seniority-cum-fitness from amongst the technicians/senior technicians/junior technicians in the relevant allied health sciences discipline, having five years' service as such and technical refresher training in the relevant discipline for two weeks conducted at the District Health Development Center, healthcare establishment or paramedical training institute, followed by the internal assessment in true letter & spirit.

DHA Toba Tek Singh upgraded 22 posts of Junior Technicians - Pharmacy Technology working in DHA Toba Tek Singh with effect from 01.01.2017 vide retrospective orders dated 29.06.2017. However, these posts were upgraded without splashing the posts and without observing the mandatory requirements of training and fitness as these posts had already been upgraded in 2012 with effect from 24.11.2011. The District Health Officer made payment of arrears amounting to Rs 2.085 million to these employees.

Audit is of the view that due to negligence, unauthorized up-gradation of the posts was made without fulfilling the requisite criteria.

Unauthorized up-gradation of posts resulted in excess payment of Rs 2.085 million as arrears to the employees.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for recovery of overpayment besides regularization of expenditure from competent authority.

[AIR Para: 4]

**11.2.5.4.14 Loss due to concealment of receipts regarding pathological laboratory tests – 2.039 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-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. Furthermore, according to Rule 68(1) of the Punjab District Authorities (Budget) Rules, 2017, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into District Authority Fund under proper receipt head.

Audit observed that the Medical Superintendent DHQ Hospital Toba Tek Singh understated the number of laboratory tests as compared to the diagnostic kits used in the pathological laboratory. Comparison of seven diagnostic kits consumption was carried out with number of tests recorded in books depicted misappropriation of receipts amounting to Rs 2.039 million. The details are given below:

(Rupees in million)

Sr. No.	Test Name	No. of Test as per Actual Expense of Test Kits / Material	No. of Tests Shown	Difference (No. of Tests)	Rate per Test	Amount
1	HB A-1C	1,750	1,523	227	400	0.091
2	HbsAg	45,425	36,955	8,470	40	0.339
3	Anti HCV	46,925	36,974	9,951	100	0.995
4	HIV	9,500	8,645	855	100	0.086
5	CBC	61,000	52,806	8,194	50	0.410
6	RA Factor	2,250	1,826	424	80	0.034
7	TB	6,320	5,485	835	100	0.084
<b>Total</b>		<b>173,170</b>	<b>144,214</b>	<b>28,956</b>		<b>2.039</b>

Audit is of the view that due to negligence and poor monitoring mechanism, a lesser number of laboratory tests were recorded in books in comparison to the consumption of diagnostic kits for concealment of receipts.

Understatement of number of laboratory tests as compared to the consumption of diagnostic kits resulted in loss of Rs 2.039 million to the public exchequer.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for recovery of loss amounting to Rs 2.039 million from the defaulters.

[AIR Para: 8]

**11.2.5.4.15 Loss due to utilization of funds by showing more than actual consumption of POL – Rs 1.829 million**

According to Rule 2.33 of the Punjab Financial Rules, Volume-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. Further, according to Government of the Punjab, Health Department letter No.SO(B&A)28-2/2006 (P-1) Meeting dated 2305.2011, procedure for operation of generators was prescribed to minimize the POL pilferage.

Senior Medical Officer, RHC Nia Lahore incurred expenditure on purchase of POL for generator and ambulance during 2016-19. The expenditure was held suspicious due to following reasons:

- i. Excess than actual fuel consumption per hour was shown in generator which resulted in excess drawl of funds amounting to Rs 1.420 million since its installation.

(Rupees in million)

<b>Consumption per hour</b>	<b>Actual Consumption as per Inquiry of CEO</b>	<b>Excess POL per Hour</b>	<b>No. of Hours</b>	<b>Total POL (liter)</b>	<b>Average Rate per Liter</b>	<b>Excess Amount</b>
8 Liter	5 Liter (with full load)	3 Liter	5,917	17,751	Rs 80	1.420

- ii. Same average of fuel consumption was shown in all the seasons despite the fact that fuel consumption in generators directly correlates with actual load applied which varies during summer, winter and spring seasons due to non-operating of air conditioners & fans in low temperature seasons;
- iii. The register regarding load shedding timing was not maintained due to which actual load shedding timing was not got verified from the WAPDA Division concerned; and
- iv. Amount of Rs 0.409 million was withdrawn on account of POL for ambulance but record regarding referral of patients was not made available for audit scrutiny.

Audit is of the view that due to weak financial management, excessive funds were withdrawn in comparison to actual requirements.

Expenditure in excess of requirement by showing fake consumptions resulted in loss of Rs 1.829 million.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides recovery of loss at the earliest.

[AIR Para: 9]

**11.2.5.4.16 Unauthorized collection of ultrasound fee – Rs 1.615 million**

According to Government of the Punjab, Health Department letter No. SO (H&D)8-19/89/2011(User Charges) dated 07.06.2011, Notification No. SO(H&D)8-122/2010(P) dated 21.11.2010 regarding collection of user charges including ultrasound fee was declared bogus and treated as void-ab-initio because the same was circulated under the bogus signatures of Special Secretary Health by some culprits to achieve their ulterior motives.

Contrary to the above instructions, Medical Superintendent, DHQ Hospital, Toba Tek Singh made unauthorized collection of ultrasound fee amounting to Rs 1.615 million from the patients during 2018-19. Further, undue benefit to hospital employees was extended as 55 per cent share of the collected fee amounting to Rs 0.888 million. **(Annexure-K/TTS)**

Audit is of the view that due to weak internal controls, ultrasound fee was collected without authority.

Collection of ultrasound fee without authority resulted in undue burden of Rs 1.615 million on the patients and undue financial benefit to the hospital employees.

The matter was reported to the DDO during July to October 2019. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for unauthorized collection of fee besides recovery of undue benefit extended to hospital employees.

[AIR Para: 22]

## 12. District Health Authority (DHA) Khanewal

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Khanewal on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	2,041.845	1,957.527	(84.318)	-4%
Non-salary	312.634	240.006	(72.628)	-23%
Development	25.630	23.638	(1.992)	-8%
<b>Sub Total</b>	<b>2,380.109</b>	<b>2,221.171</b>	<b>(158.938)</b>	<b>-7%</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 201.244 million was provided for purchase of medicines against which only Rs 104.567 million was utilized resulting in lapse of Rs 96.677 million (48%).
- An amount of Rs 8.365 million was provided for procurement of machinery and equipment against which an amount of Rs 5.843 million was utilized resulting in lapse of Rs 2.522 million (30%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 158.938 million was lapsed due to inefficient management.

### **Analyses of Appropriation Accounts and Financial Statements (Certification Audit 2019-20)**

The following issues surfaced during Certification Audit of District Health Authority Khanewal for the Audit Year 2019-20.

- Irregular deposit of District Health Authorities receipts into Provincial Government Account-I instead of DHA Account VI – Rs 18.525 million

This issue was discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, this issue has been reported in the audit certificate as emphases of matter.

#### **ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Khanewal was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, and facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

<b>Sr. No.</b>	<b>Indicators</b>	<b>Target 2018-19</b>	<b>Achievement 2018-19</b>	<b>Remarks</b>
1	Outdoor Patients	-	3,544,461	-
2	Indoor Patients	-	110,423	-
3	Surgical Cases	-	5,858	-
4	Cardiac Coronary Unit	-	2,442	-
5	Diagnostic Services (Laboratory, Radiology)	-	216,864	-
6	Family Planning Activities	-	42,645	-
7	Peads	-	19,927	-
8	Surgery	-	12,879	-
9	T.B Chest Treatment	-	370	-
10	Free Medicine to Patients	-	3,544,461	-

Sr.	Indicators	Target	Achievement	Remarks
11	EPI Vaccination	-	72,890	-
12	Sanctioned Posts (Doctors/Specialists)	-	580	378 are working
13	Gazetted Staff/ Technical Staff	-	566	401 are working
14	Other Staff	-	3,623	3205 are working

\*Source: Data received from CEO (DHA) Khanewal

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- Recoveries and overpayment amounting to Rs 3.284 million were pointed out in 16 cases.
- Irregularities and non-compliance of rules amounting to Rs 2,850.948 million was observed in 70 cases.
- Weak Internal Controls involving amount of Rs 141.940 million was noticed in 36 cases.
- Poor performance of the management having financial impact of Rs 32.500 million was found in 29 cases.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service, indoor patient's services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

### v. Expectation Analysis and Remedial Measures

#### District Health Authority

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial

planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary health care facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization



## **12.1.1 Audit Paras**

### **12.1.1.1 Irregular deposit of District Health Authorities receipts into Provincial Government Account-I instead of DHA Account VI – Rs 18.525 million**

***Risk Categorization: High***

#### ***Criteria***

According to Rule 7 (g) (h) of District Authorities Accounts Rules, 2017, the 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). All receipts of authority shall be collected through bank. All cash transactions shall be entered in Receipts Register and cashbook as soon as they occur and attested in token of check. Further, according to Rule (2) (c) & (d) of District Authorities Accounts Rules, the CEO shall ensure that an sum due to District Authority are promptly realized and credited to the local fund. The amounts credited to the local funds as reported by the accounts officer are reconciled or verified with the records on monthly and annual basis. Furthermore, according to Rule 14 (a) to (d), the collecting Officer shall be responsible to prepare estimates of receipts of each object of income. Make assessment of fee, rate, charge and other levies on periodical basis. Maintain demand and collection register of income. Collect receipts in a transparent manner and guard against misappropriation, fraud and embezzlement

#### ***Observations***

The chief Executive Officer DHA Khanewal did not ensure deposit of receipts of District Authority in local fund of authority Account-VI. An amount of Rs 18.525 million was collected on account of various receipts of authority during 2018-19 but the entire amount was credited by the bank in Provincial Government Account-I instead of District Authority Account-VI. The Primary & Secondary Health Department vide letter No. SO (B&A)2-7/2016/1208 dated 28.03.2018 raised the issue with SO (Tax) Finance Department Government of the Punjab to credit the

receipts of DHA in Account-VI besides adjustment of already deposited receipts in A/C-I but no progress on the subject was made till the date of audit. Further Audit observed that the CEO did not;

- Make assessment of fee, rates charge and other levies on periodical basis.
- Maintained any demand and collection register.
- The receipts of authority were not entered in Receipts Register and cashbook
- The receipts collected were not reconciled with DAO on regular monthly basis. No reconciliation after December, 2018 was made.

Audit is of the view that due to weak internal controls, the receipts of District Health Authority were not credited to local fund of Authority i.e. Account-VI.

***Implications***

Non observance of rules resulted in unauthorized credit of DHA receipts in Provincial Government Account.

***Recommendations:***

Audit recommends necessary corrective measures besides adjustment of already deposit receipts in Account-VI under intimation to Audit.

***Management response:***

No clarification regarding the deposit of receipt of district health authorities has been provided by the finance department, as the matter has already been taken up with the Finance Department by the Primary & Secondary Healthcare Department. Implementation will be made according to the direction of Finance Department as and when received.

***DAC Decision:***

DAC discussed the matter in detail. Chair decided that this issue will be clarified by his representative Mr. Khalid who accompany the Chair in meeting. Mr. Khalid will have to verify his stance before Audit. Para kept pending.

## **Chapter 2**

### **DHA Khanewal**

#### **12.2.1 Introduction**

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

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health services delivery personnel under the policy framework given by the government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Khanewal manages following primary and secondary health care facilities and institutes:

Description	No. of Health facility/ Institute
Basic Health Units	83
Government Rural Dispensary	3
Rural Health Centre	9
Tehsil Head Quarter Hospitals	3
District Head Quarter Hospital	01
District Health Development Centre	01
District Health Officer	01
Nursing School	01

\*Source: Data received from CEO (DHA) Khanewal

The following table shows detail of total & audited formations of DHA Khanewal:

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	23	05	217.409	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

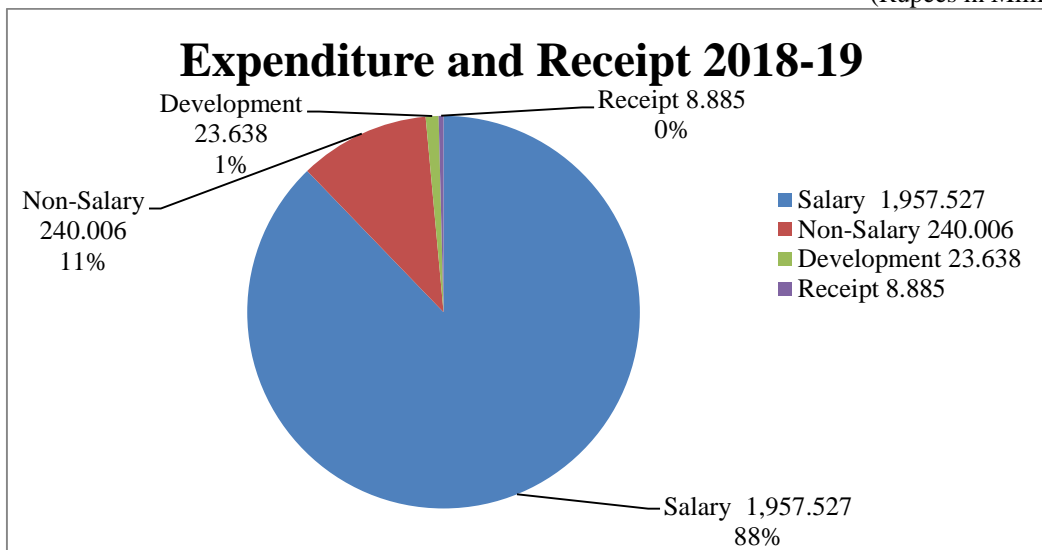
### 12.2.2 Comments on Budget and Accounts (Variance Analysis)

The detail of Budget and Expenditure is given below in tabulated form.

(Rupees in Million)				
2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	2,041.845	1,957.527	(84.318)	-4%
Non-salary	312.634	240.006	(72.628)	-23%
Development	25.630	23.638	(1.992)	-8%
<b>Sub Total</b>	<b>2,380.109</b>	<b>2,221.171</b>	<b>(158.938)</b>	<b>-7%</b>

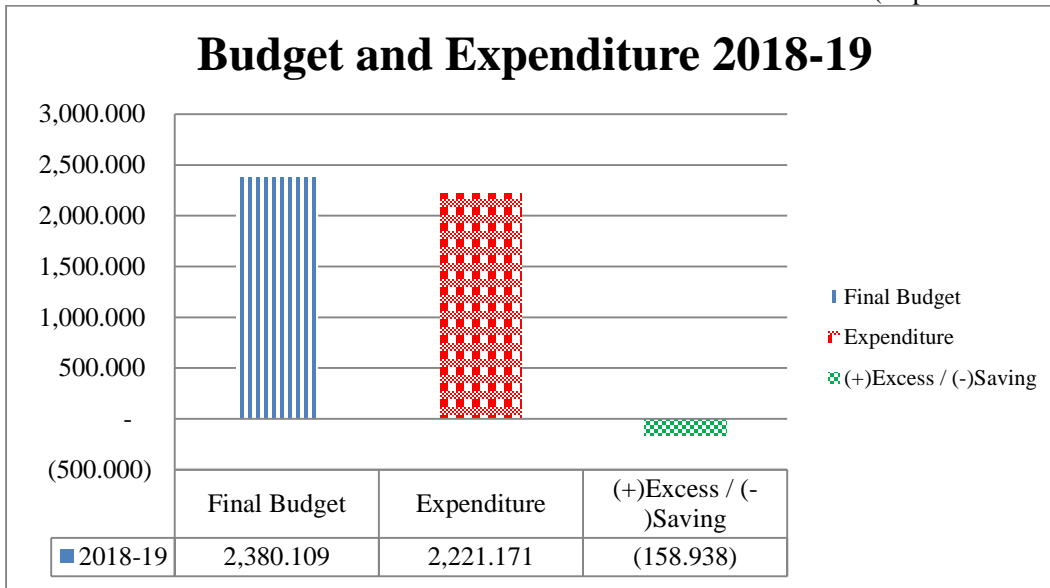
Receipts	12.693	8.885	(3.808)	-30%
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(Rupees in Million)

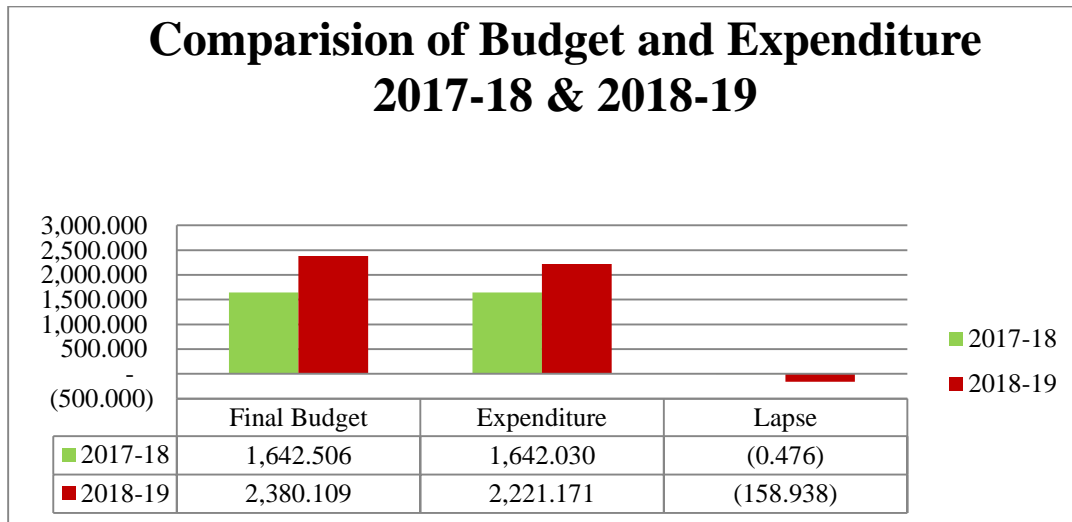


As per the Appropriation Accounts 2018-19 of the District Health Authority Khanewal, total original budget (Development and Non-Development) was Rs 2,346.281 million, supplementary grant was provided Rs 33.828 million and the final budget was Rs 2,380.109 million. Against the final budget, total expenditure of Rs 2,221.171 million was incurred by the District Health Authority during the financial year 2018-19. A lapse of Rs 158.938 million came to the notice of Audit, which shows that the District Health Authority failed to provide services and infrastructure development. No plausible explanation was provided by the PAOs / Administrator and management of District Health Authority (**Annexure-B**)

(Rupees in Million)



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



There was 45% and 35% increase in budget allocation and expenditure incurred in financial year 2018-19 as compared to financial year 2017-18, while there was overall savings of Rs 158.938 million during 2018-19.

### 12.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 3,019.536 million were raised as a result of this audit. This amount also includes recoverable of Rs 71.730 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR / employees related irregularities	2,772.275
B	Procurement related irregularities	149.560
C	Management of Accounts with Commercial Banks	24.482
4	Value for money and service delivery issues	1.777
5	Others	71.442

### 12.2.4 Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee.

#### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2018-19	40	PAC not constituted

## **12.2.5 AUDIT PARAS**

### **12.2.5.1 Irregularities**

#### **12.2.5.1.1 Irregular late approval of budget estimates – Rs 2,466.261 million**

According to rule 3 (K) of District Authorities Budget Rules 2017, the Chairman shall ensure that the estimates and revised budget estimates shall be laid before the District Authority well before the commencement of the next Financial Year. Further, according to rule 4 (C) of District Authorities Budget Rules 2017, the Chief Executive Officer shall ensure that Budget estimates shall be submitted before the District Authority well before the commencement of the next Financial Year and budget so approved is distributed amongst DDOs by the commencement of the financial year.

The CEO District Health Authority Khanewal did not take approval of budget estimates for the Financial Year 2018-19 amounting Rs 2,466.261 million well before the commencement of financial year. The budget was prepared late and approved on 31.07.2018 after one month commencement of financial year. It also depicts that pay and allowances for the months of July, 2018 were paid without approval of budget.

Audit is of the view that due to weak management draft of budget was not prepared timely.

Non-observance of rules resulted in late approval of budget estimates amounting Rs 2,466.261 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 10]



### 12.2. 5.1.2 Non-utilization / surrender of funds - Rs 121.218 million

According to rule 15 (a) (b) of District Authorities Accounts Rules 2017, the Drawing and Disbursing Officer shall be responsible to prepare estimates of expenditure of the concerned office, maintain budget control register, record entries of each transaction therein against corresponding allocation and make assessment of expenditure likely to be made during the financial year and takes measures accordingly.

Following DDOs of District Health Authority Khanewal neither utilized nor surrendered allocated funds Rs 121.218 million during 2018-19. The funds were lapsed due to negligence of DDOs concerned.

Rupees in million)			
Sr. No.	DDOs	Particulars	Amount
1	MS THQ Hospital Mian Channu	Expenditure in excess of budget allocation and non-surrender of savings	13.958
2	DHO Khanewal	Non-surrender of savings	3.067
3		Non-payment of claims despite availability of funds resulting in lapse of funds	1.143
4	MS DHQ Hospital Khanewal	Non-surrender of savings on account of pay and allowances	18.961
5		Non-utilization of funds on account of contingent expenditure	84.089
<b>Total</b>			<b>121.218</b>

Audit is of the view that due to weak financial controls, savings were not surrendered.

Non-surrender of savings resulted in non-availability of funds for other formations of DHA to whom funds were required.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 23, 5, 22, 23, 10]

### **12.2.5.1.3 Irregular payment of pay and allowances through adjustments – Rs 55.745 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 2.27 of PFR Vol-1 states that “No payment is admissible until additional budget for the payment of arrears of pay and allowances are provided and duly sanctioned in the Budget estimates”.

The CEO (DHA) Khanewal and MS THQ Hospital Jahanian paid salaries to different staff of hospitals amounting Rs 55.745 million through adjustments during 2018-19. No record withdrawal of pay and allowances was available in office. Neither additional budget nor approval of competent authority was obtained for payment of pending liabilities. The arrears were withdrawn without any check and balance.

Audit is of the view that due to weak internal controls, payment of pay and allowances was made without maintenance of record of adjustments.

Non-maintenance of record of adjustments resulted in doubtful expenditure amounting Rs 55.745 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure and production of relevant record to justify the payments besides fixing of responsibility on the person(s) at fault.

[AIR No. 20, 1]

#### **12.2.5.1.4 Irregular expenditure on local purchase of medicines - Rs 36.811 million**

According to Government of the Punjab Finance Department notification No.FD (FR 11-2/89 dated 1<sup>st</sup> November 2001, the officers in District Government are now authorize to distribute the budget allocation of medicine budget in the ratio of 10% for natural climates / Emergencies to be purchase in bulk, 15% for day to day purchase for normal medicine and 75% bulk purchase for normal medicine. Further, according to Government of the Punjab, Primary & Secondary Healthcare Department notification No.PSHD-TC0-1 (M) 6-14/2017 dated 16.12.2017, the tender should be awarded to the contractor as per Punjab Procurement Rules, 2014 offering maximum discount on medicines of multinational manufacturers, local manufacturers and for surgical / disposable items. A formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic. In case any health facility prefers to procure medicine of brands other than mentioned in formulary, the Medical Superintendent/ in-charge of such health facility shall ensure that the medicine brand supplied for the first time (after this notification) are sent to respective Drugs Testing laboratory. Local purchase will be initiated with the orders of Consultants / Senior Medical Officers only via prescription that will be maintained as record of Local Purchase and it will not be for more than 7 days for one patient.

Following DDOs of District Health Authority Khanewal made irregular payment of Rs 36.811 million on account of purchase of local purchase of medicines and surgical items during 2018-19. Non-formulary medicine was purchased against the policy guidelines. Expenditure incurred on day to day LP medicines was beyond permissible limit of 15% of total budget. Government sustained loss due to purchase of LP medicines at less discount rates. The purchases were uneconomical as the purchases were made from local market without procurement planning by splitting. The expenditure was held irregular on the basis of the following observations:

1. No name of manufacturer batch No. date of manufacturing and date of expiry was mentioned on the bills which depict that local / china medicines were purchased from various local suppliers.
2. Consultant recommending medicines had not put his stamp with name on every bill.
3. All medicines were purchased on the demand of dispenser / store keeper on the indent of respective department throughout the year.
4. No patient wise treatment register showing the name of patients, diagnosis and medicines recommended was maintained.
5. Neither OPD slips nor patient treatment charts were attached with the bills on which the LP was recommended.
6. For medicine of brands other than mentioned in formulary, the Medical Superintendent / in-charge did not send to respective Drugs Testing laboratory.

The detail of DDOs is as under:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>DDOs</b>		<b>Particulars</b>	<b>Amount</b>
1	MS	THQ	Excess expenditure than prescribed limit for LP medicines	6.643
2	Hospital	Main	Irregular local purchase of non-formulary medicines	9.831
3	Channu			
4	MS	DHQ	Expenditure on local and emergency purchase of medicines	8.385
5	MS	THQ	Unauthorized purchase of LP medicines	2.679
6	Hospital	Jahanian	Uneconomical purchase of medicines from local market	7.942
<b>Total</b>				<b>36.811</b>

Audit is of the view due to weak internal controls, non-formulary medicines were procured against the policy guidelines on higher rates.

Purchase of non-formulary medicine against the policy guidelines on higher rates resulted in irregular purchase of LP medicine amounting to Rs 36.811 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 10, 9, 7, 6, 2, 33]

**12.2.5.1.5 Irregular procurement by unauthorized procurement committee – Rs 31.723 million**

According to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO-H&D (DHA-17-02-02) dated 10.02.2017, consequent upon the establishment of District Health Authorities across Punjab under PLGA 2013, the Competent authority announce the District Purchase Committee at District level consisting of Deputy Commissioner as Chairman, CEO (DHA) as member / Secretary, ADC (F&P) and DHO (MS) as member and any other co-opted member. Further, according to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO (B&A) 1-71/2018-19 dated 30.08.2018, the District Purchase Committee of District Health Authority previously constituted dated 10.02.2017 is hereby reconstituted as following to ensure the fairness and transparency in the procurement of drugs / medicines:

- |   |                  |
|---|------------------|
| 1. Deputy Commissioner/Administrator of DHA       | Chairman         |
| 2. CEO of DHA                                     | Member/Secretary |
| 3. Representative of P&SHC Department             | Member           |
| 4. Deputy Director (Development)                  | Member           |
| 5. Finance & Planning Officer                     | Member           |
| 6. Secretary, DQCB                                | Member           |
| 7. Health Expert / MS (to be nominated by the DC) | Member           |

Following DDOs of District Health Authority Khanewal made procurement of medicines, Lab items, general store items, X-ray films, bedding and clothing items etc. amounting Rs 31.723 million during 2018-19 from various bidders by an unauthorized procurement committee. Medical Superintendents notified procurement committees and did not ensure the procurements by above notified committee of Secretary P&SHD. The procurement through self-notified committee resulted held irregular. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS DHQ Hospital Khanewal	Purchase of medicines	12.533
2	MS THQ Hospital Mian Channu	Purchase of dental items, LP medicines, Lab items, general store items, X-Ray items, stationery, linen, printing and publication	19.190
<b>Total</b>			<b>31.723</b>

Audit is of the view that due to weak financial controls, purchases were made by the unauthorized tender committee.

Purchases by unauthorized purchase committee resulted in irregular procurement amounting Rs 31.723 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 5, 5]

#### **12.2.5.1.6 Irregular withdrawal of inadmissible allowances – Rs 22.209 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Following DDOs of District Health Authority Khanewal made payment amounting Rs 22.209 million during 2018-19 on account of different inadmissible allowances to different employees of Health Department. Necessary detail is given below:

<b>(Rupees in million)</b>				
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particular</b>	<b>Amount</b>	<b>Violation of rules / instructions / orders</b>
1	MS THQ Hospital Jahanian	Unauthorized withdrawal of HSRA	1.672	Government of the Punjab Health Department letter No. SO (ND) 2-26/2004(Vol-II) dated 20.02.2015, in continuation of this department's order No. SO(ND)2-26/2004(Vol-II) dated 07.08.12 and 13.01.2012 GoP Finance Division (regulation wing) Office memorandum findings dated 06.02.2015 and in pursuance of the recommendations of the Wafaqi Mohtasib (Ombudsman)
2	MS DHQ Hospital Khanewal	Unauthorized and excess withdrawal of HSRA	2.274	
3	CEO (DHA) Khanewal	Unauthorized and excess withdrawal of HSRA	2.409	
4		Unauthorized withdrawal of NPA	5.734	
5	MS DHQ Hospital Khanewal	Unauthorized withdrawal of NPA	2.328	
6	MS THQ Hospital Mian Channu	Doubtful withdrawal of NPA	1.086	
7	MS THQ Hospital Jahanian	Doubtful withdrawal of NPA	0.522	
8	CEO (DHA) Khanewal	Unauthorized payment of Project Allowance	0.600	Government of the Punjab Finance Department letter No.FD.SR-1/9-20/2006 dated 27.07.2017, All types of Program / Project Allowance shall be discontinued with effect from July 01, 2018
9		Unauthorized payment of Supervisory Allowance	4.335	Government of the Punjab Finance Department (Budget Wing) letter No.BI-27(299)/2016-17 dated 25.04.2018 and Punjab Primary & Secondary Healthcare Department letter No.SO (B&A) 1-40/2016 dated 12.03.2018
10		Unauthorized payment of Risk Allowances without entitlement	0.863	Government of the Punjab Health Department letter No.SO (ND) 2-

Sr. No.	DDOs	Particular	Amount	Violation of rules / instructions / orders
				26/2004(Vol-II) dated 20.02.2015
11	MS DHQ Hospital Khanewal	Unauthorized withdrawal of conveyance allowance for employees availing the Government bikes	0.386	Clarification regarding conveyance allowance issued vide Government of the Punjab Finance Department letter No.FD.SR.I.9-4/86 (P) (PR) dated 21.04.2014
<b>Total</b>			<b>22.209</b>	

Audit is of the view that due to weak financial controls, inadmissible allowances were paid without entitlement.

Payment of inadmissible allowances resulted in loss amounting Rs 22.209 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 22.209 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR No. 8, 3, 21, 19, 15, 3, 16, 3, 6, 1, 8]

#### **12.2.5.1.7 Irregular withdrawal of incentive allowance without ensuring evening round in wards – Rs 20.424 million**

According to Government of the Punjab Primary and Secondary Healthcare Department notification No.PA/OS/(G)4-8/2016 dated 03.08.2016, in pursuance of the approval of competent authority 40% of the existing allowance shall be paid subject to conducting of evening rounds in hospital by consultant on call basis, for the purpose of adjustment in duty roster as devised by Punjab Information Technology Board. For purpose consultant shall checkout from morning shift through biometric attendance system after 2:00 pm and shall check in again after 5:00 pm. The consultant shall remain in hospital at least for one hour and shall



conclude the round by checking out again. Their attendance and evening rounds shall be strictly monitored through bio metric attendance system.

Following DDOs of District Health Authority Khanewal made overpayment of Rs 20.424 million during 2018-19 on account of 40% of incentive allowance to consultants as all the consultants in hospitals were not ensuring their rounds and at least one hour stay after 5:00 pm in the hospital as revealed from attendance record. The detail is as under:

**(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	CEO-Khanewal	Irregular withdrawal of Incentive Allowance without delivering anything / evening round in ward	11.962
2	MS THQ Mianchannu	Irregular withdrawal of Incentive Allowance without ensuring evening round in wards	1.907
3	MS THQ Jahanian	Withdrawal of Incentive Allowance without delivering / evening rounds in hospital	2.885
4	MS DHQ-Khanewal	Withdrawal of Incentive Allowance without delivering / evening rounds in hospital	3.670
<b>Total</b>			<b>20.424</b>

Audit is of the view that due to weak financial controls, the incentive allowance was paid without observing the payment criteria.

Irregular withdrawal of incentive allowance resulted in loss amounting Rs 20.424 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 20.424 million, besides further stoppage of 40% of allowance.

[AIR No. 8, 1, 5, 13]

**12.2.5.1.8 Irregular withdrawal of excess posts than sanctioned posts – Rs 20.162 million**

According to Para 56(2) of Punjab District Authorities (Budget) Rules 2017 the Chief Executive Officer shall be responsible to ensure that no expenditure shall be incurred without budget provision and sanction of the authority competent.

Chief Executive Officer, District Health Authority Khanewal excess paid an amount of Rs 20.162 million on account of pay and allowances in excess than the sanctioned posts during 2018-19.

Audit is of the view that due to weak internal controls pay and allowances were withdrawn for posts more than the sanctioned posts.

Payment of pay and allowances in excess of sanctioned posts resulted in irregular payment amounting Rs 20.162 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.18]

**12.2.5.1.9 Irregular deposit of receipts into Provincial Government Account-I instead of DHA Account VI – Rs 20.053 million**

According to rule (2) (c) & (d) of District Authorities Accounts Rules,2017 the CEO shall ensure that sum due to District Authority are promptly realized and credited to the local fund. The amounts credited to the local funds as reported by the accounts officer are reconciled or verified with the records on monthly and annual basis.

The CEO (DHA) Khanewal and MS THQ Jahanian did not ensure deposit of receipts of District Authority in local fund of authority Account-VI. An amount of Rs 20.053 million was collected on account of various receipts of authority during 2018-19 but the entire amount was credited in Provincial Government Account-I instead of District Authority Account-VI. The receipts collected were not reconciled with DAO on regular monthly basis. No reconciliation after December, 2018 was made.

Audit is of the view that due to weak financial controls, the receipts of District Health Authority were not credited to local fund Account-VI.

Non-observance of rules resulted in unauthorized credit of DHA receipts to Provincial Government amounting Rs 20.053 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this Report.

Audit recommends necessary corrective measures and adjustment of already deposit receipts in Account-VI.

[AIR No. 9, 9]

#### **12.2.5.2.10 Irregular payment of inadmissible allowances during leaves – Rs 19.491 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to Government of the Punjab Finance Department letter No.FD.SR-I/9-34/2011 dated 12.10.2017, monthly incentive package to the specialist posted in various DHQs of Punjab, is not admissible during any kind of leave, as the said incentive is applicable when a specialist performs his / her duties.

Following DDOs of District Health Authority Khanewal made payment of Rs 19.491 million during 2018-19 on account of different allowance to different staff on leaves. The calculations were made from available information. Hence, department is requested to recover from all the staff and actual recoverable during the period of Audit.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS THQ Mianchannu	Payment of different allowance during leaves	1.971
2	MS DHQ- Khanewal	Payment of different allowance during leaves	5.122
3	CEO-Khanewal	Payment of different allowance during leaves	8.729
4	MS THQ Jahanian	Payment of inadmissible allowances during leaves	1.456
5	CEO-Khanewal	Unauthorized payment of salaries during extra ordinary leave	1.318
6	MS THQ Mianchannu	Overpayment of inadmissible allowances during study period	0.895
<b>Total</b>			<b>19.491</b>

Audit is of the view that due to weak internal controls, allowances were paid during leave period.

Payment of allowances during leave period resulted in loss amounting to Rs 19.491 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery of Rs 19.491 million under intimation to Audit.

[AIR No. 21, 12, 22, 10, 23, 37]

#### **12.2.5.1.11 Withdrawal of funds without pre-audit - Rs 18.371 million**

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public

Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe. Further, according to Government of the Punjab Finance Department letter No.SO (TT) 6-1/2013 (2015) dated 15.07.2015, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals or for en-block transfer of funds in commercial banks / Development Financial Institutions (DFIs). Withdrawals from the Special Drawing Accounts shall only be admissible, if these are required to meet validly accrued liabilities / booked expenditure, duly pre-audited, where so required.

Following DDOs of District Health Authority Khanewal incurred expenditure amounting Rs 18.371 million from Health Councils funds during 2018-19. The funds were withdrawn for different expenditure i.e. salaries of contingent paid staff, janitorial staff and payment for security service etc. without pre-audit from District Accounts Office in violation of above rules.

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS DHQ Hospital Khanewal	Withdrawal of funds without pre-audit	3.997
2	MS THQ Hospital Mian Channu		7.079
3	MS THQ Hospital Jahanian		7.295
<b>Total</b>			<b>18.371</b>

Audit is of the view that due to weak financial controls, funds were withdrawn without pre-audit.

Violation of rules resulted in irregular withdrawal of funds amounting Rs 18.371 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides preparation of mechanism of pre-audit of health council funds.

[AIR No. 41, 12, 3]

### 12.2.5.1.12 Irregular expenditure by splitting – Rs 15.609 million

According to rule 8 and 9 of the Punjab Procurement Rules 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.

Following DDOs of District Health Authority Khanewal incurred expenditure amounting Rs 15.609 million during 2018-19 on account of purchases of different items, repairs, medicine and surgical items through splitting to avoid the tendering process. The detail is as under:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS THQ Hospital Mian Channu	Irregular expenditure from Health Council Funds	0.919
2		Irregular expenditure by splitting	5.439
3	MS THQ Hospital Jahanian	Irregular expenditure by splitting	4.477
4	MS DHQ Hospital Khanewal	Irregular expenditure on purchase of medicine by splitting	4.774
<b>Total</b>			<b>15.609</b>

Audit is of the view that due to weak financial controls, expenditure was incurred by splitting to avoid the tendering process.

Non-compliance of PPRA Rules resulted in irregular expenditure amounting Rs 15.609 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 15, 16, 4, 26]

**12.2.5.1.13 Irregular expenditure of pay and allowances to the staff posted on general duty – Rs 13.845 million**

According to Government of the Punjab, Finance Department notification No.FD / SR IV-8-1/76(PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of the Finance Department. Further, Health Department letter No.PA/DSA-1/3/94 dated 19.03.1994 and DA/DSC/1294 dated 12.12.1995 letter No.4113-5/E dated 25.03.1998, letter No.18872-76/E dated 05.11.1996 and letter No.3961-4050/C dated 13.02.2004 to DO (Health) stipulates that all kind of general duties were done away with direction that if any person was found on general duty his absence should be considered along with disciplinary action.

Following DDOs of District Health Authority Khanewal allowed payment of pay and allowances amounting Rs 13.845 million during 2018-19 to the staff either posted on general duty or absent but not performing their duties at their place of posting. Orders of competent authority regarding general duty followed by approval of Finance Department were not available in the office record. Necessary detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS DHQ Hospital Khanewal	Irregular expenditure of pay and allowances	1.242
2	MS THQ Hospital Mian Channu	Irregular expenditure of pay and allowances	2.743
3	MS THQ Hospital Jahanian	Irregular expenditure of pay and allowances	0.419
4	CEO (DHA) Khanewal	Irregular withdrawal of salaries without performance of duties at place of posting	9.441
<b>Total</b>			<b>13.845</b>

Audit is of the view that due to weak management, irregular payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of instructions of the Government regarding general duty resulted in irregular payment of pay and allowances amounting Rs 13.845 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 11, 18, 18, 17]

#### **12.2.5.1.14 Misclassification of expenditure – Rs 12.035 million**

According to para 12 (1) (5) of the Local Government Account Manual 2003, the expenditure shall be classified into account heads relating to nature of item. Further, according to rule 12 (b) (ii) of District Authorities Accounts Rules 2017, the Budget and Accounts Officer shall ensure that monthly expenditure is charged to relevant object code and remains within allocation.

Following DDOs of District Health Authority Khanewal incurred expenditure amounting Rs 12.035 million during 2018-19 by misclassification of object code. Purchase of toner which was a stationery item and repair of machinery expenditure was charged to purchase of machinery, remaining items like filters, surgical items were purchased from others instead of relevant object classification. Further, Risk Allowance (Wage type 1785) was charged instead of Health Risk Allowance (Wage type 2132).



(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS THQ Hospital Mian Channu	Irregular expenditure by misclassification	2.199
2	MS DHQ Hospital Khanewal	Irregular expenditure of Risk Allowances by misclassification	1.026
3	CEO (DHA) Khanewal	Irregular expenditure of Risk Allowances by misclassification	7.739
4	DHO Khanewal	Irregular expenditure of Risk Allowances by misclassification	0.752
5	MS DHQ Hospital Khanewal	Irregular expenditure by misclassification	0.319
<b>Total</b>			<b>12.035</b>

Audit is of the view that due to weak financial controls the expenditure was charged to irrelevant object code by ignoring the Government rules.

Violation of rules resulted in irregular expenditure amounting Rs 12.035 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 30, 1, 2, 4, 38]

#### **12.2.5.1.15 Irregular appointment of daily wages / contingent paid staff – Rs 11.090 million**

According to Government of the Punjab, Finance Department, notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.

Following DDOs of District Health Authority Khanewal made payment amounting Rs 11.090 million from Health Council funds on account of salaries

of daily wages / contingent paid staff during 2018-19. No need assessment for requirement of staff was prepared and got approved from Health Council before recruitment of contingent paid staff. No advertisement for appointment of daily wages staff was published in the newspapers. No detail of total applications received and merit list was prepared before appointment. No proceedings of recruitment committee was available which depicts that staff was appointed without approval of any committee.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS DHQ Hospital Khanewal	Irregular appointment of daily wages / contingent paid staff from Health Council	3.128
2	MS THQ Hospital Jahanian	Irregular appointment of daily wages / contingent paid staff from Health Council	1.995
3	MS THQ Hospital Mian Channu	Irregular appointment of daily wages / contingent paid staff from Health Council	5.967
<b>Total</b>			<b>11.090</b>

Audit is of the view that due to weak financial controls, irregular appointments of contingent paid staff were made.

Violation of rules during appointment of daily wages staff resulted in irregular expenditure amounting Rs 11.090 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 42, 7, 28]

#### **12.2.5.1.16 Irregular excessive supply and loss due to expiry of medicine - Rs 9.557 million**

According to rule 8 of the Punjab Procurement Rules 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. Further, according to para 16.10 (xiii) (b) of the Punjab Budget Manual, purchase largely in excess of requirements is a financial irregularity. Further, as per rule 2.10 of PFR Vol-1, "Same vigilance should be exercised in respect of expenditure out of Govt. revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money".

MS DHQ Hospital Khanewal and MS THQ Hospital Mian Channu received medicine amounting Rs 9.557 million against the annual demand of hospitals from MSD during 2018-19. It was observed from the main stock register of the hospitals, that medicine was expired and disposed of by the store department. It was due to excessive purchase and supply of medicine in excess of demand.

Audit is of the view that due to weak internal controls, medicine were supplied in excess of requirement and expired without use.

Excessive supply and expiry of medicines without use resulted in loss amounting Rs 9.557 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 10, 24]

#### **12.2.5.1.17 Unjustified issuance of medicine to other health facilities – Rs 6.321 million**

According to rule 15.4 of PFR-Vol-I "All materials received should be examined, counted, measured and weighed, as the case may be, when delivery is

taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

MS DHQ Hospital Khanewal issued different medicines amounting Rs 6.321 million to various centers / hospitals of the district and even to the other districts during 2018-19. The medicine was issued without any signatures, approval of the competent authority, demand and receipts of the concerned health facilities.

Audit is of the view that due to weak administration, the medicine was purchased / received in excess of requirement and issued to the other health facilities without any justification.

Excessive purchase / receipt of medicine and issuance of medicine to the other health facilities resulted in unjustified issuance of medicine amounting Rs 6.321 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 17]

#### **12.2.5.1.18 Unjustified withdrawal of pay without date of joining - Rs 6.315 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 11 (1) (f) of the Punjab District Authorities (Accounts) Rules 2017, The CEO shall be responsible for proper maintenance of departmental accounts and

financial discipline of a District Authority, subordinate offices and institutions and shall be responsible for arranging internal controls in a District Authority.

The CEO District Health Authority Khanewal and MS DHQ Hospital Khanewal withdrew pay and allowance of Rs 6.315 million during 2018-19 to different employees. The withdrawal of pay was unjustified as no date of joining of the employees was mentioned in the HR data. Due to which the actual date of appointment of staff and their pay and allowances could not be assessed by Audit.

Audit is of the view that due to weak internal controls the withdrawal of salaries was not properly accounted for in the payroll system.

Incomplete and doubtful information resulted in unjustified payment of pay and allowance amounting Rs 6.315 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends correction of HR data in the payroll system or the stoppage of withdrawal of funds besides fixing responsibility on the person(s) at fault.

[AIR No. 7, 7]

#### **12.2.5.1.19 Irregular expenditure of pay and allowances – Rs 6.168 million**

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

MS DHQ Hospital Khanewal made payment of Rs 6.168 million during 2018-19 on account of pay and allowances to different staff despite retirement, resignation, absent and transfer of the staff.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	CEO-Khanewal	Irregular withdrawal of Pay & allowance after retirement	1.009
2	MS THQ Jahania	Non-recovery of one month pay from Doctors who resigned from service without serving one month notice	0.995
3	CEO-Khanewal	Withdrawal of pay and allowances despite resignation / transfer	1.139
4	MS DHQ-Khanewal	Excess payment of pay and allowances despite resignation / transfer	0.864
5	MS THQ Mianchannu	Loss to Government due to non-deduction of salaries of absent period reported by bio-metric system	2.161
<b>Total</b>			<b>6.168</b>

Audit is of the view that due to weak management, irregular payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of instructions of the Government regarding general duty resulted in irregular payment of pay and allowances amounting to Rs 6.168 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization of the matter from the competent authority besides taking disciplinary action against the person(s) at fault.

[AIR No. 25, 12, 24, 16, 29]

#### **12.2.5.1.20 Non-deduction of conveyance allowance and house rent allowance – Rs 6.007 million**

According to Government of the Punjab Finance Department (Monitoring Wing) notification No.FD (M.1) 1-15/82-P-J dated 15.01.2000, in case of designated residence the officer / official for which residence is meant, cannot draw house rent allowance. He will have to pay 5% maintenance charges even if he does not avail the facility and residence remains vacant during the period. Further, according to clarification regarding conveyance allowance issued vide Government of the Punjab

Finance Department letter No.FD.SR.I.9-4/86 (PR) (P) dated 15.10.2011, conveyance allowance was not admissible to those government employees residing within the premises of work place. Moreover, according to the Government of the Punjab Finance Department (Monitoring Wing) Notification No.FD(M.1)1-15/82-P-J dated 15.01.2002 and Government of Punjab allotment policy at district level dated 10/2002, a government servant occupying a house un-authorized and illegally be charged penal rent @ 60% of his basic salary.

Following DDOs of District Health Authority Khanewal did not deduct house rent allowance, conveyance allowance and penal rent amounting Rs 6.007 million during 2018-19 from salaries of employees residing in designated / allotted residences. Furthermore, MS THQ Hospital Mian Channu neither vacated nor recovered penal rent from the unauthorized occupants in the residences of the hospital. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS DHQ Hospital Khanewal	Non-deduction of maintenance charges and unauthorized withdrawal of house rent and conveyance allowance	0.903
2	MS THQ Hospital Mian Channu	Non-recovery of penal rent due to unauthorized occupation of government residence and non-deduction of HRA and CA despite residing in Government residence	4.038
3	DHO Khanewal	Unauthorized payment of HRA and CA despite designated residences	0.265
4	CEO (DHA) Khanewal	Doubtful payment of allowances to the employee of District Health Authority - Rs 801,078	0.801
<b>Total</b>			<b>6.007</b>

Audit is of the view that due to weak financial controls, payment on account of house rent allowance and conveyance allowance was made and penal rent was not recovered from illegal occupants.

Non-recovery of conveyance allowance, house rent allowance and penal rent resulted in loss amounting Rs 6.007 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 6.007 million besides fixing responsibility on the person(s) at fault.

[AIR No. 34, 35, 2, 11]

**12.2.5.1.21 Doubtful consumption of medicine in hospitals – Rs 5.806 million**

According to rule 2.10(a)(1) 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 expenditure of his own money.

MS DHQ Hospital Khanewal and MS THQ Hospital Mian Channu did not ensure maintenance of proper consumption record of medicines costing Rs 5.806 million during 2018-19. The record related to quantity of medicine was less shown in the balance. The consumption record of medicines issued from main medicine store to Emergency Department and Indoor Department was checked and found following discrepancies:

- i. Neither patient's charts were being maintained nor entered in the treatment register. Doctor's prescription and diagnosis was not available on patient charts.
- ii. COD register was neither attested by any officer nor signed by the duty doctor against every patient entered / attended by the doctor concerned.
- iii. The medicines were obtained from store keeper and shown as issued to various patient numbers and medicines were being misappropriated as no record of its consumption supported with doctor's prescription and diagnosis was available.
- iv. The charts were also seems doubtful as no vitals were recorded by the nurses in most of the charts. No graphical representation was marked on charts for Temperature / BP / Pulse etc. No duty doctor's signatures were seen on the patient charts during round of the doctors.

Audit is of the view that due to weak internal controls doubtful consumption of medicines was made besides defective / non-transparent maintenance of record.



Doubtful consumption record resulted in loss amounting Rs 5.806 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of the bogus consumption of medicine through department inquiry besides fixing of responsibility on the person(s) at fault.

[AIR No. 18, 36]

#### **12.2.5.1.22 Non obtaining of performance guarantees Rs 4.761 million**

According to terms of rate contract vide No.09, performance guarantee @ 5% from firms of the total value of supply order will have to be furnished in the form of deposit at call before the execution of supply order in the Name of Drawing and Disbursing Officer before issuing the supply orders. Further according to Rule 56 of Punjab Procurement Rules, 2014 a procuring agency shall require the successful bidder to furnish a performance guarantee before the execution of supply order in the name of drawing and disbursing officer issuing the supply order which shall not exceed ten percent of the contract amount.

Chief Executive Officer District Health Authority Khanewal, did not collect the performance guarantees costing Rs 4.761 million for purchase of medicines against supply orders of Rs 95.216 million from the contractors at the time of issuance of consolidated supply orders for the purchase of said stores.

Audit is of the view that due to weak internal controls purchase of store was made without obtaining of performance security.

Non-obtaining of performance security Rs 4.761 million may cause loss and violation of Government instructions.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that the matter be got regularized from the competent authority besides taking disciplinary action against the responsible under intimation to Audit.

**12.2. 5.1.23 Irregular payment of pending liabilities – Rs 4.429 million**

According to rule 2.10(b) (3) of PFR Vol-I, all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year and money indisputably payable is not left unpaid and that all inevitable payments are ascertained and liquidated at the earliest possible date.

Following DDOs of District Health Authority Khanewal made payment of pending liabilities amounting Rs 4.429 million on account of contingent expenditure during 2018-19, but neither approval for clearance of pending liabilities was obtained nor additional funds demanded for clearance of pending liabilities. The clearance of pending liabilities without allocation of funds and sanction of competent authority was unauthorized.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS THQ Mianchannu	Unauthorized Clearance of Pending Liabilities without Allocation of Funds	3.011
2	MS THQ Jahania	Irregular clearance of pending liabilities without allocation of funds	0.873
3	MS DHQ-Khanewal	Irregular clearance of pending liabilities without allocation of funds	0.545
<b>Total</b>			<b>4.429</b>

Audit is of the view that due to weak financial controls, liabilities of previous year were cleared out of the budget allocation of current financial year without obtaining additional allocation and approval for the clearance of liabilities.

Violation of the Government rules resulted in irregular payment of pending liabilities amounting Rs 4.429 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 8, 13, 30]

**12.2.5.1.24 Non-blacklisting / non-forfeiture of performance guarantee despite non-delivery of medicine / store items - Rs 3.885 million**

According to clause-10 of bidding documents, wherein the supplier fails to make deliveries as per signed contract and purchase order and within the stipulated time frame specified in the schedule of requirement, the contract to the extent of non-delivered portion of supplies shall stand cancelled. After the cancellation of contract no supplies shall be accepted and the amount of performance guaranty / security to the extent of non-delivered portion of supplies shall be forfeited. If the supplier fails to supply the whole consignment and not able to deliver to consignee's end the entire amount of performance guarantee / security shall be forfeited to the Government account and the firm shall be blacklisted minimum for two years. In case of late delivery of goods beyond the periods specified in the schedule of requirements and after issuance of subsequent purchase order by the consignee, a penalty @ 0.067% per day of the cost of late delivered supply shall be imposed upon the supplier.

Following DDOs of District Health Authority Khanewal did not take steps for forfeiture of 5% performance guarantee amounting Rs 3.885 million during 2018-19 on accounts of non-supply of medicine / store items by the firms. These firms were not blacklisted in violation of clause of bidding documents. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS THQ Hospital Jahanian	Non-black listing of defaulting firms – Rs 1.323 million	1.323
2	MS DHQ Hospital Khanewal	Non-forfeiture of performance guarantee	1.038
3	MS THQ Hospital Mian Channu	Non-forfeiture of performance guarantee	1.038
4	CEO (DHA) Khanewal	Non-supply of medicines and non-forfeiture of performance guarantee of defaulters	0.486
<b>Total</b>			<b>3.885</b>

Audit is of the view that due to weak internal controls, performance guarantee was not forfeiture despite non-supply of medicine / store items and firms were not declared as blacklisted.

Non-forfeiture of performance guarantee resulted in loss amounting Rs 3.885 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends forfeiture of performance guarantee amounting Rs 3.885 million and blacklisting of concerned firms besides fixing responsibility on the person(s) at fault.

[AIR No. 11, 6, 19, 15]

#### **12.2.5.1.25 Doubtful maintenance of records of printing and publication material – Rs 2.451 million**

According to rule 15.4 of PFR-Vol-I “All materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

MS THQ Hospital Mian Channu did not ensure proper record entries in stock register and issuance record of items amounting Rs 2.451 million during 2018-19. Stock entry of printing material was not made in stock register. The consumption and issuance of items e.g. receipt books, bed head tickets, various pads were not followed by approval of indents.

Audit is of the view that due to weak internal controls consumption and issuance of printing items were made without consumption certificate and proper pattern.

Non-maintenance of record of receipt and issuance of printing material resulted in doubtful expenditure amounting Rs 2.451 million

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 25]

#### **12.2. 5.1.26 Unjustified / doubtful consumption of POL – Rs 2.230 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

MS DHQ Hospital Khanewal and MS THQ Hospital Mian Channu withdrew Rs 2.230 million on account of POL for generators operative in hospitals during 2018-19. The log books of generators were not properly maintained. The fuel consumed and balance in tank was not recorded in log books. The withdrawal of POL claims without fuel consumption was quite unjustified. Further, the timings of generator operations were mismatch with the WAPDA schedules of load shedding.

Audit is of the view that due to weak financial controls expenditure on POL of generator was incurred without maintenance of log book and consumption certificate by the DDO.

Incurrence of expenditure on POL without maintenance of log books and fuel consumption certificate resulted in doubtful expenditure amounting Rs 2.230 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 14, 32]

**12.2.5.1.27 Non-compliance of the Government instructions and payment of social security benefits - Rs 1.982 million**

According to S&GAD (Regulation Wing) Notification No.SO/DS (O&M) (S&GAD) 5-3/2003 dated 01.03.13, employees working on contract was required to be regularized with immediate effect and the salary component of such employee shall be in accordance with the pay scales plus usual allowances prescribed for the posts against which they are being appointed. They will, however, not be entitled to the payment of 30% social security benefits in lieu of pension or any other pay package being drawn by them. Further, according to rule 4 (m) of the Punjab District Authorities (Budget) Rules 2017, the Chief Executive Officer shall act as Principal Accounting Officer of the Authority and shall take complete responsibility for departmental expenditure before Special District Accounts Committee and Public Accounts Committee and to explain or justify any instance of excess or financial irregularity that may brought to notice as a result of audit scrutiny or otherwise.

Following DDOs of District Health Authority Khanewal made irregular payment of 30% SSB amounting Rs 1.982 million in lieu of pension to such staff during 2018-19 even after regularization. Further, the Chief Executive Officer DHA Khanewal did not regularize the services of employees working on contract before 01.03.2013 despite direction of the Government.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	CEO-Khanewal	Non-compliance of the Government instructions and withdrawal of social security benefits - Rs 1.323 million	1.323
2	CEO-Khanewal	Withdrawal of social security benefits after regularization of services - Rs 377,057	0.377
3	MS THQ Mianchannu	Withdrawal of social security benefits after regularization of services – Rs 282,177	0.282
<b>Total</b>			<b>1.982</b>

Audit is of the view that due to weak internal controls, services of staff were not regularized despite the Government direction and 30% SSB was paid even after regularization.

Non-compliance of the Government directions and payment of SSB resulted in loss amounting Rs 1.982 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or corrective measures under intimation to Audit.

[AIR No. 5, 3, 22]

#### **12.2.5.1.28 Irregular excess payment of pay & allowances to Nurses – Rs 1.358 million**

According to Health Department (Nursing Cadre) Notification No. SO (NC) 2-118/A/2009 dated 14.05.2011 and other similar regularization orders vide general condition No. ix of regularization orders of nurses this regularization of nurses was subject to the condition that the appointment on regular basis shall be prospective in nature and the officer shall have no right of entitlement to any back benefits.

MS THQ Hospital THQ Mianchannu paid excess salaries of Rs 1.358 million to the charge nurses due to payment of personal allowance as back benefits. Salaries were not re-fixed on initial basic pay rather personal allowance was also allowed to the nurses contrary to the terms and conditions of regularization of their services.

Audit is of the view due to weak internal controls; excess salaries were paid despite regularization of service.

Withdrawal of back benefits after regularization resulted in loss to the Government amounting to Rs 1.358 million

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery of Rs 1.358 million under intimation to Audit.

[AIR No. 6]

## **12.2.5.2 Value for money and service delivery issues**

### **12.2.5.2.1 Non-recovery of liquidated damages amounting to Rs 1.777 million**

According to terms of contract vide No.10 (v), in case of late delivery of goods beyond the periods specified in the schedule of requirements and after issuance of subsequent purchase order by the consignee, a penalty @ 0.067% per day of the cost of late delivered supply shall be imposed upon the supplier.

Chief Executive Officer District Health Authority Khanewal did not deduct liquidated damages at the time of making payment to suppliers despite of the fact that the firms failed to supply the medicines within the stipulated period. This resulted into excess payment to the firms amounting to Rs 1.777 million.

Audit is of the view that due to weak internal controls, suppliers were obliged by making full payment without deducting liquidated damages.

Due to non-deduction of liquidated damages resulted in loss to Government Rs 1.777 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.



Audit recommends that the recovery of Rs 1.777 million be made good from the securities of the concerned firms and credited to Government account besides taking action against the responsible under intimation to Audit.

[AIR No. 12]

## **12.2. 5.3 Others**

### **12.2.5.3.1 Non-completion of revenue portion of development works - Rs 41.078 million**

According to the minutes of DDC meeting the executing agency will not execute the scheme before the availability/ releasing of fund in any case. The physical work shall start after fulfilling all codal, legal procedural and financial formalities.

The Chief Executive Officer DHA Khanewal received an amount of Rs 49.175 million from Finance Department Lahore on account of various development schemes of revenue portion during 2018-19. Out of which an amount of Rs 41.078 million was released for the purpose whereas the same remained non-utilized to complete the project of development out of revenue portion which resulted in delay in completion of projects of public interests.

Audit is of the view that due to weak financial controls, the revenue portion of the development schemes was not utilized for public interests.

Non-observance of rules resulted in delay of project and cost and time overrun.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this Report.

Audit recommends inquiry into the matter besides fixation of responsibility on the person's at fault, under intimation to Audit.

[AIR No. 16]

### **12.2.5.3.2 Unauthorized creation of liabilities despite availability of budget allocation – Rs 23.989 million**

According to rule 2.10 (b)(3) of the PFR Vol-1, all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year.

MS DHQ Hospital Khanewal and MS THQ Mianchannu did not clear the claims amounting Rs 23.989 million during 2018-19 on account of different object heads despite availability of budget. Unauthorized liabilities were created without proper.

Audit is of the view that due to weak financial controls, liabilities were created despite availability of budget.

Non-payment of claims resulted in unauthorized creation of liabilities amounting Rs 23.989 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization from the competent authority under intimation to Audit.

[AIR No. 40, 26]

#### **12.2.5.3.3 Non-verification of government receipts – Rs 3.151 million**

According to rule 76 of PDG and TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund.

MS DHQ Hospital Khanewal and MS THQ Mianchannu deposited the Government receipts into the Government treasury amounting Rs 3.151 million collected during the period 2018-19. Audit noticed that Government receipts were not duly verified from DAO Khanewal.

Audit is of the view that due to weak internal controls, Government receipts were not duly verified from DAO.

Non-verification of Government receipt resulted in violation of rules.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this Report.

Audit recommends verification of the Government receipts from DAO Khanewal under intimation to Audit.

[AIR No. 25, 33]

**12.2.5.3.4 Non-charging / deposit of laboratory income and USG fee – Rs 1.822 million**

According to Secretary to Government of the Punjab Health Department letter No. SO(HO)S-1/97(G) dated 15.12.1997 circulated vide DGHS Punjab Lahore letter No. C-20/3437-3530/G dated 07.03.1998 in which a letter No. 1-33/97-NIR was enclosed containing the rates of various diagnostic services were given for wide circulation for implementation in all hospitals of provincial / federal institutes / hospitals/dispensaries. In these letters mentioned above an ultrasound examination Abdomen and pelvis will be charged Rs 200 for general patients and Rs 400 for private patients. Further, according to Government of the Punjab, FD No. FD (1-1) 1-15/82-P-I dated 17-01-2000, the government receipt if not deposited within 7 days from the actual date of receipt, the interest thereon should be charged at bank rate for the delayed period.

Following DDOs of District Health Authority Khanewal did not charge / deposit laboratory income and USG fee of Rs 1.822 million during the period 2018-19. Scrutiny of record showed no fee was deposited during the entire period of audit. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS THQ	Misappropriation of Laboratory income Inquiry	0.968
2	Mianchannu	Non-deposit of X-Ray charges and Ultrasound Fee	0.169
3	MS THQ Jahania	Loss to Government due to non-charging of USG fee	0.369
4	MS DHQ-Khanewal	Non-deposit of Government Receipts	0.316
<b>Total</b>			<b>1.822</b>

Audit is of the view that due to negligence Government receipts were not recovered / deposited into treasury immediately.

Non-recovery / non-deposit of Government receipt resulted in loss to the Government amounting Rs 1.822 million which need recovery from the concerned.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this Report.

Audit recommends action against concerned for non-recovery / non-deposit of the Government receipts besides immediate recovery of Rs 1.822 million under intimation to Audit.

[AIR No. 34, 19, 31, 33]

#### **12.2.5.3.5 Unjustified charging of GST on electricity charges and recovery thereof - Rs 1.402 million**

According to Section 52A of Sixth Schedule of Sales Tax Act, 1990, read with the Government of Pakistan Ministry of Law and Justice letter No.128/2011 – Law (FTO) dated 16.07.2012, Goods supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds.

MS DHQ Hospital Khanewal made payment of electricity bills of Rs 12.512 million to MEPCO during 2018-19. The hospital was exempted from GST but GST was charged in the monthly bills which needs recovery of Rs 1.402. The detail is as under:

(Amount in rupees)

Object	Doc. No.	Document Date	Reference No.	Billing month	Amount	GST included
Electricity	1900061703	31.08.2018	27159122370900U	Jul-18	5,350,106	406,291
Electricity	1900075191	14.02.2019	27159122370900U	Jan-19	1,071,136	156,893
Electricity	1900207078	02.05.2019	27159122370900U	Mar-19	895,869	126,326
Electricity	1900207077	02.05.2019	27159122370900U	Feb-19	848,846	119,696
Electricity	1900132160	20.05.2019	27159122370900U	Apr-19	1,536,894	216,721
Electricity	1900007238	17.09.2018	27159122370900U	Aug-18	2,809,447	376,013
			<b>Total</b>		<b>12,512,298</b>	<b>1,401,940</b>

Audit is of the view that due to weak internal controls, GST was paid without observing the rules position.

Unjustified payment of GST resulted in loss amounting Rs 1.402 million.

The matter was reported to the PAO / DDO in September, 2019. The DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery of Rs 1.402 million under intimation to Audit.

[AIR No. 9]

## 13. District Health Authority (DHA) Lodhran

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Lodhran on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,768.431	1,130.707	(637.724)	-36%
Non-salary	220.097	204.460	(15.637)	-7%
Development	43.999	43.893	(0.106)	0%
<b>Sub Total</b>	<b>2,032.527</b>	<b>1,379.060</b>	<b>(653.467)</b>	<b>-32%</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 140.192 million was provided for purchase of medicines against which only Rs 104.419 million was utilized resulting in lapse of Rs 35.773 million (26%).
- An amount of Rs 1.282 million was provided for procurement of machinery and equipment against which an amount of Rs 0.859 million was utilized resulting in lapse of Rs 0.423 million (33%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 653.467 million was lapsed due to inefficient management.

**Analyses of Appropriation Accounts and Financial Statements  
(Certification Audit 2019-20)**

The following issues surfaced during Certification Audit of District Health Authority Lodhran for the Audit Year 2019-20.

- Non Reconciliation between Payment Figures of Bank & Appropriation Account Rs 44.739 Million
- Non Reconciliation between Cash Balance of Bank at Head Office Karachi & in the Books of DAO Rs 0.174Million
- Non Reconciliation between Public Accounts Receipts & Payment figure of Financial Statement & Finance Account of Rs 4.825 Million
- Non Maintenance of Statement of Fixed Assets

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, these issues have been reported in the audit certificate as emphases of matter.

**ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Lodhran was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, and facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No.	Indicators	Target 2018-19	Achievement 2018-19	Remarks
1	Outdoor Patients	2,968,160	2,519,287	Not Achieved
2	Indoor Patients	-	54,139	-
3	Surgical Cases	-	-	-
4	Cardiac Coronary Unit	-	1,296	-



5	Diagnostic Services (Laboratory, Radiology)	14,013	1,843,653	Achieved
6	Family Planning Activities	-	-	-
7	Peads	-	16,889	-
8	Surgery	-	14,980	-
9	T.B Chest Treatment	-	9,869	-
10	Free Medicine to Patients	-	2,519,287	-
11	EPI Vaccination	-	119,563	-
12	Sanctioned Posts (Doctors/Specialists)	-	-	-
13	Gazetted Staff/ Technical Staff	-	-	-
14	Other Staff	-	-	-

\*Source: Data received from CEO (DHA) Lodhran

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- Record of expenditure amounting to Rs 4.943 million was not produced in 01 case.
- Irregularities and non-compliance of rules amounting to Rs 4,242.749 million was observed in 55cases.
- Weak Internal Controls involving amount of Rs 107.250 million was noticed in 48 cases.
- Poor performance of the management having financial impact of Rs 184.203 million was found in 37 cases.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service, indoor patient's services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

### v. Expectation Analysis and Remedial Measures

### **District Health Authority**

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

#### **Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary health care facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

## 13.1.1 AUDIT PARAS

### 13.1.1.1 Non Reconciliation between Payment Figures of Bank & Appropriation Account Rs 44.739 Million

**Criteria:**

According to paras 2.2.2.9 & 6.3.4.2 of APPM, the District Accounts Officers are responsible for the accounting functions of the districts and every DAO shall prepare a monthly reconciliation statement for expenditure and receipts.

**Fact:**

During audit of District Accounts Office Lodhran, it was found that there was difference of Rs. 44.739 million between the payments Made by Bank & Expenditure Booked in the Appropriation Account for the Period of 2018-19.

(Amount in rupees)

Period	Receipts		Payments
	Allocation	Receipts	Expenditure
Jul-18	148849000	1232288	140,907,225
Aug-18	1753072	180013930	90,493,511
Sep-18	865716	51500000	85,999,372
Oct-18	82459313	1141008	96,206,231
Nov-18	91262000	485407	88,101,490
Dec-18	234136738	768935	95,323,121
Jan-19	103316800	1409258	87,827,728
Feb-19	148779554	1189447	175,531,201
Mar-19	128796678	685508	95,815,431
Apr-19	9594730	813569	113,947,577
May-19	388359804	948627	110,392,293
Jun-19	-44521094	1506113	243,254,163
<b>Total Payment as per Bank statements</b>			<b>1,423,799,343</b>
<b>Expenditure As per Appropriation Account</b>			<b>1,379,060,132</b>
<b>Difference</b>			<b>44,739,211</b>

**Recommendations:**

Audit is of the view that due to weak internal control excess payment than budget allocated was allowed.

**Management response:**

It is submitted that Accounts are being prepared directly from SAP System on gross basis and while the payment figures on net basis. Bank payments include both CF +PA while Appropriation Account includes only CF payment. So the Observation may be settled.

**DAC Decision:**

Committee decided to keep the para pending for verification. On verification day, no record was produced. Para kept pending

**13.1.1.2 Non Reconciliation between Cash Balance of Bank at Head Office Karachi & in the Books of DAO Rs 0.174Million**

**Criteria:**

According to paras 2.2.2.9 & 6.3.4.2 of APPM, the District Accounts Officers are responsible for the accounting functions of the districts and every DAO shall prepare a monthly reconciliation statement for expenditure and receipts.

**Fact:**

There was difference of Rs. 0.1734 million between the closing cash balance in the books of accounts of DAO and closing Cash balance in the SBD Head office Karachi (As Cash Balance is reported by the Accountant General of Punjab vide letter No. SBD Pb& DGP/CB/HM, dated; 26.09.2019). for the period of 2018-19.

(Amount in rupees)

<b>Cash Balance of Account-VI</b>			
<b>DAO Books of A/C</b>	<b>Local Bank NBP/ SBP</b>	<b>SBP HO Karachi</b>	<b>Difference</b>
188,562,104	188,562,104	188,735,994	(173,890)

**Recommendations:**

Audit recommends the difference of the amount be sorted out and correct figure be reported under intimation to Audit.

**Management response:**

It is submitted that there is no difference in cash balance of NBP and this officer as mentioned in Audit Observation. (copy enclosed) However this office also communicates to NBP regarding difference between NBP and SBP Karachi.

**DAC Decision:**

Matter is referred to representative of Adl AG Mr. Khalid (AAO) will get the record verify before Audit regarding reconciliation. Para kept pending

**13.1.1.3 Non Reconciliation between Public Accounts Receipts & Payment figure of Financial Statement & Finance Account of Rs 4.825 Million**

**Criteria:**

According to paras 2.2.2.9 & 6.3.4.2 of APPM, the District Accounts Officers are responsible for the accounting functions of the districts and every DAO shall prepare a monthly reconciliation statement for expenditure and receipts.

**Fact:**

During audit of District Accounts Office Lodhran, it was found that there was difference of Rs 4.825 million between the Receipts & Payment figures of Public Funds of Financial statement & Finance Account for the Period of 2018-19 (Detail is enclosed).

Head of Account	DHA ACCOUNT -VI		
	Amount as per SAP (Rs. in '000")	Amount as per Financial Statement (Rs. in '000")	Difference (Rs. in '000")
Trust & other public account-Payment	2,475,752	2,475,752.00	0.17
Special Deposits-Payment	11,742	11,742.00	0.28
State Provident Fund-payment	75,202	75,202.00	-0.24
Trust & other public account-Receipts	2,455,441	2,459,860.00	-4,418.94
Special Deposits-Receipts	12,058	12464	-406.17
State Provident Fund-Receipts	38,606	38606	-0.42
<b>Total</b>			<b>-4,825</b>

***Recommendations:***

Audit recommends reconciliation be made under intimation to audit.

***Management response:***

It is submitted that Accounts are being prepared directly from SAP System on the basis of formula and there is no chance to differ amounts in Financial Statement & Appropriation Account. So the Observation may be settled.

***DAC Decision:***

Committee settled the Para subject to verification of record with in week. On verification day, no record was produced. Para kept pending

**13.1.1.4 Non Maintenance of Statement of Fixed Assets**

***Criteria:***

According to Section 2.2.7 of the Financial Reporting Manual a statement of fixed assets should be prepared for each reporting period

***Fact:***

Examination of record of the office of DAO, Pakpattan for the year 2017-18 revealed that Statement of Fixed Assets was not being prepared.

***Recommendations:***

Audit recommends that the statement of fixed assets be prepared on a regular basis.

***Management response:***

It is submitted that Accounts are being prepared as per approved format by the Auditor General of Pakistan for one year only. So the Observation may be settled.

***DAC Decision:***

DAC decided that matter should be taken up with department. Para kept pending.

## **Chapter 2**

### **DHA Lodhran**

#### **13.2.1 Introduction**

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

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health services delivery personnel under the policy framework given by the government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Lodhran manages following primary and secondary health care facilities and institutes:

Description	No. of Health facility/ Institute
Basic Health Units	48
Government Rural Dispensary	16
Rural Health Centre	04
Tehsil Head Quarter Hospitals	02
District Head Quarter Hospital	01
District Health Development Centre	01
District Health Officer	01

\*Source: Data received from CEO (DHA) Lodhran

The following table shows detail of total & audited formations of DHA Lodhran:

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	14	05	266.822	5.000
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

### 13.2.2 Comments on Budget and Accounts (Variance Analysis)

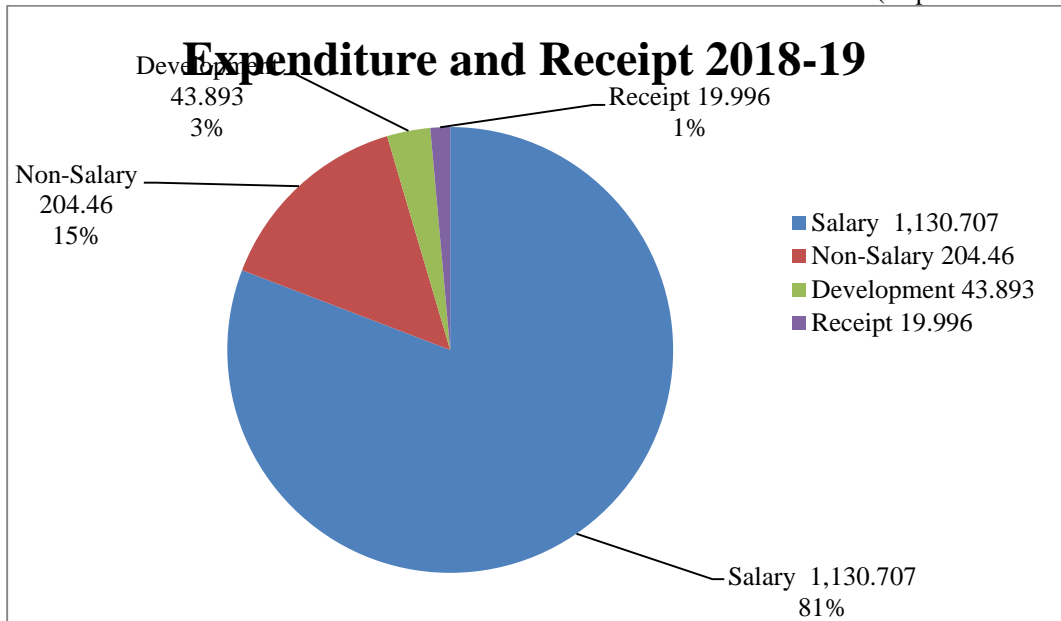
The detail of Budget and Expenditure is given below in tabulated form

(Rupees in Million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,768.431	1,130.707	(637.724)	-36%
Non-salary	220.097	204.460	(15.637)	-7%
Development	43.999	43.893	(0.106)	0%
<b>Sub Total</b>	<b>2,032.527</b>	<b>1,379.060</b>	<b>(653.467)</b>	<b>-32%</b>
Receipts	28.566	19.996	(8.570)	-30%

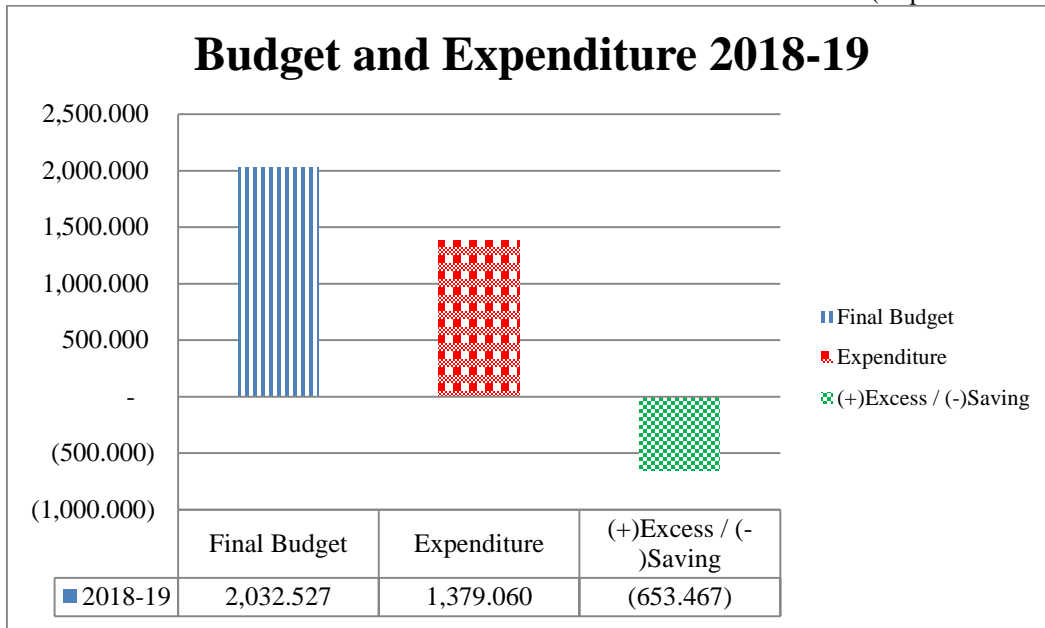


(Rupees in Million)



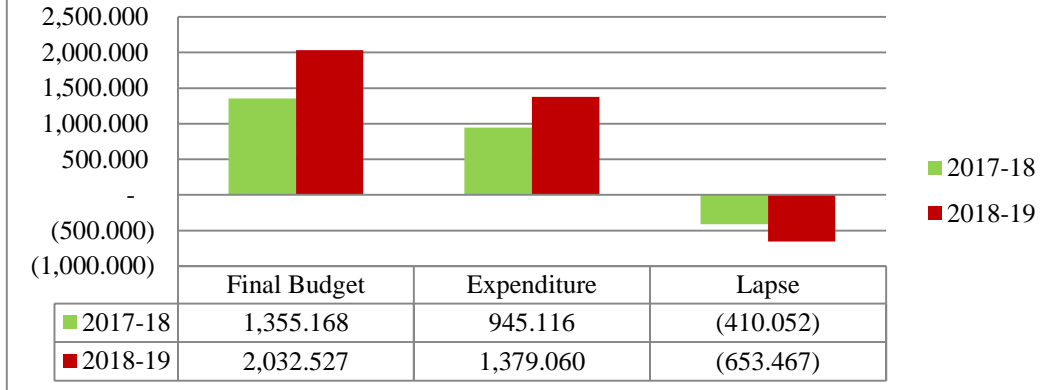
As per the Appropriation Accounts 2018-19 of the District Health Authority Lodhran, total original budget (Development and Non-Development) was Rs 1,946.702 million, supplementary grant was provided Rs 85.826 million and the final budget was Rs 2,032.527 million. Against the final budget, total expenditure of Rs 1,379.060 million was incurred by the District Health Authority during the financial year 2018-19. A lapse of Rs 653.467 million came to the notice of Audit, which shows that the District Health Authority failed to provide services and infrastructure development. No plausible explanation was provided by the PAOs / Administrator and management of District Health Authority. **(Annexure-B)**

(Rupees in Million)



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

## Comparison of Budget and Expenditure 2017-18 & 2018-19



There was 50% and 46% increase in budget allocation and expenditure incurred in financial year 2018-19 as compared to financial year 2017-18, while there was overall savings of Rs 653.467 million during 2018-19.

### 13.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 4,536.669 million were raised as a result of this audit. This amount also includes recoverable of Rs 27.722 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	4.943
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR / employees related irregularities	2,772.407
B	Procurement related irregularities	1,520.907
C	Management of Accounts with Commercial Banks	6.836
4	Value for money and service delivery issues	145.599
5	Others	85.977

#### **13.2.4 Comments on the Status of Compliance with PAC Directives**

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee.

##### **Status of Previous Audit Reports**

<b>Sr. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2018-19	34	PAC not constituted

## **13.2 .5 AUDIT PARAS**

### **13.2.5.1 Non-Production of Record**

#### **13.2.5.1.1 Non-production of record – Rs 4.943 million**

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”. Furthermore, according to Section 108 (2) of the Punjab Local Government Act 2013, “The Auditor-General shall audit the accounts of a local government in such form and manner as may be deemed appropriate”.

The Chief Executive Officer District Health Authority Lodhran did not produce the record involving Rs 4.943 million for the Financial Year 2018-19 for Audit scrutiny despite repeated written and verbal requests.

Audit is of the view that non-production of record of Rs 4.943 million as well as recruitment record created doubt regarding legitimacy of expenditure / recruitments.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that responsibility be fixed and appropriate disciplinary action taken against the concerned DDOs for non-production of record of Rs 4.943 million.

[AIR Para No. 23]

## 13.2.5.2 Irregularities

### 13.2.5.2.1 Irregular late approval of budget estimates – Rs 2,133.646 million

According to rule 3 (K) of District Authorities Budget Rules 2017, the Chairman shall ensure that the estimates and revised budget estimates shall be laid before the District Authority well before the commencement of the next Financial Year. Further, according to rule 4 (C) of District Authorities Budget Rules 2017, the Chief Executive Officer shall ensure that Budget estimates shall be submitted before the District Authority well before the commencement of the next Financial Year and budget so approved is distributed amongst DDOs by the commencement of the financial year.

The Chief Executive Officer District Health Authority Lodhran did not take approval of budget estimates for the Financial Year 2018-19 amounting Rs 2,133.646 million well before the commencement of financial year. The budget was prepared and submitted to Deputy Commissioner /Administrator of Authority on 30.08.2018, two months late after commencement of financial year. The Deputy Commissioner being Administrative of DHA approved the budget estimates on 06.09.2018. It depicts that pay and allowances for the month of July and August, 2018 were paid without approval of budget of authority. The detail is as under:

(Rupees in million)

Particulars	Amount of Receipt	Description	Amount of Expenditure
Opening Balance	77.015	Salary	1,569.941
PFC Share	2043.808	Non salary	360.325
Local Receipts	5.000	<b>Total Non-Development</b>	<b>1,930.266</b>
Tide Grants	7.823	On-going Schemes	21.032
-	-	New Schemes	-
-	-	Specific Grants	66.038
-	-	<b>Total Development</b>	<b>87.070</b>
		<b>Closing balance</b>	<b>116.310</b>
<b>Total</b>	<b>2133.646</b>	<b>Total</b>	<b>2,133.646</b>

Audit is of the view that due to weak management draft of budget was not prepared and approved well on time.

Non-observance of rules resulted in late approval of budget estimates amounting Rs 2,133.646 million.

The matter was reported to the PAO and DDO concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 6]

#### **13.2.5.2.2 Non-maintenance of cash book of DHA – Rs 1,379.060 million**

According to rule 12 (a) (b) (i) (iii) (iv) of Punjab District Authorities (Accounts) Rules, 2017 The budget and accounts officer shall maintain the accounts of a District Authority. Monitor the expenditure of the office of a District Authority against the approved budget, maintain and examine appropriation control register for each object of expenditure and record necessary entries of each transaction in the register. Prepare monthly and annual statement of receipts and expenditure and get them reconciled with the accounts of the accounts officer of a District Authority. Maintain drawing and disbursing officer's cash book of receipt and expenditure of a District Authority and general cash book of a District Authority.

The Chief Executive Officer District Health Authority Lodhran did not maintain general cash book of receipts, expenditure and imprest account for the period 2018-19 involving funds of Rs 1,379.060 million. The detail is as under:

(Rupees in million)

DDOs	Major Head	Description	Amount
CEO Health Lodhran	A01	Employee Related Expenditure	1,116.025
	A03	Operating Expenditure	187.638
	A04	Pension Contribution and retirement benefits	14.683
	A05	Grants	35.564
	A06	Transfer Payments	20.745
	A09	Purchase of Physical Assets	0.859
	A13	Repair and Maintenance	3.546
		<b>Total</b>	<b>1,379.060</b>

Audit is of the view that due to weak internal controls cash book and imprest account was not maintained.

Violation of rules resulted in non-maintenance of cash book and imprest account amounting to Rs 1,379.060 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends corrective measures besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 12]

### **13.2.5.2.3 Non-surrender of savings – Rs 223.967 million**

According to rule 15 (a) (b) of District Authorities Accounts Rules 2017, the Drawing and Disbursing Officer shall be responsible to prepare estimates of expenditure of the concerned office, maintain budget control register, record entries of each transaction therein against corresponding allocation and make assessment of expenditure likely to be made during the financial year and takes measures accordingly.

Following DDOs of District Health Authority, Lodhran did not surrender budget amounting Rs 223.967 million that was lapsed during 2018-19. The funds were neither utilized nor surrendered well in time and lapsed.



(Rupees in million)		
Sr. No.	DDOs	Amount
1	MS DHQ Hospital Lodhran	30.536
2	CEO Health, Lodhran	116.030
3	DHO-PS Lodhran	0.833
4	MS THQ Hospital Kehrorpacca	4.127
5	MS THQ Hospital Dunyapur	72.441
<b>Total</b>		<b>223.967</b>

Audit is of the view that due to weak financial controls, anticipated savings were not surrendered well in time.

Non-surrender of funds resulted in lapse of Rs 223.967 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 22, 32, 6, 30 & 18]

#### **13.2.5.2.4 Unauthorized expenditure in excess of budget allocation – Rs 166.181 million**

According to rule 5(2) (a) & (b) of the District Authorities Budget Rules 2017, the Head of office is responsible for all matters relating to the budget for the office under his administrative control, ensure strict financial control. Further, according to rule 6(f) the Budget and Accounts Officer is responsible to monitor expenditure and ensure utilization of funds as approved by the District Authority.

Following DDOs of District Health Authority, Lodhran incurred expenditure amounting Rs 166.181 million during 2018-19 in excess of budget allocation.

(Rupees in million)

Sr. No.	DDOs		Amount
1	MS DHQ Hospital Lodhran	Excess expenditure over and above budget allocation	27.469
2		Irregular excess expenditure on L.P medicine then prescribe budget limit	0.894
3	DHO PS Lodhran	Expenditure in excess of budget allocation	115.651
4	MS THQ Hospital Kehrorpacca	Expenditure in excess of budget allocation	17.569
5	MS THQ Hospital Dunyapur	Expenditure in excess of budget allocation	4.598
<b>Total</b>			<b>166.181</b>

Audit is of the view that due to weak financial controls, expenditure was incurred in excess of budget allocation.

Expenditure in excess of budget allocation resulted in unauthorized expenditure amounting Rs 166.181 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from Finance Department besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 7, 21, 7, 29 & 18]

#### **13.2.5.2.5 Unauthorized allocation of supplementary grants without approval– Rs 99.792 million**

According to Government of the Punjab Finance Department letter No.FD.SO (Goods) 44-4/2016 dated 01.08.2018, all the administrative departments shall remain within the budgetary allocations to minimize the incidence of supplementary grants. Further, the request for supplementary grants, if unavoidable, shall require approval of the Provincial cabinet / Cabinet Committee on Finance & Development. Further, according to rule 65 1) (2) of Budget Rules of District

Authorities 2017, in case a head of office or institution considers that need for additional funds has arisen for which no appropriation is available, he shall submit a proposal for supplementary grant to the CEO. The proposal shall be accompanied by an explanatory note justifying the supplementary grant.

Following DDOs of District Health Authority, Lodhran and Deputy Director Budget and Accounts Lodhran have issued funds amounting Rs 99.792 million during 2018-19 as supplementary grant to different DDOs of DHA Lodhran without approval of the Provincial Cabinet through the Chief Minister.

(Rupees in million)

Sr. No.	DDOs	Amount
1	CEO Health, Lodhran	85.825
2	DHQ Hospital Lodhran	13.967
<b>Total</b>		<b>99.792</b>

Audit is of view that due to weak financial management supplementary grant was issued without approval.

Allocation of supplementary grants without approval resulted in unauthorized payment of Rs 99.792 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 15 & 19]

#### **13.2.5.2.6 Irregular expenditure due to incomplete Purchase Committee – Rs 64.602 million**

According to Government of the Punjab, Primary & Secondary Healthcare Department letter No.SO (B&A) 1-71/2018-19 dated 16<sup>th</sup> November, 2018 following purchase committee was constituted:

- |  |          |
|--|----------|
| 1. Deputy Commissioner                     | Chairman |
| 2. CEO (DHA)                               | Member   |
| 3. Rep of P&SHC Department                 | Member   |
| 4. Deputy Director (Development)           | Member   |
| 5. Finance & Planning officer              | Member   |
| 6. Secretary, DQCB                         | Member   |
| 7. Health Expert/MS(to be nominated by DC) | Member   |

The Chief Executive Officer District Health Authority Lodhran finalized rate contracts for purchase of medicines amounting Rs 64.602 million during 2018-19 without complete Purchase Committee. Financial Bids were opened and rates finalized in absence of representative of P&SHC Department. The detailed is given below:

(Rupees in million)

Sr. No.	Phases	Amount
01	Phase-I	13,488,464
02	Phase-II	42,563,052
03	Phase-III	8,550,982
<b>Total</b>		<b>64,602,498</b>

Audit is of the view that due to financial indiscipline purchases were made without complete Purchase Committee.

Procurement without complete purchase committee resulted in violation of instructions.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 3]

### **13.2.5.2.7 Unauthorized up-gradation of posts and withdrawal of salaries – Rs 28.361 million**

According to DGHS letter No. 266 dated 20.04.2018 vide order sr. No. 2 (i,ii,iii) it has been decided that all promotions of allied health professionals, beyond one time dispensation shall be placed before the concerned DPCs for regularization and ex-post facto endorsement, if possible. Promotion of allied health professional beyond one time dispensation should be expedited through the concerned DPCs in accordance with Punjab Health Department Allied Health Professionals (Service) Rules 2012 amended in 28.01.2015 subject to availability of sanctioned, vacant posts and fulfills all related eligibility criteria. The DGHS, Punjab, being the appointing /promotion authority for all Chief Technician (BPS-16) may be allowed sanction up to 80% of the pension provisionally for the pending retirement cases with the rest subject to clearance by the respective DPCs.

The Chief Executive Officer District Health Authority Lodhran paid salaries amounting Rs 28.361 million during 2018-19 to those paramedical staff who availed promotion beyond one time dispensation without recommendations of concerned DPC in violation of above rule. The responsibility of exact calculations of pay and allowances rest with the DHA Lodhran.

Audit is of the view that due to weak financial controls, the posts of paramedics were upgraded illegally.

Illegal up-gradation of posts and payment of arrears resulted in loss amounting Rs 28.361 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of excess payment after actual calculations besides fixing responsibility on the person(s) at fault.

[AIR Para No. 33]

#### **13.2.5.2.8 Irregular re-appropriation of funds – Rs 27.909 million**

According to Rule 14 of District Health Authorities (Conduct of Business) Rules 2016, the Government shall appoint the Administrator under the Act for an Authority. The Administrator shall perform the functions and exercise the powers of the Authority. Further, according to serial No. 13 of delegation of financial Powers of District Authorities, “Re-appropriation of funds” functionaries of District Authority shall re-appropriate budget in accordance with the powers delegated by District Authority in terms of Section 104(3) of Act.

The Chief Executive Officer District Health Authority Lodhran re-appropriated funds of Rs 27.909 million during 2018-19 without any delegated powers by the Authority. No requests of DDOs for re-appropriation of funds along with justifications were provided to Audit. Funds were also released / re-appropriated for payment of pending liabilities out of budget allocation of 2018-19.

Audit is of the view that due to weak financial controls, re-appropriation of funds was made without any authority.

Re-appropriation of funds without any authority resulted in irregular expenditure of Rs 27.909 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 17]

**13.2.5.2.9 Unauthorized recruitment of computer operators for BHUs under PHFMC and shifting of posts without the concurrence of Finance Department – Rs 23.198 million**

According to Government of the Punjab Health Department letter No. PMU/PHSRP/M&E.1-07/4385-4423 dated 03.01.2008, PRSP will recruit computer operators at BHUs in PRSP Districts. According to Clause 6.2 of Agreement between PHFMC and DHA Lodhran, PHFMC may engage additional staff to work at the designated Health Facilities who shall be governed by their contract with PHFMC and shall not have any claims against the DHA Lodhran and the Government of Punjab during or upon the conclusion of the contract.

Following DDOs of District Health Authority Lodhran made payment of Rs 23.198 million during 2018-19 on account of pay and allowances of Computer Operators recruited for BHUs under control of PHFMC. The advertisement for recruitment of computer Operators for various BHUs was floated by the EDO (Health) Lodhran. District Manager PHFMC Lodhran intimated the CEO DHA Lodhran that recruitment of computer operators will be made by PHFMC as per notified policy but CEO continued the process of recruitment

(Rupees in million)

Sr. No.	Name of Formation	Subject of Para	Amount
1	CEO DHA Lodhran	Unauthorized recruitment of computer operators for BHUs under PHFMC and shifting of posts without the concurrence of Finance Department	11.599
2	DHO-PD Lodhran	Unauthorized recruitment of computer operators for BHUs under PHFMC and shifting of posts without the concurrence of Finance Department	11.599
<b>Total</b>			<b>23.198</b>

Audit is of the view that due to weak administrative and financial controls, the recruitment of posts under control of PHFMC was made and payment of salaries was made from DHA Account-

Recruitment in violation of notified policy and payment of pay and allowances resulted in unauthorized expenditure of Rs 23.198 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry in the matter, recovery of pay and allowances from PHFMC besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 1 & 2]

### **13.2.5.2.10 Withdrawal of funds without pre-audit - Rs 20.686 million**

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe. Further, according to Government of the Punjab Finance Department letter No.SO (TT) 6-1/2013 (2015) dated 15.07.2015, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals or for en-block transfer of funds in commercial banks / Development Financial Institutions (DFIs). Withdrawals from the Special Drawing Accounts shall only be admissible, if these are required to meet validly accrued liabilities / booked expenditure, duly pre-audited, where so required.

Following DDOs of District Health Authority Lodhran incurred expenditure amounting Rs 20.686 million from Health Councils Funds during 2018-19. The funds were withdrawn for different expenditure i.e. salaries of contingent paid staff, janitorial staff etc. and payment for security service without pre-audit from District Accounts Office in violation of above rules.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	MS DHQ Hospital Lodhran	4.262
2	MS THQ Hospital Kehrorpacca	9.588
3	MS THQ Hospital Dunyapur	6.836
<b>Total</b>		<b>20.686</b>



Audit is of the view that due to weak financial controls, funds were withdrawn without pre-audit.

Violation of rules resulted in irregular withdrawal of funds amounting Rs 20.686 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 28, 18 & 7]

**13.2.5.2.11 Irregular withdrawal of inadmissible allowances—Rs 19.086 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Following DDOs of District Health Authority Lodhran made payment of Rs 19.086 million during 2018-19 on account of different inadmissible allowances to different employees. Necessary detail is given below:

(Rupees in million)

Sr. No	DDO's	Particular	Amount	Violation of Rules / Instructions / orders
1	CEO (DHA) Lodhran	Unauthorized withdrawal of project allowance	0.224	According to Government of Punjab Finance Department Letter No. FD,SR-I/9-20/2006 dated 27.07.2018.

<b>Sr. No .</b>	<b>DDO's</b>	<b>Particular</b>	<b>Amount</b>	<b>Violation of Rules / Instructions / orders</b>
2	CEO (DHA) Lodhran	Irregular withdrawal of inadmissible allowances	0.164	According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017
3	DHO-PS Lodhran	Irregular withdrawal of inadmissible allowances	0.139	
4	CEO (DHA) Lodhran	Unauthorized drawl of non-practicing allowance	6.291	Non-practicing allowance to different doctors without any documentary evidence
5	DHQ Hospital Lodhran	Irregular payment of non-practicing allowance	3.569	
6	MS THQ Hospital Kehrorpacca	Doubtful withdrawal of non-practicing allowance	0.572	
7	MS THQ Hospital, Dunyapur	Doubtful withdrawal of non-practicing allowance	0.816	
8	DHQ Hospital Lodhran	Withdrawal of incentive allowance without delivering / evening rounds in hospital	3.542	According to Primary and Secondary Health Care Department Notification No.PA/OS/(G)4-8/2016 dated 03.08.2016
9	MS THQ Hospital Kehrorpacca	Irregular withdrawal of incentive allowance without making evening round in ward	1.800	
10	MS THQ Hospital, Dunyapur	Irregular withdrawal of Incentive Allowance without delivering anything / evening round in ward	1.747	
11	CEO (DHA) Lodhran	Unauthorized withdrawal of house rent allowance despite residing in official residence	0.105	According to rule 2.31(a) of PFR Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

Sr. No .	DDO's	Particular	Amount	Violation of Rules / Instructions / orders
12	CEO (DHA) Lodhran	Unauthorized withdrawal of HSRA – Rs 117,063	0.117	According to Government of the Punjab Health Department Notification No.EMU/PHSRP/G-106/61/270-340, dated 16.03.2007
<b>Total</b>			<b>19.086</b>	

Audit is of the view that due to weak financial controls, allowances were paid without entitlement.

Payment of allowances without entitlement resulted in loss amounting Rs 19.086 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 19.086 million besides fixing responsibility on the person(s) at fault.

[AIR Para No. 20, 30, 12, 34, 2, 9, 8, 9, 2, 1, 25 & 19]

#### **13.2.5.2.12 Irregular award of acceptance of tender on incomplete tender documents – Rs 16.530 million**

According to clause 1 (5) of compulsory parameters / knockdown criteria for the procurement of medicines, the firms are required to provide Annual Sales Tax turnover / gross revenue of the bidder. For the purpose the bidders are required to submit FBR document i.e. Income Tax return for the financial year 2016-17.

The Chief Executive Officer District Health Authority Lodhran issued acceptance of tenders amounting to Rs 16.530 million to following firms during 2018-19. The scrutiny of tender documents revealed that firms did not submit sales

tax return for the FY 2016-17 in violation of instructions of tenders. The annual sales tax turnover / revenue of firm could not be assessed in the absence of FBR return and financial worth of bidder also could not be verified. This also depicts defective scrutiny of tendering process. The detail is as under:

(Amount in rupees)

Sr. No.	Name of firm	Work acceptance letter No & Date	Amount
1	M/s Silver Surgical Complex (Pvt.) Ltd	No. 898-900/CEO dated 08.01.2019	3,740,850
2	M/s Kaum Edex	No. 6151-53/CEO dated 06.03.2019	1,042,420
3	M/s Neomed Ix	No. 6166-68 / CEO dated	10,746,100
4	M/s Chiesi	No. 8659-61/ CEO dated 13.04.2019	1,001,076
<b>Total</b>			<b>16,530,446</b>

Audit is of the view that due to weak internal controls, irregular work acceptance was issued.

Issuance of work acceptance on incomplete tenders resulted in irregular expenditure of Rs 16.530 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 29]

#### **13.2.5.2.13 Irregular payment of arrears without release of separate budget – Rs 12.445 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent

expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 2.27 of PFR Vol-1 states that “No payment is admissible until additional budget for the payment of arrears of pay and allowances are provided and duly sanctioned in the Budget estimates”. As per Sr. No.8 of Delegation of Financial Power Rules 2016, the Administrative Department was competent to sanction investigation of claims of Government servants to arrears of pay, allowances, full powers in respect of T.A. claims not more than 3 years old, and other claims not more than 6 years old.

Following DDOs of District Health Authority, Lodhran, withdrew Rs 12.4445 million during 2018-19 on account of pay and allowances bills / arrears of pay by the employees. No case of pending salary / allowance was put up and no separate budget was released for withdrawal of pending pay and allowances. Further payment of arrear was made without the approval of Finance Department. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Particular	Amount
1	MS DHQ Hospital Lodhran	Doubtful payment of pay and allowances through adjustments	5.953
2	DHO-PS Lodhran	Doubtful payment of pay and allowances through adjustments	1.149
3	THQ Hospital Kehrorpacca	Doubtful payment of pay and allowances through adjustments	2.084
4	THQ Hospital Duniyapur	Doubtful payment of pay and allowances through adjustments	3.259
<b>Total</b>			<b>12.445</b>

Audit is of the view that due to weak administrative controls payments were made without release of separate budget.

Payments without release of separate budget and approval of Finance Department resulted in irregular expenditure amounting Rs 12.445 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 3, 8, 25 & 24]

**13.2.5.2.14 Irregular appointment of daily wages / contingent paid staff from Health Council – Rs 10.533 million**

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment and according to Para 3 of Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, it has also come to the notice of the Department that the Local Governments in Punjab are appointing the work charge / daily wages employees without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules. Therefore, it has been decided that in future no work charge / daily wages employee will be appointed without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

Following DDOs of District Health Authority Lodhran made payment amounting Rs 10.533 million during 2018-19 from Health Council Funds on account of salaries of daily wages / contingent paid staff. No need assessment for requirement of staff was prepared and got approved from Health Council before recruitment of contingent paid staff. No advertisement for appointment of daily wages staff was published in newspapers. No detail of total applications received and merit list prepared before appointment. No proceedings of recruitment committee were produced to Audit which depicts that staff was appointed without approval of any committee.

(Rupees in million)

Sr. No.	DDOs	Subject of para	Amount
1	MS DHQ Hospital Lodhran	Irregular appointment of daily wages / contingent paid staff from Health Council	4.034
2	MS THQ Hospital Kehrorpacca	Irregular appointment of daily wages / contingent paid staff from Health Council – Rs 2.291 million	2.291
3	MS THQ Hospital Kehrorpacca	Unauthorized Appointment of daily wages Staff beyond Sanctioned Strength – Rs 1.082 Million	1.082
4	MS THQ Hospital Dunyapur	Irregular appointment of daily wages / contingent paid staff from Health Council – Rs 4.208 million	4.208
<b>Total</b>			<b>10.533</b>

Audit is of the view that due to weak internal controls, irregular appointments of contingent paid staff was made.

Violation of rules resulted in irregular appointment and expenditure amounting Rs 10.533 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 29, 22, 13 & 10]

#### **13.2.5.2.15 Irregular local purchase of medicines – Rs 10.007 million**

According to Government of the Punjab, Primary & Secondary Healthcare Department notification No.PSHD-TC0-1 (M) 6-14/2017 dated 16.12.2017, in order to ensure transparency, a local on line purchase portal has been designed with various features and requirements as total allocated budget for medicines for local purchase-budget consumed and budget remaining, a password and login will be

issued to In-charge pharmacist/ medical superintendent / consultant for data entry in local purchase portal and locally purchased items will be posted in portal on daily basis. Purchase order may be emailed to the LP supplier through LP portal. Contractor will submit invoice/bill with supply on daily basis. The tender should be awarded to the contractor as per Punjab Procurement Rules, 2014 offering maximum discount on medicines of multinational manufacturers, local manufacturers and for surgical/disposable items. Further, a formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic.

Following DDOs of District Health Authority Lodhran incurred expenditure amounting Rs 10.007 million during 2018-19 on local purchase of medicines. Medicines were procured beyond the approved formulary of P&SHD on excessive rates paid to suppliers than the label prices.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Amount</b>
1	MS DHQ Hospital Lodhran	1.502
2	MS THQ Hospital Kehrorpacca	4.237
3	MS THQ Hospital Dunyapur	4.268
<b>Total</b>		<b>10.007</b>

Audit is of the view that due to weak internal controls, non-formulary medicines were procured against the policy guidelines on excessive rates.

Purchase of non-formulary medicines resulted in irregular purchase of LP medicine amounting Rs 10.007 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 20, 5 & 2]



**13.2.5.2.16 Irregular procurement due to defective tender process for procurement of LP medicine, lab items and store items – Rs 9.331 million**

According to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO-H&D (DHA-17-02-02) dated 10.02.2017, consequent upon the establishment of District Health Authorities across Punjab under PLGA 2013, the Competent authority announce the District Purchase Committee at District level consisting of Deputy Commissioner as Chairman, CEO (DHA) as member / Secretary, ADC (F&P) and DHO (MS) as member and any other co-opted member.

Following DDOs of District Health Authority Lodhran made procurement of Lab items, general store items, X-ray films, bedding & clothing items etc. of Rs 9.331 million during 2018-19 from various bidders by an unauthorized procurement committee. MS himself notified a procurement committee and did not ensure the procurements by above notified committee by Secretary P&SHD hence entire procurement held irregular. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Amount
1	MS THQ Hospital Kehrorpacca	4.330
2	MS THQ Hospital Dunyapur	5.001
<b>Total</b>		<b>9.331</b>

Audit is of the view that due to weak internal controls, tender process was not made transparently.

No transparent tender process was adopted by procurement committee which resulted in irregular procurement of Rs 9.331 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 3 & 17]

### **13.2.5.2.17 Irregular expenditure of pay and allowances – Rs 8.975 million**

According to Government of the Punjab Finance Department Notification No.FD/SRIV-8-1/76(PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department. Further, Health Department letter No.PA/DSA-1/3/94 dated 19.03.1994 and DA/DSC/1294 dated 12.12.1995 letter No.4113-5/E dated 25.03.1998, letter No.18872-76/E dated 05.11.1996 and letter No.3961-4050/C dated 13.02.2004 to DO (Health), stipulates that all kind of general duties were done away with direction that if any person was found on general duty his absence should be considered along with disciplinary action.

The Chief Executive Officer District Health Authority Lodhran allowed payment of pay and allowances amounting Rs 8.975 million during 2018-19 to the staff either posted on general duty or absent from duty and not performing their duties at their place of postings. Orders of competent authority regarding general duty followed by approval of Finance Department were not available in the office record.

Audit is of the view that due to weak management, irregular payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of instructions of the Government regarding general duty resulted in irregular payment of pay and allowances amounting Rs 8.975 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 27]

### 13.2.5.2.18 Unauthorized excess purchases then the advertised estimated cost of items Rs 7.000 million

According to Rules 10 (1) and 36 of the Punjab Procurement Rules 2014, procuring agency shall determine specification in a manner to allow the widest possible competition which shall not favor any single contractor nor put others at a disadvantage. The procuring agency may proceed with the process of fresh bidding if necessary revised specification, evaluation criteria or any other condition for bidders.

MS DHQ Hospital Lodhran made invitation for bid for procurement of following items with estimated costs mentioned against each during 2018-19. Audit observed that the actual procurement was 100 to 140 % greater than the estimated / advertised cost of items. The tendering process was done by giving less estimated cost to avoid competition among companies having sound financial and operational facilities. Further audit is of the view that re tendering was not done in violation of PPRA rules. The detail is as under:

(Rupees in million)

Name of Items	Advertised / Estimated cost (Million)	Actual Purchase Approx. (Million)	Difference (Million)	% Excess / increased
Pathology Lab Items	3.5	7	3.5	100 %
General Store Items	2.5	6	3.5	140 %
<b>Total</b>	<b>6</b>	<b>13</b>	<b>7</b>	

Audit is of the view that due to weak monitoring controls, the contract was awarded by giving less estimated cost of procurement.

Tendering with less estimated cost resulted in unhealthy competition for procurement of item.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter besides fixing responsibility on the person(s) at fault.

[AIR Para No. 17]

**13.2.5.2.19 Understated Books of Accounts of District Health Authority  
– Rs 6.836 million**

According to Rule 3 (3) (4) of Punjab District Authorities (Accounts) Rules, 2017, all condition grants shall be included in budget and shall be utilized in accordance with the specific conditions. The District Authority may or if requirement by the Government shall maintain a separate bank account for any special purpose and shall be administrated, maintained and regulated as the local fund of District Authority.

MS THQ Hospital Dunyapur allowed the incurring of expenditure of Rs 6.836 million by Health Council under administrative control of District Health Authority Lodhran during 2018-19. Non-salary budget (NSB) under Health Council funds received from Provincial Government. The funds were released by Provincial Government from Account-I in Health Council account of this health facility. When the salary as well as non-salary expenditure of this Hospital was being booked to District Health Authority in Account-VI then why the Health Council funds were allocated which were being booked in Account-I? The booking of expenditure in two different accounts related hospitals under administrative control of District Health Authority was irregular.

Further, booking of Health Council expenditure received from Provincial Government Account-I resulted in understated expenditures / Financial Statements of District Health Authority in Account-VI.

(Rupees in million)

<b>Sr. No.</b>	<b>Cost Center</b>	<b>Particulars</b>	<b>Expenditure Incurred on</b>	<b>Expenditure Related to / Booked in Financial Statements</b>	<b>Expenditure Incurred in Account-VI during 2018-19</b>
1	Health Council A/C No. 10789-9 BOP	Funds provided for missing facilities	THQ Hospital Dunyapur	Account - I	6.836

Audit is of the view that due to weak financial management, the expenditure of DHA was booked in books of accounts of Provincial Government i.e. Account-I.

Booking of expenditure in irrelevant books of accounts may cause understated books of accounts of DHA Lodhran and not presenting the true and fair view of books of accounts.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of the irregularity from the competent authority besides charging of expenditure to concerned books of accounts.

[AIR Para No. 16]

#### **13.2.5.2.20 Irregular payment of pending liabilities – Rs 6.248 million**

According to rule 2.10(b) (3) of PFR Vol-I, all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year and money indisputably payable is not left unpaid and that all inevitable payments are ascertained and liquidated at the earliest possible date.

Following DDOs of District Health Authority Lodhran made payment of pending liabilities amounting Rs 6.248 million on account of contingent expenditure during 2018-19, but neither was the approval of clearance of pending liabilities obtained nor was the funds allocated by the Finance Department for clearance of pending liabilities. The chance of withdrawal of same bills from the government treasury during relevant financial year cannot be ignored in all such cases. The clearance of pending liabilities without allocation of funds and sanction of proper authority was unauthorized.

(Rupees in million)

Sr. No.	DDOs	Amount
1	CEO (DHA) Lodhran	2.750
2	DHO-PS Lodhran	0.622
3	MS DHQ Hospital Lodhran	2.876
<b>Total</b>		<b>6.248</b>

Audit is of the view that due to weak financial controls, liabilities of previous year were cleared out of budget allocation of current financial year without obtaining additional funds for clearance of liabilities.

Violation of rules resulted in irregular payment of pending liabilities amounting Rs 6.248 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 21, 10 & 12]

#### **13.2.5.2.21 Unauthorized withdrawal of social security benefit – Rs 6.009 million**

According to Govt. of Punjab Services and General Administration Department (Regulation Wing) Vide Notification No. DS (O&M) (S&GAD) 5-3/2013 dated 01.03.2013, the services of the counteract employees were to be regularized from the date of notification and the social security benefit @ 30% of pay was not permissible to them being regularized.

Following DDOs of District Health Authority Lodhran allowed to draw Rs 6.009 million on account of social security benefit to employees working on contract basis despite the government instruction to regularize the service of such employee. The government instructions regarding the regularization of services of contract employees were not observed on one side and on the other side these employees are

still in receipt of social security benefits. The excess withdrawal on account of SSB against such employees was increasing every month as employees were not entitled after regularization.

(Rupees in million)

Sr. No.	DDOs	Nature of consumption record	Amount
1	CEO DHA Lodhran	Withdrawal of social security benefits after regularization of services	1.027
2	DHO-PS Lodhran	Non-compliance of Government instructions and withdrawal of social security benefits	4.982
<b>Total</b>			<b>6.009</b>

Audit is view that due to weak financial control, employees were not regularized and recovery of SSB was not made even after regularization.

Payment of SSB due to inefficiency of management resulted in loss to government.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization besides fixing of responsibility for non-regularization of employees.

[AIR Para No. 31 & 5]

#### **13.2.5.2.22 Irregular expenditure without sanctioned posts in budget – Rs 3.669 million**

According to Para 56(2) of the Punjab District Authorities (Budget) Rules 2017, the Chief Executive Officer shall be responsible to ensures that no expenditure shall be incurred without budget provision and sanction of the competent authority.

Following DDOs of District Health Authority Lodhran allowed the withdrawal of salaries for such posts against which no budget provision was made in budget book or such posts of higher scale against lower scale sanctioned posts. Therefore an irregular payment of Rs 3.669 million was made during 2018-19 without availability of sanctioned posts reflected in the budget.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS DHQ Hospital Lodhran	Irregular withdrawal of pay and allowances against posts not sanctioned	2.656
2	CEO (DHA) Lodhran	Irregular payment of pay & allowances without availability of sanctioned posts in budget book	1.013
<b>Total</b>			<b>3.669</b>

Audit is of the view that due to weak internal controls excess posts were being withdrawn than sanctioned budgeted posts.

Excess withdrawal of posts than budgeted posts resulted in irregular expenditure amounting Rs 3.669 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 6 & 16]

#### **13.2.5.2.23 Excess payment of pay and allowances despite resignation / transfer - Rs 2.867 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.



MS DHQ Hospital Lodhran made payment of Rs 2.867 million during 2018-19 on account of pay and allowances to different staff despite resignation / transfer of the concerned staff. The pay and allowance were not admissible after resignation / transfer.

Audit is of the view that due to weak internal controls, pay and allowances were paid despite resignation / transfer of employees.

Unauthorized payment of pay and allowance resulted in loss amounting Rs 2.867 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.867 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para No. 8]

#### **13.2.5.2.24 Irregular purchase of medicine on quotation from unapproved supplier Rs 2.607 million**

According to Notification No. Bulk (M) 2018-19/CEO dated 24.04.2019 of CEO District Health Authority Lodhran regarding frame work contract for procurement of Drugs/Medicines, Non Drugs and Medical Devices for the financial year 2018-19.

MS DHQ Hospital Lodhran incurred expenditure of Rs 2.607 million on account of bulk purchase of medicines from M/s A.S.K Enterprise and Pathology Lab items during 2018-19. The said contractors were not approved as per above notification by the district purchase committee Lodhran. The bulk purchase of medicines made from other than approved contractor through quotations by utilizing 75% budget for bulk medicines is irregular.

(Rupees in million)

Sr. No.	Name of Formation	Subject of Para	Amount
1	MS DHQ Hospital Lodhran	Irregular purchase of bulk medicine on quotation from unapproved supplier	1.442
2		Irregular purchase of Pathology Lab items from unapproved supplier	1.165
<b>Total</b>			<b>2.607</b>

Audit is of the view that due to weak financial controls, the contract was awarded through quotations to un approved contractor.

Award of contract through quotations to un approved contractor, resulted in irregular expenditure.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 15 & 16]

#### **13.2.5.2.25 Excess payment of pay and allowances to Nurses – Rs 2.534 million**

According to Health Department (Nursing Cadre) notification No.SO (NC) 2-118/A/2009 dated 14.05.2011 and other similar regularization orders vide general condition No. ix of regularization orders of nurses this regularization of nurses was subject to the condition that the appointment on regular basis shall be prospective in nature and the officer shall have no right of entitlement to any back benefits.

Following DDOs of District Health Authority Lodhran paid excess salaries amounting Rs 2.534 million to the Charge Nurses due to payment of personal allowance as back benefits. Salaries were not re-fixed on initial basic pay rather personal allowance was also allowed to the nurses contrary to the terms and conditions of regularization of their services.

(Rupees in million)

Sr. No.	DDOs	Amount
1	MS THQ Hospital Kehrorpacca	1.242
2	MS THQ Hospital Dunyapur	1.292
<b>Total</b>		<b>2.534</b>

Audit is of the view that due to weak internal controls, excess salaries were paid to Charged Nurses.

Withdrawal of back benefits after regularization resulted in loss amounting Rs 2.534 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.534 million despite fixing responsibility on the person(s) at fault.

[AIR Para No. 8 & 5]

#### **13.2.5.2.26 Irregular purchase of LP medicines from bulk purchase budget – Rs 2.250 million**

According to Government of the Punjab Finance Department letter No. FD (FR) 11-2/89 dated 1<sup>st</sup> November, 2001, officers in District Government are authorized to distribute the budget allocation for medicines as 10% reserved for natural climates / emergency to be purchased in bulk, 15% day to day purchase for normal medicines and 75% bulk purchase for normal medicines.

MS THQ Hospital Kehror Pacca made local purchase of medicines more than prescribed limit. Scrutiny of record revealed that LP medicines amounting Rs 2.250 million was purchased from 75% bulk purchase budget in violation of above instructions.

Audit is of the view that due to weak financial controls, LP medicines were purchased from bulk medicines allocation.

Non observance of instructions of the government resulted in irregular expenditure of Rs 2.250 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 7]

**13.2.5.2.27 Unauthorized withdrawal of pay and allowances – Rs 1.820 million**

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

The Chief Executive Officer District Health Authority and District Officer (PS) Lodhran allowed payment of pay and allowances to Dr. Muhammad Zubair Medical Officer BHU Mari Baghu who preceded on 04 years EOL for training in MD GastroAntralogy in General Hospital Lahore. The above doctor joined the training on 25.01.2018 but his pay was continued to draw till June, 2019. The concerned doctor vide application dated 11.02.2019 requested the CEO Health that his case of EOL may be forwarded to Government of Punjab for approval. The above application revealed that doctor joined the training without approval of EOL and continued to draw the pay and allowances. An amount of Rs 1.820 million was paid to doctor on account of pay and allowances under cost center (LT-9015) of DHO (PS) lodhran during January 2018 to June, 2019 as detailed below:

(Amount in rupees)

Pers.no.	Name of Employee	Job Title	Place of posting	Cost Center	Monthly Pay	Date of Proceeding	Month	Recovery
31586603	Muhammad Zubair	Medical Officer	BHU Mari Baghu	LT9015	107091	25.01.2018	17	1,820,547

Audit is of the view that due to poor administration, the staff joined the training without approval of EOL and continued to draw pay and allowances.

Unauthorized withdrawal of pay and allowances resulted in loss to Government amounting Rs 1.820 million

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery from concerned besides fixing responsibility on the person(s) at fault.

[AIR Para No. 2 & 1]

#### **13.2.5.2.28 Irregular expenditure on printing– Rs 1.512 million**

As per superintendent of Government printing press Lahore letter No. 39 dated 6.08.2019, the printing work in question may please be got done under section 2(q) and (ad) of PPRA Rules 2014 & 59-D(iii) of PPRA Rules 2014 for urgently execution of printing work of requisite material as under. Further According to Rules 9, 10 (2) and 12 of the Punjab Procurement Rules 2014, 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 and annual requirements thus determined would be advertised in advance on the PPRA's website.

MS DHQ Hospital Lodhran incurred expenditure of Rs 1.512 million on account of printing during 2018-19 in violation of above rules. The printing was made other than Punjab Printing press without necessary NOC. Further various

supply orders of printing material were placed on different dates revealed that there was no emergency for printing material.

Audit is of the view that due to weak internal controls, expenditure was incurred irregularly and expenditure was incurred without any kind of urgency.

Irregular expenditure resulted in violation of rules and irregular procurement of Rs. 1.512 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 23]

#### **13.2.5.2.29 Inadmissible payment of allowances during leaves – Rs 1.415 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to Government of the Punjab Finance Department letter No.FD.SR-I/9-34/2011 dated 12.10.2017, monthly incentive package to the specialist posted in various DHQs of Punjab, is not admissible during any kind of leave, as the said incentive is applicable when a specialist performs his / her duties.

Following DDOs of District Health Authority Lodhran made payment amounting Rs 1.415 million during 2018-19 on account of different allowance to different staff on leaves. The calculations were made from available information. Hence, department is requested to recover from all the staff and actual recoverable during the period of Audit.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	DHO-PS Lodhran	Recovery on account of conveyance allowance	0.021
2	MS THQ Hospital, Dunyapur	Payment of allowances during leaves	1.394
<b>Total</b>			<b>1.415</b>

Audit is of the view that due to weak internal controls, allowances were paid during leave period.

Payment of allowances during leave period resulted in loss amounting Rs 1.415 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 1.415 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 4 & 4]

#### **13.2.5.2.30 Irregular local purchase of medicines without availing prescribed discount – Rs 1.074 million**

According to Rule 12 of the 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 website / print media. Further, Director General Health Services Punjab, Lahore vide letter No.199-366/MS dated 30.04.1989 required execution of rate contract for supply of local purchase of medicines at minimum discount rate between 8 to 12 %.

Following DDOs of District Health Authority Lodhran incurred expenditure of Rs 10.903 million during 2018-19 on local purchase of medicines without tender advertisement on PPRA website / print media or availing prescribed discount of Rs 1.074 million. Moreover, all medicines were purchased on the demand of dispenser /

store keeper or departmental indent throughout the year. No patients based LP medicine was made. OPD slips / patient charts were not attached with the bills. Certificate of non-availability was not obtained from the Pharmacist prior to its purchase. LP medicines were to be purchased for particular patient after complete diagnosis and prescriptions of the doctor but here the medicines were purchased in bulk quantities without any prescription despite the availability of the separate budget for emergency purchase and bulk purchase.

(Rupees in million)

Sr. No.	Name of Formation	Subject of Para	Amount	Discount less availed
1	MS DHQ Hospital Lodhran	Defective tendering of Local purchase of medicines and loss due to less availing of discount Rs 371,576	6.298	0.372
2	MS THQ Hospital Kehrorpacca	Loss due to less availing of discount of local purchase of medicines- Rs 702,393	4.605	0.702
<b>Total</b>			<b>10.903</b>	<b>1.074</b>

Audit is of the view that due to weak monitoring controls, local china mad medicines were purchased at less discount rate.

Less availing of discount resulted in loss to Government amounting Rs 1.074 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry besides recovery of prescribed discount to be calculated by the department, under intimation to Audit.

[AIR Para No. 13, 14]



### **13.2.5.3 Value for Money and Service Delivery Issues**

#### **13.2.5.3.1 Non-obtaining of audited accounts from PHFMC - Rs 133.443 million**

According to clause 7.4 of agreement between District Health Authority and Primary Health Facilitation Management Company, the accounts of the management operation shall be audited by the Auditor of the PHFMC and copy thereof shall be provided by PHFMC to the DHA within in thirty day of the approval of accounts in the Annual General Meeting.

The Chief Executive Officer District Health Authority Lodhran released funds of Rs 133.443 million during 2017-18 to PHFMC as one line budget grant for management operation. The PHFMC did not submit the copy of audited Accounts of Company to District Health Authority Lodhran in violation of above clause of agreement. Further, scrutiny of record that budget for the FY 2018-19 was released to PFMC out of PFC share of DHA by Primary and Secondary Healthcare Department Lahore directly without any intimation to DHA Lodhran due to which detail of funds transferred to company could not be assessed.

Audit is of the view that due to weak internal controls, audited accounts of PHFMC was not obtained.

Non obtaining of audited accounts of PHFMC resulted in violation of agreement.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends obtaining of audited accounts of PHFMC and provision of same to Audit for verification.

[AIR Para No. 35]

### **13.2.5.3.2 Delay in completion of civil work due to non-release of fund of Rs. 12.156 million**

According to the minutes of DDC meeting the executing agency will not execute the scheme before the availability/ releasing of fund in any case. The physical work shall start after fulfilling all codal, legal procedural and financial formalities.

The Chief Executive Officer District Health Authority Lodhran received an amount of Rs 46.1206 million from Finance Department Lahore on account of various development schemes during 2018-19. Out of above allocation CEO Health released only Rs 33.964 million to XEN Buildings Lodhran and Multan. The CEO Health did not release the funds in time to the building department to complete the project well in time despite the fact of receiving fund from the Finance Department which resulted in delay in completion of projects of public interests.

Audit is of the view that due to weak financial controls, amounts were not transferred to building department to complete the work well in time.

Non observance of rules resulted in delay of project and cost and time overrun.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry into the matter besides fixing of responsibility on the person's at fault.

[AIR Para No. 24]

## 13.2.5.4 Others

### 13.2.5.4.1 Unjustified withdrawal of pay without date of joining – Rs 29.715 million

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 11 (1) (f) of the Punjab District Authorities (Accounts) Rules 2017, The CEO shall be responsible for proper maintenance of departmental accounts and financial discipline of a District Authority, subordinate offices and institutions and shall be responsible for arranging internal controls in a District Authority.

Following DDOs of District Health Authority Lodhran withdrew pay and allowance of Rs 29.715 million during 2018-19 to different employees. The withdrawal of pay was unjustified as no date of joining of the employees was mentioned in the HR data. Due to which the actual date of appointment of staff and their pay and allowances could not be assessed by Audit.

(Rupees in million)

Sr. No.	DDOs	Amount
1	CEO (DHA) Lodhran	19.182
2	MS DHQ Lodhran	4.367
3	DHO-PS Lodhran	2.463
4	MS THQ Kehrorpacca	3.276
5	MS THQ Dunyapur	0.427
<b>Total</b>		<b>29.715</b>

Audit is of the view that due to weak internal controls the withdrawal of salaries was not properly accounted for in the payroll system.

Incomplete and doubtful information resulted in unjustified payment of pay and allowance amounting Rs 29.715 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends correction of HR data in the payroll system or the stoppage of withdrawal of funds besides fixing responsibility on the person(s) at fault.

[AIR Para No. 22, 1, 11, 24, 25]

### **13.2. 5.4.2 Supply of medicine in excess of demand and non-supply of required medicine – Rs 14.974 million**

According to rule 8 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. Further, according to Para 16.10 (xiii) (b) of the Punjab Budget Manual, purchase largely in excess of requirements is a financial irregularity.

Following DDOs of District Health Authority Lodhran received medicine against the annual demand of the hospitals from MSD during 2018-19. The required medicine amounting Rs 13.686 million was not / less provided in the hospital but additional medicine in excess of demand amounting Rs 1.288 million was purchased consuming the funds of THQ Hospitals. This situation revealed that the realistic demand of the hospital was not observed at the time of procurement for the hospital.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Detail</b>	<b>Amount</b>
1	MS THQ Hospital Kehrorpacca	Supply of medicine in excess of demand Rs 435,202 and less purchase of required medicine – Rs 2,780,385	3.216
2	MS THQ Hospital Dunyapur	Supply of medicine in excess of demand and non-supply of required medicine – Rs 7.288 million	7.288
3	MS DHQ Hospital Lodhran	Non-supply of medicine despite demand	4.470
<b>Total</b>			<b>14.974</b>

Audit is of the view that due to weak internal controls, the funds of the hospital were consumed without observing the requirements of the hospital by supply of excess medicine than demand and ignoring the required medicine.

Violation of rules resulted in supply of medicine in excess of demand and non-supply of required medicine amounting Rs 14.974 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 10, 21 & 34]

#### **13.2.5.4.3 Non-blacklisting /non-forfeiture of performance guarantee despite non-delivery of medicine – Rs 13.021 million**

According to rules 21 (2) of PPRA Rules 2014, a procuring agency is satisfied that a contractor has acted in a manner detrimental to the public interest or good practices or has consistently failed to perform his obligation under the contract or his performance has not been up to mark or he is found indulging in corrupt or fraudulent practice, the procuring agency may, after affording him an opportunity of hearing and through a notification, debar him from participating in any public procurement process of the procuring agency for such period as the procuring agency may determine in the light of the circumstances of the case.

Following DDOs of District Health Authority Lodhran placed orders for supply of medicines to the various suppliers with whom central rate contract was made by the authority i.e. CEO, DHA Lodhran, but the required medicine amounting Rs 13.021 million was not provided by the suppliers during 2018-19. The management neither made serious effort for provision of required medicine nor take necessary steps for black listing of supplier or forfeiture of their performance guarantee amounting to Rs 651,091.

(Rupees in million)

Sr. No.	DDOs	Non delivery of medicine by firms	Performance guarantee	Total
1	MS DHQ Hospital, Lodhran	4.470	0.224	4.694
2	CEO (DHA) Lodhran	3.449	0.172	3.621
3	MS THQ Hospital, Kehrorpacca	1.177	0.059	1.236
4	MS THQ Hospital, Dunyapur	3.925	0.196	4.121
<b>Total</b>		<b>13.021</b>	<b>0.651</b>	<b>13.672</b>

Audit is of the view that due to weak internal controls, defaulting contractors were neither blacklisted nor performance guarantee was forfeited.

Non-blacklisting / non-forfeiture of performance guarantee resulted in non-supply of required medicine amounting Rs 13.021 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends blacklisting / forfeiture of performance guarantee besides fixing responsibility on the person(s) at fault.

[AIR Para No. 10, 18, 16 & 19]

#### **13.2.5.4.4 Irregular withdrawal in advance without receipts of DTL reports – Rs 9.825 million**

According to Sr. No.J of Government of the Punjab Health Department (Purchase Cell) letter No.S.O.(P-I)II/3-G-1/2001 dated 06/09/2001, all regular purchases except emergency must be submitted to Drugs Testing Laboratories for quality assurance.

Following DDOs of District Health Authority Lodhran withdrew funds of Rs 9.825 million during 2018-19 on account of purchase of medicines for RHCs, rural Dispensaries without receipt of DTL reports in violation of instructions of the Government.

(Rupees in million)

Sr. No.	DDOs	Amount
1	CEO (DHA) Lodhran	2.436
2	MS DHQ Hospital Lodhran	1.974
3	DHO PS Lodhran	0.198
4	MS THQ Hospital Kehrorpacca	3.329
5	MS THQ Hospital Dunyapur	1.888
<b>Total</b>		<b>9.825</b>

Audit is of the view that due to weak financial controls, advance withdrawal was made without receipt of DTL reports.

Non observance of instructions of the government resulted in irregular expenditure of Rs 9.825 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 04, 26, 3, 4, 23]

#### **13.2.5.4.5 Supply of Air Conditioners by PMU without need/demand from THQ Hospital – Rs 6.918 million**

According to the Punjab Budget Manual Rule 16.10 (xiii) (b), purchases largely in excess of requirements are a financial irregularity.

Following DDOs of District Health Authority Lodhran received air conditioners, tablets and other medical equipment without any demand and need in the hospital. PMU neither obtained any demand nor informed hospitals about purchase of air conditioners. This supply of ACs, tablets etc. resulted in wastage of government resources of Rs 6.918 million.

(Rupees in million)

Sr. No.	DDOs	Amount
1	MS DHQ Hospital Lodhran	2.075
2	MS THQ Hospital Kehrorpacca	1.418
3	MS THQ Hospital Duniyapur	3.425
<b>Total</b>		<b>6.918</b>

Audit is of the view that due to weak planning of Punjab Government huge amounts are being spent without ascertaining need and demand of end users.

Purchase without need and demand resulted in loss to the government amounting to Rs 6.918 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that matter should be taken up with higher authorities for regularization of wasteful expenditures besides fixing responsibility on the person(s) at fault.

[AIR Para No. 24, 28, 13]

#### **13.2.5.4.6 Non-maintenance of consumption record of store items – Rs 3.244 million**

According to rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.



Following DDOs of District Health Authority Lodhran purchased and issued medicine and different store items costing Rs 3.244 million during 2018-19. Audit scrutiny revealed that either the stock was short in store and no consumption record was maintained or otherwise the stock was not received in the health facility concerned as summarized below:

(Rupees in million)

Sr. No.	DDOs	Nature of consumption record	Amount
1	MS THQ Hospital Dunyapur	Doubtful consumption of medicine in various departments of hospitals	2.756
2	CEO DHA Lodhran	Doubtful purchase of store without stock entry and consumption record – Rs 487,772	0.488
3	MS THQ Hospital Kehrorpacca	Doubtful consumption of medicine in Emergency ward of hospitals	
<b>Total</b>			<b>3.244</b>

Audit is of the view that due to weak internal controls, proper record of store items was not maintained.

Improper maintenance and shortage of store items may cause loss amounting Rs 3.244 million

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 3, 9 & 31]

#### **13.2.5.4.7 Non-reimbursement of imprest amount – Rs 2 million**

According to Chief Minister Punjab Office Letter No.PS/SECY (IMP) CMO/OT-47 dated 18th January 2016, allowed advance withdrawal of funds from

Account –IV by the Medical Superintendents to repair and maintenance of medical equipment out of the funds available in Account-IV. As per Government of Punjab Primary & Secondary Health Care Department letter No.SO (B&A) 1-1/2016. “Chief Minister allowed the advance drawl of Rs 1.00 million for DHQ Hospital and Rs 0.500 million for THQ Hospital in the light of Rule 2.9 of PFR Vol-1 with Rule 3.1 to 3.8 of Punjab subsidiary Treasury Rules as amended.

Following DDOs of District Health Authority Lodhran Hospital advance drew funds worth Rs 2.000 million from the government treasury as permanent advance during the year 2016-17 but neither the amount reflected in bank statements nor any imprest account was maintained in THQ Hospital. Moreover, no separate cash book was maintained for this imprest money.

(Rupees in million)

Sr. No.	DDOs	Amount
1	MS DHQ Hospital Lodhran	1.000
2	MS THQ Hospital Kehrorpacca	0.500
3	MS THQ Hospital Dunyapur	0.500
<b>Total</b>		<b>2.000</b>

Audit is of the view that due to weak administrative and financial controls, imprest amount drawn from the Government treasury was not reimbursed.

Non reimbursement of imprest amount resulted in loss to the Government Rs 2.000 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends forthwith recoupmnt of the imprest money amounting to Rs 2.000 million besides fixing responsibility on the person(s) at fault.

[AIR Para No. 31, 27 & 12]

**13.2.5.4.8 Unjustified payment of electricity bills – Rs 1.443 million and payment of advance bill – Rs 325,000**

According to NEPRA Notification No.NEPRA/TRF/-332/MEPCO-2015/2697-2699 February 29<sup>th</sup> 2016, for determination of tariff of MEPCO consumers for the year 2015-16. A-3 General Service “this tariff is applicable to Government and semi Government offices and institutions. Moreover, as per direction of Govt. all hospitals having more than or equal to 50 beds are exempted from payment of GST.

MS THQ Hospital Dunyapur made payment of electricity bills of Rs 1.443 million to MEPCO during 2018-19 under wrong tariff C-1c(26)T instead of A-3. Further advance bill of Rs 325,000 was paid to MEPCO without use of electricity in the hospital in June, 2019 without any justification. The detail is as under:

(Amount in rupees)

Cost Center	Reference No.	Tariff No.	Permissible Tariff	Month of Bill	Description	Amount	GST
LT9011	27154630001001U	C-1c(26)T	A-3	18-Aug	Electricity Bill	1,070,902	40,557
LT9011	27154630001001U	C-1c(26)T	A-3	19-Apr	Electricity Bill	124,072	22,428
LT9011	27154630001001U	C-1c(26)T	A-3	19-May	Electricity Bill	247,718	33,209
<b>Sub total</b>						<b>1,442,692</b>	<b>96,194</b>
LT9011	28154630001022U	A-3(66)	A-3	18-Aug	Electricity Bill	373,411	21,388
LT9011	28154630001022U	A-3(66)	A-3	19-Mar	Electricity Bill	40,146	5,731
LT9011	28154630001022U	A-3(66)	A-3	19-Apr	Electricity Bill	62,019	8,624
LT9011	28154630001022U	A-3(66)	A-3	19-May	Electricity Bill	76,780	9,887
LT9011	28154630001022U	A-3(66)	A-3	19-Jun	Electricity Bill	122,400	16,582
<b>Sub-total</b>						<b>674,756</b>	<b>62,212</b>
LT9011	27154630001001U				Advance Payment	200,000	-
LT9011	28154630001022U				Advance Payment	125,000	-
<b>Sub-total</b>						<b>325,000</b>	
<b>Total</b>						<b>2,442,448</b>	<b>158,406</b>

Audit is of the view that due to weak internal controls, payment to MEPCO was made without observing the applicable tariff.

Unjustified payment of electricity charges resulted in violation of the Government rules.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery and payment of correct tariff besides fixing responsibility on the person(s) at fault.

[AIR Para No. 6]

#### **13.2.5.4.9 Irregular execution of contract for purchase of surgical disposables – Rs 1.312 million**

According to Rule 2.33 of PFR Vol-I, every government should realize fully and clearly that he will held personally responsible for any loss sustained to government through fraud or negligence on his part. Further according to Rules 10 (1) of the Punjab Procurement Rules 2014, procuring agency shall determine specification in a manner to allow the widest possible competition which shall not favor any single contractor nor put others at a disadvantage.

MS DHQ Hospital Lodhran incurred expenditure of Rs 1.312 million on account of local purchase of surgical disposables from M/s Hussain Medical Store during 2018-19 with discount rate 12% for Local Manufacturers and 16% for Multinational manufacturers of surgical disposables. The entire tendering process was done with the rate initially provided by M/s Hussain Medical Store. Audit observed that the rate of discount was agreed by the MS as 12% for Multinational manufacturers and 16% for Local Manufacturers and executed the contract simply on affidavit from the company rather than going for re-tendering.

Audit is of the view that due to weak monitoring controls, local mad surgical disposables were purchased irregularly.

Irregular purchases resulted in violation of Government rules.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter besides fixing responsibility on the person(s) at fault.

[AIR Para No. 14]

**13.2.5.4.10 Non provision of deposit of Taxes into Government treasury – Rs. 1.306 million**

Sales Tax deducted by the supplier but no proof of deposit of same received from the supplier was shown to audit as required vide notification No. D.O No.5 (21) L&P/97-4910(S)-FS dated 3<sup>RD</sup>. Sales Tax return cum payment challan along with supporting documents required (S.R) under the provision of sales Tax Act, 1990 in proof of payment/deposit of Sales Tax into Government treasury be received from the supplier.

Following DDOs of District Health Authority Lodhran incurred expenditure on different heads of account and made payment of GST of Rs. 1.306 million but did not get proof of deposit of GST into Government treasury from suppliers in violation of the above rule.

(Rupees in million)

Sr. No	Name of formation	Subject of Para	Nature of tax	Amount
1	DHO-PS Lodhran	Non-verification of deposit of Sales Tax from the purchases of Health Council – Rs 0.160 million	GST	0.160
2	MS THQ Hospital Kehrorpacca	Non-collection of proof of deposit of sales tax – Rs 719,381	GST	0.719
3	MS THQ Hospital Dunyapur	Non-collection of proof of deposit of sales tax – Rs 426,538	GST	0.427
<b>Total</b>				<b>1.306</b>

Audit is of the view that due to financial mismanagement of the department the GST was not deposit into Government Treasury.

Non- deposit of the GST may result into misappropriation of the amount Rs 1.306 million on the part of the firms.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the concerned and recovered the GST and deposited into the Government treasury under intimation to audit.

[AIR Para No. 09, 26 & 11]

#### **13.2.5.4.11 Non-payment of pending electricity bills by the employees residing in Hospital colony - Rs 1.219 million**

According to rule 14 (d) of the Punjab District Authorities (Accounts) Rules 2017, the collecting officer shall be responsible to collect receipts in the transparent manner and guard against misappropriation, fraud, embezzlement or compromise.

MS DHQ Hospital Lodhran did not collect pending electricity bills amounting Rs 1.219 million from the employees residing in hospital colony during 2018-19. However, it was the responsibility of the hospital as per Punjab District Authorities (Accounts) Rules 2017.

Audit is of the view that due to weak internal controls, pending electricity bills was not collected.

Non collection of outstanding bills resulted in loss to the Government amounting Rs 1.219 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends result oriented follow up to recover the outstanding amount of electricity bills from employees Rs 1.219 million besides action against the person(s) at fault.

[AIR Para No. 37]

**13.2.5.4.12 Unauthorized handing over of Government vehicle X-67-AF – Rs 1.00 million Approx.**

According to Rule 2.33 of Punjab Financial Rules Vol-1, 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 Chief Executive Officer DHA Lodhran, it was noticed that vehicle X-67-AF Suzuki Della was provided to Health Department by EPI. The POL of above vehicle was drawn both from the office of CEO (DHA) and DHO (PS) Lodhran during 2018-19. Audit asked for whereabouts of above vehicle along with registration documents as the same was not found available in office. The Accountant of CEO Office gave a written statement that the above vehicle is under use of Deputy Commissioner Lodhran since 07.08.2018. No handed over taken over of vehicle was available on record. There is every possibility that said vehicle was misused/misappropriated.

Audit is of the view that due to weak internal controls, the whereabouts of government was not available on record.

Non availability of whereabouts of Government vehicle resulted in likely misappropriation of Government assets.

The matter was reported to the PAO and DDOs concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter besides fixing responsibility on the person(s) at fault.

[AIR Para No. 26]

## 14. District Health Authority (DHA) Multan

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Multan on annual basis. The following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	3,375.665	2,519.856	(855.809)	-25%
Non-salary	509.033	259.106	(249.927)	-49%
Development	60.150	20.076	(40.074)	-67%
<b>Sub Total</b>	<b>3,944.848</b>	<b>2,799.038</b>	<b>(1,145.810)</b>	<b>-29%</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 247.002 million was provided for purchase of medicines against which only Rs 79.794 million was utilized resulting in lapse of Rs 167.208 million (68%).



- An amount of Rs 22.018 million was provided for procurement of machinery and equipment against which an amount of Rs 17.857 million was utilized resulting in lapse of Rs 4.161 million (19%)

Financial data shows that funds were not utilized to achieve the targets. A huge amount of Rs 1,145.810 million was lapsed due to inefficient management.

### **Analyses of Appropriation Accounts and Financial Statements (Certification Audit 2019-20)**

The following issues surfaced during Certification Audit of District Health Authority Multan for the Audit Year 2019-20.

- Irregular payment of pay and allowances without sanction of Finance Department Rs 3.506 million

This issue was discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, this issue has been reported in the audit certificate as emphases of matter.

#### **ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Multan was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

<b>Sr. No.</b>	<b>Indicators</b>	<b>Target 2018-19</b>	<b>Achievement 2018-19</b>	<b>Remarks</b>
1	Outdoor Patients	3,868,476	4,362,122	Achieved
2	Indoor (Bed Occupancy) THQ / DHQ	58,595	60,092	Achieved
3	Surgery (OPD)	35,377	35,367	Achieved
4	Cardiology	8,190	13,151	Achieved
5	Diagnostic Services (Laboratory, Radiology)	418,537	605,652	Achieved

6	Family Planning Activities	98,591	127,877	Achieved
7	Peads	105,568	170,000	Achieved
8	Surgery	18,193	24,109	Achieved
9	T.B Chest Treatment	34,064	52,010	Achieved
10	Free Medicine to Patients	3,868,476	4,362,122	Achieved
11	EPI Vaccination	873,726	598,002	Achieved
12	Sanctioned Posts (Doctors/Specialists)	456 / 92	456 / 92	Achieved
13	Gazetted Staff/ Technical Staff	436	436	Achieved
14	Other Staff	2,220	2,220	Achieved

\*Source: Data received from CEO (DHA) Multan

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- Record of expenditure amounting to Rs 55.518 million was not produced in 02 cases.
- Irregularities and non-compliance of rules amounting to Rs 5,051.147 million were observed in 82 cases.
- Weak Internal Controls involving amount of Rs 253.922 million were noticed in 23 cases.
- Poor performance of the management having financial impact of Rs 112.914 million were found in 36 cases.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service, indoor patient's services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

### v. Expectation Analysis and Remedial Measures

#### District Health Authority

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development

remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment and doctors in various facilities particularly in primary healthcare facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Punjab Procurement Rules and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

## **14.1.1 Audit Paras**

### **14.1.1.1 Irregular payment of pay and allowances without sanction of Finance Department Rs 3.506 million**

***Risk Categorization: High***

***Criteria:***

According to Government of Punjab, Finance Department, Lahore letter No.No.FD(FR)(ACCOUNTS)A&A-II-1/74 dated 2.8.2000 claims of arrears of pay and allowances other than T.A. more of than six years old, require sanction from the Finance Department. Further according to Punjab Delegation of Financial Power, 2016 (amended upto date) Sr. No.18 officer category-I can sanction in respect of T.A. claims not more than 3 years old, and other claims not more than 6 years old.

***Facts:***

DAO Multan made payment of Rs 3.506 million on account of arrears of pay and allowances due to up gradation of paramedic staff posts w.e.f. 24.11.2011. The DDO cannot accord sanction for pay and allowances pertaining to period of more than six year old. The sanction was accorded without obtaining sanction of Punjab Finance Department. DDO may be directed to calculate the actual amount drawn as claims were being continuously withdrawn. The sanction and payment of claim of pay & allowances more than six year old resulted in irregular expenditure.

***Implication:***

Audit is a view that due to weak financial control, claims of more than six year old were paid without obtaining sanction from Punjab Finance Department.

Payment of claims more than six year old without obtaining sanction of Punjab Finance Department resulted in irregular payment.

***Recommendation:***

Audit recommends fixing of responsibility upon the person at fault besides regularization of expenditure.

***Management Response:***

The payment was made by the order / sanction dated 16-11-2017 of CEO Health duly approved by the Deputy Commissioner, Multan (Administrator DHA Multan). The CEO / DHA Multan has already asked to rectify the discrepancy in this regard and submit to this office vide letter No. DAO/MN/PR-I/HM/235, dated 2-10-2019 (copy attached). A reminder has been sent in this regard also vide No. DAO/MN/PR-I/HM/236, dated 5-10-2019.

***DAC Decision:***

DAO did not ensue compliance of Rule 2.25 (1)(c) however, the payments were processed in line with Rule clause 2.25(4)&(5) subject to the condition that the orders of up-gradation / back date effect promotions are genuine and legal under rules. Hence the payment of arrears is justified if orders of up-gradation/promotions are genuine and as per law, otherwise the payment would be irregular. Hence in the light of above facts Para kept Pending till the final decision of up-gradation orders by **Director General Health Services Lahore.**

## **Chapter 2**

### **DHA Multan**

#### **14.2.1 Introduction**

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

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health services delivery personnel under the policy framework given by the government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Multan manages following primary and secondary health care facilities and institutes:

Description	No. of Health facilities/ Institutes
Basic Health Units	82
Government Rural Dispensary	21
Rural Health Centre	08
Tehsil Head Quarter Hospitals	02
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officer	03

\*Source: Data received from CEO (DHA) Multan

The following table shows detail of total & audited formations of DHA Multan:

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	23	05	453.223	22.555
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

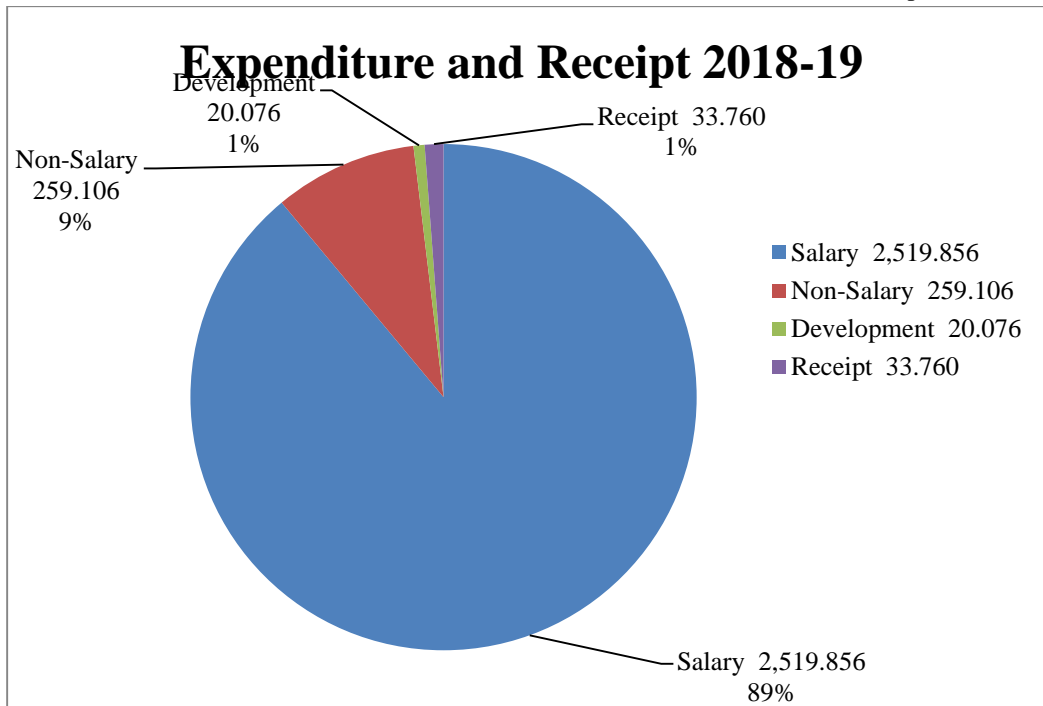
#### 14.2.2 Comments on Budget and Accounts (Variance Analysis)

The detail of Budget and Expenditure is given below in tabulated form:

(Rupees in Million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	3,375.665	2,519.856	(855.809)	-25%
Non-salary	509.033	259.106	(249.927)	-49%
Development	60.150	20.076	(40.074)	-67%
<b>Sub Total</b>	<b>3,944.848</b>	<b>2,799.038</b>	<b>(1,145.810)</b>	<b>-29%</b>
Receipts	48.229	33.760	(14.469)	-30%

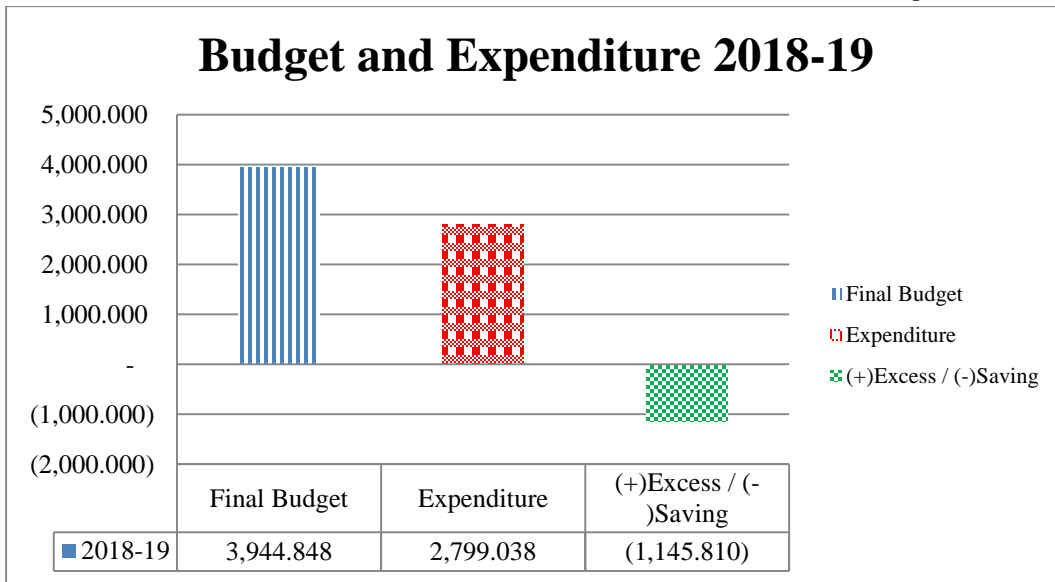
(Rupees in Million)



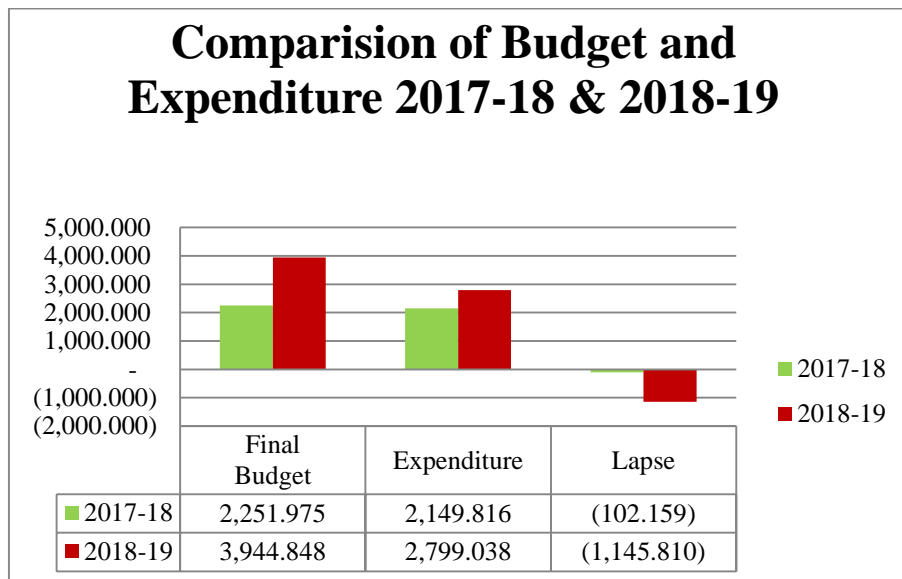
As per the Appropriation Accounts for financial year 2018-19 of District Health Authority Multan, total original budget (Development and Non-Development) was Rs 3,495.108 million, supplementary grant was provided Rs 449.740 million and final budget was Rs 3,944.848 million. Against the final budget, total expenditure of Rs 2,799.038 million was incurred by District Health Authority during Financial Year 2018-19. A saving of Rs 1,145.810 million came to the notice of Audit, which shows that the District Health Authority failed to provide services and infrastructure development. No plausible explanation was provided by the PAO and management of District Health Authority. **(Annexure-B)**



(Rupees in Million)



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



There was 75% and 30% increase in budget allocation and expenditure incurred in financial year 2018-19 as compared to financial year 2017-18, while there was overall savings of Rs 1,145.810 million during 2018-19.

#### 14.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 5,455.017 million were raised as a result of this audit. This amount also includes recoverables of Rs 90.110 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	55.518
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR / employees related irregularities	4549.856
B	Procurement related irregularities	109.820
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	12.945
5	Others	726.878

#### 14.2.4 Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee.

##### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2018-19	46	PAC not constituted

## **14.2.5 AUDIT PARAS**

### **14.2.5.1 Non-Production of Record**

#### **14.2.5.1.1 Non-production of record – Rs 55.518 million**

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”. Furthermore, according to Section 108 (2) of the Punjab Local Government Act 2013, “The Auditor-General shall audit the accounts of a local government in such form and manner as may be deemed appropriate”.

District Health Officer (PS) Multan did not produce the record involving Rs 55.518 million for the Financial Year 2018-19 for audit scrutiny despite repeated written and verbal requests.

Audit is of the view that non-production of record of Rs 55.518 million created doubt regarding legitimacy of expenditure.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility and appropriate disciplinary action be taken against concerned DDO for non-production of record of Rs 55.518 million besides immediate production of record.

[AIR No. 2]

## **14.2.5.2 Irregularities**

### **14.2.5.2.1 Late approval of budget estimates – Rs 3,780.439 million**

According to rule 3 (K) of District Authorities Budget Rules 2017, the Chairman shall ensure that the estimates and revised budget estimates shall be laid before the District Authority well before the commencement of the next Financial Year. Further, according to rule 4 (C) of District Authorities Budget Rules 2017, the Chief Executive Officer shall ensure that Budget estimates shall be submitted before the District Authority well before the commencement of the next Financial Year and budget so approved is distributed amongst the DDOs by the commencement of the financial year.

The CEO District Health Authority Multan did not take approval of administrative for budget estimates for the Financial Year 2018-19 amounting Rs 3780.439 million well before the commencement of financial year. The budget was prepared late and approved on 20.09.2018 after three months of commencement of financial year. It also depicts that pay and allowances for the months of July and August, 2018 were paid without approval of the budget.

Audit is of the view that due to weak management, draft of the budget was not prepared timely.

Non-observance of rules resulted in late approval of budget estimates amounting to Rs 3,780.439 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 16]

#### **14.2.5.2.2 Irregular appointment of contingent paid staff – Rs 167.816 million**

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charged / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.

The CEO (DHA) and MS GMSS DHQ Hospital Multan made payment of Rs 167.816 million on account of wages to contingent paid staff during 2018-19. The record pertaining to appointments i.e. advertisement, number of applicants, criteria for appointments, minutes of committee and final approval of candidates was not maintained etc. Further, subsequent appointment / duty roster of the candidates was also not on record. The amount was drawn from DAO and deposited in the DDO's bank account from where payment was made through bearer cheques, instead of crossed cheques due to which the chances of misappropriation of funds cannot be ruled out.

Audit is of the view that due to weak internal controls, irregular appointment of contingent paid staff was made.

Violation of rules resulted in irregular appointment and payment on account of salary / wages of contingent paid staff amounting Rs 167.816 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditures from the competent authority besides inquiry of the matter and fixing of responsibility upon the person(s) at fault.

[AIR No.7, 5 & 6, 18]

**14.2.5.2.3 Irregular payment of pending liabilities and arrears of pay and allowances without release of separate budget – Rs 146.168 million**

According to rule 2.27 of PFR Vol-1 no payment is admissible until additional budget for the payment of arrears of pay and allowances are provided and duly sanctioned in the Budget estimates. As per Sr. No.8 of Delegation of Financial Power Rules 2016, the Administrative Department was competent to sanction investigation of claims of Government servants to arrears of pay, allowances, full powers in respect of T.A. claims not more than 3 years old, and other claims not more than 6 years old.

The following DDOs of District Health Authority, Multan, withdrew Rs 146.168 million from government treasury on account of arrears of pay and allowances during the Financial Year 2018-19 without obtaining additional budget for payment of arrears of pay and allowances. Further, payment of arrears of pay and allowances and pending liabilities more than six year old were made without approval of competent authority.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	CEO (Health) Multan	Arrears of HRA bills and arrears of pay bills	62.481
3	DHO-PS Multan	Arrears of pay bills	57.051
4		Payment of pending liabilities	2.448
5	DHQ-MTN	Arrears of pay bills	1.853
6		Payment of pending liabilities	11.122
7	DHO-MS Multan	Arrears of allowances bills and arrears of pay bills	8.367
8	MS THQ Shujabad	Payment of pending liabilities	2.846
<b>Total</b>			<b>146.168</b>

Audit is of the view that due to weak financial controls, payments were made without obtaining additional/ separate budget for payment of arrears.

Payments of arrears without obtaining of separate budget allocation and without approval of competent authority resulted in irregular expenditure of Rs 146.168 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR No.13, 28 & 31, 16 & 3, 14, 10, 22, 12 & 4, 23,]

#### **14.2.5.2.4 Irregular upgradation of paramedical staff and payment of salaries - Rs 131.934 million**

According to para No. 12 to 14 of Director General Health, Lahore letter No. 1049-1240/AHP dated 28.8.2018, Departmental Promotion Committee was not competent as the same was not constituted as per relevant notification issued by S&GAD (Regulation Wing). After one time upgradation grant of upgradation to paramedic staff is illegal. The letter referred above was held in abeyance till further orders by the Director General Health vide letter No. 1547-1588/PA dated 05.09.2018. Further, according to Government of the Punjab, Primary & Secondary Healthcare Department, Lahore notification No.SO (ASP-II)1-1/ (Misc.) dated 3.9.2018 the committee was constituted to examine the issue pertaining to withdrawal of 4-Tier Up-Gradation ratio of Allied Health Professionals (Paramedics by DG Health Services). The committee was to meet on 5.9.2018 under the chairmanship of Deputy Secretary (Admin) for resolution of the aforesaid issue.

The following DDOs of District Health Authority Multan, upgraded the posts of paramedics and made irregular payment of pay and allowances amounting Rs 131.934 million during 2018-19. The letter of upgradation was withdrawn and committee was constituted for the purpose. The committee has not finalized his findings yet. The DDOs of District Health Authority upgraded the post of paramedics illegally. Further, neither seniority list was prepared nor objection on seniority was obtained. The up-gradation was

made without DPC. The up-gradation was made by issuing office orders by the CEO Health. The detail is as under:

(Rupees in million)

Sr. No	DDOs	Particular	Amount
1	CEO- Multan	Unauthorized / Irregular up-gradation / promotions of employees resulted in excess payment of arrears of pay and allowances	47.603
		Irregular up-gradation of paramedics staff under 4- Tier and payment of pay & allowances as arrears	12.349
2	DHO-MS Multan	Irregular up-gradation of paramedics staff under 4- Tier and payment of pay & allowances as arrears	12.349
3	DHO-PS Multan	Unauthorized / excess payment of sanitary inspectors under 4 tier promotions	11.033
		Unauthorized / Irregular up-gradation / promotions of employees resulted in excess payment of arrears of pay and allowances	47.603
4	MS THQ Hospital, Shujabad	Irregular up-gradation of paramedics staff under 4- Tier and payment of pay & allowances as arrears	0.997
	<b>Total</b>		<b>131.934</b>

Audit is of the view that due to weak financial controls, the posts of paramedics were upgraded illegally.

Illegal up-gradation of posts and payment of pay and allowances resulted in loss of Rs 131.934 million to the government.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry of the matter at appropriate level besides recovery of excess paid pay and allowances Rs 131.934 million.

[AIR No. 27 & 34, 3, 7 & 4, 12]



#### **14.2.5.2.5 Unauthorized allocation of supplementary grant without approval – Rs 94.570 million**

According to Government of the Punjab Finance Department letter No.FD.SO (Goods) 44-4/2016 dated 01.08.2018, all the administrative departments shall remain within the budgetary allocations to minimize the incidence of supplementary grants. Further, the request for supplementary grants, if unavoidable, shall require approval of the Provincial Cabinet / Cabinet Committee on Finance & Development. Further, according to rule 65 (1) (2) of Budget Rules of District Authorities 2017, in case a head of office or institution considers that need for additional funds has arisen for which no appropriation is available, he shall submit a proposal for supplementary grant to the CEO. The proposal shall be accompanied by an explanatory note justifying the supplementary grant.

CEO (DHA) Multan and Deputy Director Budget & Accounts issued funds amounting to Rs 94.570 million during 2018-19 as supplementary grant to different DDOs of DHA Multan, without approval of the Provincial Cabinet Committee constituted for the said purpose.

Audit is of view that due to weak financial management, supplementary grant was issued without approval of Provincial Cabinet Committee.

Allocation of supplementary grant without approval of Provincial Cabinet Committee resulted in unauthorized payment of Rs 94.570 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.15]

#### **14.2.5.2.6 Non-utilization / surrender of funds – Rs 42.813 million**

According to rule 15 (a) (b) of (District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer shall be responsible to prepare estimates of expenditure of the concerned office, maintain budget control register, record entries of each transaction therein against corresponding allocation and make assessment of expenditure likely to be made during the financial year and take measures accordingly.

District Health Officer - MS Multan and MS THQ Hospital Shujabad neither utilized nor surrendered allocated funds Rs 42.813 million during 2018-19. The funds were lapsed due to negligence of DDOs concerned.

Audit is of the view that due to weak financial controls, savings were not surrendered.

Non-surrender of savings resulted in non-availability of funds for other formations of DHA where funds were required.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No: 16, 21]

#### **14.2.5.2.7 Irregular local purchase of medicines – Rs 42.339 million**

Director General Health Services Punjab, Lahore vide letter No.199-366/MS dated 30.04.1989 required execution of rate contract for supply of local purchase of medicines at minimum discount rate between 8 to 12 %. Further, According to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO-H&D (DHA-17-02-02) dated 10.02.2017, consequent upon the establishment of District Health Authorities across Punjab under PLGA 2013, the Competent authority announced the District Purchase Committee at District level consisting of

Deputy Commissioner as Chairman, CEO (DHA) as member / Secretary, ADC (F&P) and DHO (MS) as member and any other co-opted member. Further, according to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO (B&A) 1-71/2018-19 dated 30.08.2018, the District Purchase Committee of District Health Authority previously constituted dated 10.02.2017 was reconstituted as following to ensure the fairness and transparency in the procurement of drugs / medicines:

- |   |                  |
|---|------------------|
| 1. Deputy Commissioner/Administrator of DHA       | Chairman         |
| 2. CEO of DHA                                     | Member/Secretary |
| 3. Representative of P&SHC Department             | Member           |
| 4. Deputy Director (Development)                  | Member           |
| 5. Finance & Planning Officer                     | Member           |
| 6. Secretary, DQCB                                | Member           |
| 7. Health Expert / MS (to be nominated by the DC) | Member           |

MS GMSS DHQ Hospital Multan and MS THQ Hospital Shujabad incurred irregular expenditure amounting Rs 42.339 million during 2018-19 on account of purchase of LP medicines. Medical Superintendents made purchases through rate contract. The rate contract for LP medicines was awarded by purchase committees of the hospitals instead of District Purchase Committee as referred above.

Audit is of the view that due to weak financial controls, LP medicines were purchased without involvement of District Purchase Committee.

Irregular purchases of LP medicines resulted in doubtful purchase amounting Rs 42.339 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides inquiry in the matter and recovery of prescribed discount to be calculated by the department.

[AIR No.7, 18 & 2]

#### 14.2.5.2.8 Irregular withdrawal of Incentive Allowance without ensuring evening round in wards – Rs 39.923 million

According to Government of the Punjab Primary and Secondary Healthcare Department notification No.PA/OS/(G)4-8/2016 dated 03.08.2016, in pursuance of the approval of competent authority, 40% of the existing allowance shall be paid subject to conducting of evening rounds in hospital by consultant on call basis, for the purpose of adjustment in duty roster as devised by Punjab Information Technology Board. For this purpose, consultant shall checkout from morning shift through biometric attendance system after 2:00 pm and shall check in again after 5:00 pm. The consultant shall remain in hospital at least for one hour and shall conclude the round by checking out again. Their attendance and evening rounds shall be strictly monitored through biometric attendance system.

The following DDOs under the jurisdiction of Chief Executive Officer, DHA Multan did not ensure the deduction of 40% of Incentive Allowance of Rs39.923 million from consultants during 2018-19. Consultants posted in various hospitals have not ensured their evening rounds in hospitals and at least one hour stay after 5:00 pm in the respective hospital. Necessary detail is given below:

(Rupees in million)

Sr. No.	DDOs	Period	Period	Amount
1	MS GSSDHQ Hospital Multan	2018-19	40% incentive allowance	7.789
2	CEO-Multan	2018-19	40% incentive allowance	29.900
3	MS THQ Hospital, Shujabad	2018-19	40% incentive allowance	2.234
<b>Grand Total</b>				<b>39.923</b>

Audit is of the view that due to weak financial controls, the incentive allowance was paid without observing the payment criteria.

Irregular withdrawal of incentive allowance resulted in loss of Rs 39.923 million to the government.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 39.923 million, besides further stoppage of 40% of allowance.

[AIR No.1, 21, 3]

**14.2.5.2.9 Unauthorized expenditure in excess of budget allocation – Rs 33.407 million**

According to rule 5(2) (a) & (b) of the District Authorities Budget Rules 2017, the Head of office is responsible for all matters relating to the budget for the office under his administrative control, ensure strict financial control. Further, according to rule 6(f) the Budget and Accounts Officer is responsible to monitor expenditure and ensure utilization of funds as approved by the District Authority.

DHO-MS Multan and MS THQ Hospital Shujabad incurred expenditure amounting Rs 33.407 million during 2018-19 in excess of the approved budget allocation.

Audit is of the view that due to weak financial controls, expenditure was incurred in excess of the approved budget allocation.

Excess expenditure resulted in violation of government rules.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.22, 17]

**14.2.5.2.10 Non-fixation of pay and allowances on initial scales despite break in service - Rs 25.451 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for

any overcharge, fraud or misappropriation and shall be liable to make good that loss.

DHO (PS) did not fix the pay on initial basic pay scales of Health Nutrition whose contracts were revised with one day gap. The pay and allowances of such employees were paid on running basic pay resulting in excess payment of pay and allowances amounting Rs 25.451 million.

Audit is of the view that due to weak internal controls, pay and allowances were not revised even after gap in revision of contracts.

Non-fixation of pay on initial basic pay resulted in loss of Rs 25.451 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 25.451 million besides fixing responsibility on the person(s) at fault.

[AIR No.5]

#### **14.2.5.2.11 Excess withdrawal of posts from sanctioned posts – Rs 22.302 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The CEO District Health Authority Multan and MS GMSS DHQ Multan paid an amount of Rs 22.302 million on account of pay and allowances in excess of the sanctioned posts during 2018-19.

(Rupees in million)

<b>GMSSDHQ Hospital Multan</b>				
<b>Job Title</b>	<b>Sanctioned Posts in budget book</b>	<b>Post for which pay drawn</b>	<b>Excess Posts</b>	<b>Pay drawn</b>
Senior Women Medical Officer	23	24	1	1.770
Medical Superintendent	01	02	01	0.115
Medical Officer	20	21	1	1.671
Consultant	0	07	07	14.481
Naib Qasid	08	09	01	0.284
Total				18.321

<b>CEO Multan</b>					
<b>Name of Post</b>	<b>Sanctioned Posts in budget book</b>	<b>Post for which pay drawn</b>	<b>Excess Posts</b>	<b>Pay drawn</b>	
Pharmacist / Drug Inspector		3	4	1	1.955
Deputy Drugs Controller		2	3	1	2.026
Total					3.981

Audit is of the view that due to weak internal controls pay and allowances were withdrawn for posts more than the sanctioned posts.

Audit is of the view that due to weak internal controls pay and allowances were withdrawn for posts more than the sanctioned posts.

Payment of pay and allowances in excess of sanctioned posts resulted in irregular expenditure amounting Rs 22.302 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 12, 25]

#### **14.2.5.2.12 Irregular procurement of various items - Rs 20.172 million**

According to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO-H&D (DHA-17-02-02) dated 10.02.2017, consequent upon the establishment of District Health Authorities across the Punjab under PLGA 2013, the competent authority announce the District Purchase Committee at District level consisting of Deputy Commissioner as Chairman, CEO (DHA) as member / Secretary, ADC (F&P) and DHO (MS) as member and any other co-opted member. Further, according to rule 62, 69 and 35 (4) of the Punjab Procurement Rules 2014, a procuring agency shall make prompt payments to the contractor against the invoice or running bill on satisfactory performance within the time given in the conditions of the contract which shall not exceed thirty days. Further, any violation of PPRA rules shall be treated as mis-procurement and bidders shall be promptly informed about the rejection of the bids, if any.

MS THQ Hospital Shujabad Multan incurred expenditure amounting Rs 20.172 million during 2018-19 on account of local purchase of medicines, printing of stationery items, repair and maintenance of medical machinery & equipment & cost of other store items etc. Medical Superintendent made advertisement without involving District Purchase Committee. The purchases were made through self-constituted illegal purchase committee. Further, payment of bulk medicines was made to the firms who fail to supply the medicines as per supply order. The payment was made to pharmaceutical firm upon partially supply of medicines instead of demanding medicines as per supply order. Tender for printed stationery and repair of medical machinery & equipment were rejected without informing the firms on the basis of non-provision of sample and low marks obtained.

Audit is of the view that due to weak financial controls, irregular procurement was made.

irregular procurement resulted in irregular expenditure amounting Rs 20.172 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was



not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.1, 6, 10]

#### **14.2.5.2.13 Non-supply of medicine despite demand - Rs 19.193 million**

According to Rule 2.33 of Punjab Financial Rules 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.

MS GMSS DHQ Hospital Multan had given demand of medicine to CEO DHA Multan for purchase and supply of medicine required for the patients but medicine valuing Rs 19.193 million during 2018-19 was not supplied / less supplied which was not only cause laps of budget but also deprived poor patients to get free medicine from the hospital.

Audit is of the view that due to weak internal controls, medicine was purchased without observing the demand of health facility.

Purchase of medicine without observing the demand of hospital resulted in non-supply of required medicine amounting Rs 19.193 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.17]

**14.2.5.2.14 Loss to government due to payment of wages against the holidays – Rs 14.210 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The CEO (DHA) Multan made excess payment of wages amounting Rs 14.210 million during 2018-19 to contingent paid staff against the gazzated holidays. Payment of wages for excess days was also not admissible as attendance register of the staff was not verified by the Assistant Entomologist and District Coordinator of Prevention & Epidemic Control Programme. Moreover, CEO also did not check the attendance and signed the bill but funds were withdrawn from the DAO Multan without confirming the attendance.

Audit is of the view that due to weak internal controls, payment of gazzated holidays was made.

Excess payment of wages resulted in loss amounting Rs 14.210 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs14.210 million besides fixing responsibility on the person(s) at fault.

[AIR No.3]

**14.2.5.2.15 Unjustified withdrawal of inadmissible annual increment - Rs 10.787 million**

According to rule 11 (1) (f) of the Punjab District Authorities (Accounts) Rules 2017, The CEO shall be responsible for proper maintenance of departmental

accounts and financial discipline of a District Authority, subordinate offices and institutions and shall be responsible for arranging internal controls in a District Authority.

CEO (DHA) allowed to withdraw the annual increments in Decemember, 2018 amounting Rs 10.787 million to the promoted employees whose pay was increased and re-fixed during period of July to November, 2018. Annual increment to such employees was not admissible as their service was less than 6 months.

Audit is of the view that due to weak internal controls inadmissible increments were allowed.

Non-compliance of Government instructions resulted in excess payment of Rs 10.787 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 10.787 million and fixing of responsibility on the person(s) at fault.

[AIR No.14]

#### **14.2.5.2.16 Unauthorized payment of health risk allowance - Rs 8.595 million**

According to Government of the Punjab Health Department letter No.SO (ND) 2-26/2004(Vol-II) dated 20.02.2015; Health Risk Allowance was admissible to all the employees of Health Department in (BS-01 to BS-04) with immediate effect.

DHO - PS and DHO - MS Multan made irregular payment of Health Risk Allowance amounting Rs 8.595 million during 2018-19 to employees above than BS-4 without entitlement.

Audit is of the view that due to weak internal controls, health risk allowance was irregularly paid to the employees without entitlement.

Unauthorized payment of HSRA resulted in overpayment of Rs 8.595 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 8.595 million besides fixing responsibility against the person(s) at fault.

[AIR No.12, 2]

#### **14.2.5.2.17 Irregular expenditure of pay and allowances to the staff posted on general duty – Rs 7.782 million**

According to Government of the Punjab Finance Department notification No.FD/SRIV-8-1/76 (PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department. Further, Health Department letter No.PA/DSA-1/3/94 dated 19.03.1994 and DA/DSC/1294 dated 12.12.1995 letter No.4113-5/E dated 25.03.1998, letter No.18872-76/E dated 05.11.1996 and letter No.3961-4050/C dated 13.02.2004 to DO (Health) stipulates that all kind of general duties were drawn away with direction that if any person was found on general duty his absence should be considered along with disciplinary action.

DHO-PS Multan and MS THQ Hospital, Shujabad allowed payment of pay and allowances amounting Rs 7.782 million during 2018-19 to the staff posted on general duty at different health facilities / offices of the Commissioner Multan and Deputy Commissioner Multan in violation of above rules. Orders of competent authority regarding general duty followed by approval of Finance Department were not available in the office record.

Audit is of the view that due to weak management, payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of Government instructions regarding general duty resulted in irregular payment of pay and allowances amounting Rs 7.782 million.

The matter was reported to PAO and DDOs in the month of September, 2019. . No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 15, 17]

**14.2.5.2.18 Doubtful withdrawal of non-practicing allowance – Rs 7.371 million**

According to Para No.2.31 (a) of Punjab Financial Rules Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

MS GMSS DHQ Hospital Multan and MS THQ Hospital Shujabad allowed withdrawal of Rs 7.371 million during 2018-19 on account of non-practicing allowance to different doctors without any documentary evidence or inquiring the factual position.

Audit is of the view that due to weak internal controls, NPA was withdrawn for the doctors without documentary evidence and fact findings.

Withdrawal of NPA without fact finding / documentation resulted in irregular payment of Rs 7.371 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery or provision of documentary evidence after fact finding inquiry at appropriate level.

[AIR No.5, 24]

#### **14.2.5.2.19 Irregular expenditure by splitting – Rs 7.019 million**

According to rule 12 of the 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 website / print media. Further, Director General Health Services Punjab, Lahore issued guidelines for incurring expenditure on Local Purchase of medicines vide letter No.199-366/MS dated 30.04.1989.

DHO-MS and DHO PS Multan incurred expenditure amounting Rs 7.019 million during 2018-19 on account of purchase of medicine, durable goods and other store items by splitting to avoid from tender process.

Audit is of the view that due to weak internal controls, purchases were made by splitting.

Non-compliance of rules resulted in irregular expenditure amounting Rs 7.019 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 14, 9]

#### **14.2.5.2.20 Irregular expenditure on printing material and purchase of stationary – Rs 6.531 million**

According to rule 2 (q) of PPRA Rules 2014, the term “emergency” means natural calamities, disasters, accidents, war and operational emergency which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to person, property or the environment.

MS GMSS DHQ Hospital Multan incurred expenditure of Rs 6.531 million during 2018-19, on purchase of printing material and stationary by adopting the procedure of emergency procurement. There was no abnormal situation to purchase the printing material and stationery on emergency basis. It was observed from the record that various supply orders of printing material were placed on different dates which revealed that there was no emergency for printing material and stationary. The expenditure was incurred irregularly without adopting the prescribed procedure of procurements.

Audit is of the view that due to weak internal controls, expenditure was incurred irregularly without any kind of urgency.

Violation of rules resulted in irregular procurement of Rs 6.531 million.

The matter was reported to PAO and DDO in the month of September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 13]

#### **14.2.5.2.21 Misclassification of expenditure – Rs 5.845**

According to rule 12 (b) (ii) of District Authorities Accounts Rules 2017, the Budget and Accounts Officer shall ensure that monthly expenditure is charged to relevant object code and remains within allocation.

DHO - MS Multan and MS THQ Hospital Shujabad incurred expenditure amounting Rs 5.845 million during 2018-19 by misclassification. The Budget and Accounts Officer failed to ensure that expenditure was charged to relevant object code. The expenditure was charged to irrelevant object code.

Audit is of the view that due to weak financial controls the expenditure was charged to irrelevant object code.

Violation of rules resulted in irregular expenditure of Rs 5.845 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.13, 11]

#### **14.2.5.2.22 Withdrawal of funds without pre-audit - Rs 5.665 million**

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe. Further, according to Government of the Punjab Finance Department letter No.SO (TT) 6-1/2013 (2015) dated 15.07.2015, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals or for en-bloc transfer of funds in commercial banks / Development Financial Institutions (DFIs). Withdrawals from the Special Drawing Accounts shall only be admissible, if these are required to meet validly accrued liabilities / booked expenditure, duly pre-audited, where so required.

MS GMSS DHQ Hospital Multan and MS THQ Hospital Shujabad incurred expenditure amounting Rs 5.665 million from Health Council Funds during 2018-19. The funds were withdrawn for different types of expenditure i.e. salaries of contingent paid staff, janitorial staff, payment for security service etc. without pre-audit, in violation of above rules.



Audit is of the view that due to weak financial controls, funds were withdrawn without pre-audit.

Violation of rules resulted in irregular withdrawal of funds amounting Rs 5.665 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides preparation of mechanism of pre-audit of health council funds.

[AIR No.20, 9]

**14.2.5.2.23 Unauthorized payment of conveyance allowance – Rs 4.797 million**

According to Government of the Punjab Finance Department letter No.FD.SR, 19-4/86(P) (PR) dated 21.4.2014, officers / officials who were availing government vehicles including bikes (sanctioned / pool) are not entitled to the facility of conveyance allowance w.e.f 01.03.2014.

The following DDOs of District Health Authority Multan did not deduct different inadmissible allowances amounting Rs 4.797 million during 2018-19 from the pay and allowances of different employees having government vehicles / bikes and availing leaves periods. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	DHQ Hospital Multan	Inadmissible Allowance during leave	2.305
2	DHO (PS) Multan	Inadmissible Allowance during leave	1.195
3	DHO-MS Multan	Conveyance to vaccinators despite having government vehicles / bikes	1.297
<b>Total</b>			<b>4.797</b>

Audit is of the view that due to weak internal controls, inadmissible allowances were paid.

Payment of inadmissible allowances resulted in loss of amounting Rs 4.797 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 4.797 million besides fixing responsibility on the person(s) at fault.

[AIR No. 2, 18, 10]

**14.2.5.2.24 Unauthorized payment of pay and allowances during EOL - Rs 4.257 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

DHO (PS) Multan made payment of pay and allowances amounting Rs 4.257 million during 2018-19 to medical officers who availed EOL for post graduate training. The payment of pay and allowances during EOL period was not admissible to them.

Audit is of the view that due to weak internal controls, pay and allowances were paid during EOL period.

Payment of pay and allowances during period EOL resulted in loss amounting Rs 4.257 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 4.257 million besides fixing responsibility on the person(s) at fault.

[AIR No.13]

#### **14.2.5.2.25 Unauthorized payment on upgradation of Computer Operators and Homeo Dispensers - Rs 3.501 million**

According to the Government of Punjab Finance Department letter No.FD.PC.40-43/2017 (E) dated 14<sup>th</sup> December 2018, the computer personnel carry different nomenclature, pay scales and prescribed qualification as given in columns B&C. The Governor of Punjab has been pleased to restructure these posts with prescribed qualification, pay scales and designations.

Chief Executive Officer DHA and DHO - PS Multan made payment of Rs 3.501 million to Computer Operators and Homeo Dispenser during 2018-19. The posts of computer personnel carry different nomenclature were restructured without observing prescribed qualification and experience. Neither working papers consisting of qualifications and experiences of computer personnel were prepared nor shown to audit. The arrears bills were paid without observing the criteria notified for upgradation of posts.

Audit is of the view that due to weak internal controls, payment was made against unauthorized upgraded posts.

Unauthorized up gradation of posts resulted in loss amounting Rs 3.501 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry to probe further into matter for recovery of overpaid amount and revision of irregular orders besides fixing of responsibility on the person(s) at fault.

[AIR No. 2 & 29, 17]

**14.2.5.2.26 Non-regularization of contract employees for more than 4 years – Rs 2.714 million**

According to Section 3(2) of the Punjab Regularization of Service Act, 2018, issued vide notification No. PAP/Legis-2(197)/2018/1753 dated 30.04.2018, “the contract employees who has continuously been serving as such for a period not less than 04 years on the commencement of the Act i.e. 30.04.2018, shall be eligible to be considered for appointment on regular basis. Moreover, Services & General Administration Department, Lahore vide Notification No. SO (ERB) (S&GAD)/5-19/2018 dated 18.05.2018 has also directed that the Punjab Regularization of Service Act, 2018, be implemented immediately.

MS GMSS DHQ Hospital Multan did not perused the case of regularization of 77 Nos. of contract employees whose cases for regularization has been forwarded to higher ups which resulted in over burden on the budget of the hospital amounting Rs 2.714 million during 2018-19 on account of 30% Social Security Benefits.

Audit is of the view that due to weak internal controls, instructions of the Punjab Government have not been complied with, despite lapse of more than one year.

Non-compliance of the Government instructions resulted in payment of Social Security Benefits amounting Rs 2.714 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of contract employees immediately as per Punjab Regularization of Service Act, 2018.

[AIR No.21]

**14.2.5.2.27 Irregular hiring of services of security firm - Rs 2.005 million**

According to rule 22 of PPRA Rules 2014, the procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods, services and works. Further, according to rule 12 (2) of the Punjab Procurement Rules 2014, all procurement opportunities over two million rupees should be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.

MS GMSS DHQ Hospital Multan incurred expenditure amounting Rs 2.005 million on account of hiring of services of Security Company during 2018-19. The services were hired from the funds of health council by calling simple quotations rather than adopting the tendering process, in violation of PPRA Rules. The detail is as under:

(Rupees in million)

Head of account	Paid in the month	Payment for the month	Amount
Fast Security Company	Aug-18	May, June 2018	0.611
Fast Security Company	Mar-19	July, August, Sept. 2018	1.037
Payment to Punjab Revenue Authority (PST+IT)	Mar-19	July, August, Sept. 2018	0.166
Payment to Punjab Revenue Authority (PST+IT)	Aug-18	May, June 2018	0.191
<b>Total</b>			<b>2.005</b>

Audit is of the view that due to weak internal controls, services of security company were hired in irregular manner.

Violation of rules resulted in irregular expenditure amounting Rs 2.005 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization from the competent authority, besides fixing responsibility on the person(s) at fault.

[AIR No.19]

**14.2.5.2.28 Irregular payment of HSRA without performance of duties - Rs 1.019 million**

According to Government of the Punjab Health Department letter No.PA/DSA-1/3/2008 dated 22.11.2003, "HSRA is admissible to the Doctors and other staff who are actually working at their place of posting".

DHO (PS) Multan made payment of HSRA amounting Rs 1.019 million during 2018-19 to the officers / officials who were not posted at their original place of posting. They were working at different offices on general duty.

Audit is of the view that due to weak internal controls, HSRA was paid to the employees without performance of duties at their original place of posting.

Non-performance of duty at original place of posting resulted in irregular expenditure of HSRA amounting Rs 1.019 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 1.019 million besides fixing responsibility on the person(s) at fault.

[AIR No.19]

**14.2.5.2.29 Irregular expenditure on repair of machinery and equipment - Rs 1.051 million**

According to rule 35 (4) of Punjab Procurement Rules, 2014, the bidders shall be promptly informed about the rejection of the bids, if any.

MS THQ Hospital Shujabad Multan incurred expenditure of Rs 1.051 million during 2018-19, on account of repair of medical machinery & equipment. The MS called tender for repair and two firms submitted their bids. Bid of M/s Malik Enterprises was rejected due to non-provision of sample. The sample in case of services or repair was not required and rejected bidder was also not informed about rejection in violation of the above rule. The requisition raised by different officers / official were neither entered in diary register nor visited to find out the fault in machinery.

Audit is of the view that due to weak financial controls, bid was rejected irregularly.

Rejection of technical bid and carrying out repair work from self-favored firm resulted in irregular expenditure amounting Rs 1.051 million.

The matter was reported to the PAO and DDO concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 27]

### **14.2.5.3 Value for Money and Service Delivery Issues**

#### **14.2.5.3.1 Irregular payment through cash instead of crossed cheques - Rs 9.807 million**

According to rule 4 (b) of Punjab District Authorities (Accounts) Rules, 2017 the District Authority shall made payment through crossed, non-negotiable cheques exceeding rupees one thousand.

DHO (PS) Multan made payment of Rs 9.807 million in cash during 2018-19, instead of crossed cheques in violation of above rule. District Accounts Officer irregularly issued cheques in the name of DDO on account of electricity charges of different BHUs, leave encashment and payment of financial assistance bills. Further, the DDO issued cheques in favor of cashier and cahier made the disbursement in cash.

Audit is of the view that due to weak internal controls, payment was made in cash instead of crossed cheques.

Violation of rules resulted in irregular payment of Rs 9.807 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.11 & 10]

#### **14.2.5.3.2 Loss due to charging excess rates of medicines - Rs 2.101 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.



MS THQ Hospital Shujabad withdrew Rs 2.101 million during 2018-19 by charging excess rates of medicines. The rate award of medicines was concluded by CEO (DHA) Multan but DDO purchased these medicines as LP instead of bulk purchase. In the presence of rate contract, the medicines were purchased as LP on higher rates which resulted in loss to the government.

Audit is of the view that due to weak financial controls, medicines were purchased as LP on excess rates instead of awarded rates.

Purchase of medicines on excess rates resulted in loss of Rs 2.101 million to the government.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of excess withdrawal amounting Rs 2.101 million besides fixing responsibility on the person(s) at fault.

[AIR No.8]

#### **14.2.5.3.3 Irregular withdrawal on fake hotel bills Rs 1.037 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The CEO (DHA) Multan, withdrew Rs 1.037 million on bogus hotel bills by showing stay during the visits of Lahore. Hotel bills were bogus due to the following reasons:

1. Claims of hotel bills were according to their denomination (Ceiling) while there was same hotel & same room No. occupied by the different official & officers.

2. Serial No. of hotel bills were bogus and were not according to date.
3. Rate of hotel bill was quite high.
4. All the amount of hotel bill was drawn upto the full ceiling of the officer / official.
5. There was difference in the travelling time, reaching time as per TA/Bill and as per Hotel Bill.
6. There were different timing of arrival and check out but the writing on the bills of hotels was same.

Audit is of the view that due to weak management controls, bogus hotel bills were processed for payment.

Excess withdrawal against bogus bills resulted in loss to Government of Rs 1.037 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that confirmation of hotel bills be made from the concern hotel and responsibility be fixed and recovery of amount be made under intimation to Audit.

[AIR No.1]

## **14.5.2.4 Others**

### **14.2.5.4.1 Irregular assigning of DDO powers and withdrawal of funds - Rs 671.667 million**

According to rule 2 (P) of Punjab District Authorities (Accounts) Rules, 2017, drawing and disbursing officer means an officer, designated as such by the principal accounting officer (PAO), who prepares estimates of expenditure and actually incurs expenditure and makes disbursement of the amount drawn.

Deputy Commissioner Multan, being administrator of District Health Authority illegally assigned the DDO powers of DHO (PS) to DHO (HRM&MIS) vide office order dated 23.01.2018. DHO (HRM&MIS) exercised the powers of drawing and disbursing officer of the office of DHO (PS) till 31.12.2018 despite the availability of regular designated drawing and disbursing officer. He withdrew Rs 318.122 million from different cost centers of DHO (PS) on illegal order of Deputy Commissioner / Administrator of District Health Authority Multan. Similarly, CEO (DHA) assigned the powers of drawing and disbursing officer of the office of DHO (PS) to DHO (MS) despite the available designated drawing and disbursing officer nominated by the Government of Punjab. DHO (MS) irregularly used the powers of DHO (PS) and withdrew Rs 353.545 million from different cost centers of DHO (PS).

Audit is of the view that due to weak internal controls, funds were withdrawn without legal authority.

Violation of rules resulted in irregular withdrawal of funds amounting Rs 671.667 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.1]

**14.2.5.4.2 Doubtful preparation and withdrawal of bills - Rs 16.624 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

DHO (PS) Multan and MS THQ Hospital Shujabad withdrew Rs 16.624 million during 2018-19 on account of purchase of LP medicines, uniform and protecting clothing, consumable items etc. during the last five days of financial year without recording stock entries of the consumable items. Budget was allocated well in time and was utilized as per needs and demand. But in the last days of June, bogus and fake bills were prepared to withdraw heavy amounts by splitting the value of indents to avoid the tender process.

Audit is of the view that due to weak internal controls bills were prepared to withdraw funds in the last days of financial year.

Doubtful preparation and withdrawal of funds at the end of financial year resulted in irregular expenditure amounting Rs 16.624 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry at appropriate level and fixing of responsibility on the person(s) at fault.

[AIR No. 6, 29]

**14.2.5.4.3 Irregular purchases without obtaining sales tax invoices - Rs 16.533 million**

According to Sales Tax Special Procedure 2007, supplier will issue sales tax invoices and withholding agent shall deduct sales tax 1/5<sup>th</sup>.

MS THQ Hospital Shujabad purchased X-ray films, bedding & clothing, stationery, printing and cost of others store items amounting Rs 16.533 million during 2018-19 without obtaining sales tax invoices from the suppliers. It was also observed that most of the bills were in sequence and dateless.

Audit is of the view that due to weak internal controls, sales tax invoices were not obtained and gross amount was paid.

Purchases without obtaining sales tax invoices resulted in unauthorized purchases and loss amounting Rs 16.533 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure / inquiry of the matter besides fixing responsibility on the person(s) at fault.

[AIR No.15]

**14.2.5.4.4 Irregular purchases without assessing needs and demands - Rs 6.676 million**

According to rule 16.10 (xiii)(b) of the Punjab Budget Manual, purchases largely in excess of requirements is a financial irregularity. Further, according to rule 2.10 of PFR Vol-1 same vigilance should be exercised in respect of expenditure out of government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money.

DHO - PS Multan withdrew Rs 6.676 million during 2018-19 on account of purchase of machinery and equipment. Payment was made during the month of June

2019 on the basis of centralized rate contract made by the Secretary Primary and Secondary Healthcare Department Lahore. All the purchases were made without assessing the demand and requirement of the office just to oblige the contractors or satisfy the superiors. Such purchases of 20 desk top computers Core-i7, 19 heavy duty printers, 3 Core i7 laptops were distributed without entry in permanent stock register.

Audit is of the view that due to weak financial management, government resources were wasted by making purchase without assessing needs and demands.

Non-observance of financial rules resulted in irregular purchases amounting Rs 6.676 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.8]

#### **14.2.5.4.5 Non-deposit of receipts in account VI of DHA Multan - Rs 3.850 million**

According to rule 7 (g), (h) and 11 (2) of District Authorities Accounts Rules, 2017, all receipts of authority shall be collected through bank. All cash transactions shall be entered in Receipts Register and cashbook as soon as they occur and attested in token of check. The CEO shall ensure that any sums due to District Authority are promptly realized and credited to the local fund. The amounts credited to the local funds as reported by the accounts officer are reconciled or verified with the records on monthly and annual basis.

MS GMSS DHQ Hospital Multan had not deposited the receipts on accounts cycle stand fee and tender fee of amounting Rs 3.850 million during 2018-19 into accounts VI of District Health Authority, Multan.

Audit is of the view that due to weak internal controls, the receipts were not deposited in District Health Authority Account VI.

Non-deposit of hospital receipts in local funds resulted in loss of Rs 3.850 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends deposit of receipts in District Health Authority Account VI besides fixing responsibility on the person(s) at fault.

[AIR No.6]

#### **14.2.5.4.6 Non-blacklisting / non-forfeiture of performance guarantee despite non-delivery of medicine – Rs 3.302 million**

According to rules 21 (2) of PPRA Rules 2014, a procuring agency is satisfied that a contractor has acted in a manner detrimental to the public interest or good practices or has consistently failed to perform his obligation under the contract or his performance has not been up to mark or he is found indulging in corrupt or fraudulent practice, the procuring agency may, after affording him an opportunity of hearing and through a notification, debar him from participating in any public procurement process of the procuring agency for such period as the procuring agency may determine in the light of the circumstances of the case.

MS GMSS DHQ Hospital Multan placed orders for supply of medicines to various suppliers with whom central rate contract was made by the authority i.e. CEO, DHA Multan, but the required medicine amounting Rs 3.302 million was not provided by the suppliers during 2018-19. The management neither made serious

effort for provision of required medicine nor took necessary steps for black listing of supplier or forfeiture of their performance guarantee of Rs0.165 million.

Audit is of the view that due to weak internal controls, defaulting contractors were neither blacklisted nor was performance guarantee forfeited.

Non-blacklisting / non-forfeiture of performance guarantee resulted in non-supply of required medicine amounting Rs 3.302 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends blacklisting / forfeiture of performance guarantee besides fixing responsibility on the person(s) at fault.

[AIR No.26]

#### **14.2.5.4.7 Defective maintenance of record - Rs 2.801 million**

According to rule 2.2 of the PFR Vol-I, a simple Cash Book in P.F.R. Form-I should be kept in every office, receiving or disbursing money on behalf of Government regularly or frequently. All cash transactions should be entered in the Cash Book as soon as they occur and attested in token of check.

MS THQ Hospital Shujabad did not maintain the record of log book, X-Ray, Laboratory, Ultra sound and ECG fee amounting Rs 2.801 million during 2018-19. The meter reading was not written on logbook. The expenditure on POL without meter reading could not be verified. Further, fees of various departments of hospital was received and deposited in treasury but the same was not entered in cash book and their deposit proof was also not shown to Audit.

(Rupees in million)

<b>Sr. No</b>	<b>Particulars</b>	<b>Amount</b>
1	Cash Books	1.844
2	Log Books	0.957
<b>Total</b>		<b>2.801</b>



Audit is of the view that due to weak internal controls, record of logbook and receipts was not maintained.

Violation of rules enhanced the chances of misappropriation and resulted in non-maintenance of record amounting Rs 2.801 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 14, 26]

#### **14.2.5.4.8 Unjustified payment of GST on utility bills – Rs 1.862 million**

According to the Sales Tax Act, 1990 as amended vide Finance Act, 2009 and Finance Amendment Ordinance, 2009 Schedule of exemptions vide Sr. No. 52-A of Table - I of 6<sup>th</sup> Schedule, Sales Tax was exempt on goods supplied to hospitals run by the Federal Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of 200 or more beds.

MS GMSS DHQ Hospital Multan and MS THQ Hospital Shujabad, made payment of Rs 1.862 million during 2018-19 on account of to MEPCO and SNGPL on electricity bills and gas bills respectively. The payment of GST was irregular and unjustified as the hospitals were exempt from GST.

Audit is of the view that due to weak internal controls, payment of GST was made without observing the government instructions.

Payment of GST despite exemption resulted in loss amounting Rs 1.862 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery / adjustment of Rs 1.862 million, besides fixing responsibility on the person(s) at fault.

[AIR No.4, 7]

**14.2.5.4.9 Non-existence of mechanism of collection of receipt and non-deduction of income tax – Rs 1.522 million**

According to Section 153 of Income tax Ordinance 2001 “Advance Tax was 10% of income from filer of tax return and 15% of income from non-filer of tax return. Further, as per rule 4.1 PFR Vol-I, the departmental controlling officer should accordingly see that all sums due to government are regularly received, checked against demands, and that they are paid into treasury.

MS GMSS DHQ Hospital Multan had collected Rs 1.522 million during 2018-19, on account of laboratory fee, ECG, MLC etc. and made payment to employees as share without deduction of income tax amounting to Rs 1.522 million on account of the share of employee’s.

Audit is of the view that due to weak internal controls, satisfactory procedure for the collection of miscellaneous receipts was not developed and advance income tax was not deducted from the employees share.

Violation of rules resulted in loss amounting Rs 1.522 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery and deposit of Rs 1.522 million to the concerned department besides fixing responsibility on the person(s) at fault.

[AIR No.23]

#### **14.2.5.4.10 Unauthorized issuance of POL to Epidemic Prevention and Control Program – Rs 1.033 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Chief Executive Officer (District Health Authority) Multan made unauthorized payment of Rs 1.033 million during 2018-19 on account of POL for vehicles pertaining to the pool of Epidemic Program.

Audit is of the view that due to weak internal controls, funds were utilized for irrelevant vehicles without any justification.

Unauthorized payment of POL resulted in loss of Rs 1.033 million to the government.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.18]

#### **14.2.5.4.11 Unauthorized payment of POL to the employees of other cost centers - Rs 1.008 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

District Officer Health (PS) made unauthorized payment of POL amounting Rs 1.008 million during 2018-19 to the employees drawing pay and allowances from the other cost centers.

Audit is of the view that due to weak internal controls, POL was withdrawn on the name of employees working in other offices.

Payment of POL to the employees of other cost centers resulted in irregular payment of Rs 1.008 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.20]

## 15. District Health Authority (DHA) Pakpattan

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Pakpattan on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,670.395	694.208	(976.187)	-58%
Non-salary	341.432	270.809	(70.623)	-21%
Development	23.747	308.357	284.610	1199%
<b>Sub Total</b>	<b>2,035.574</b>	<b>1,273.374</b>	<b>(762.200)</b>	<b>-37%</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 295.192 million was provided for purchase of medicines against which only Rs 122.101 million was utilized resulting in lapse of Rs 173.091 million (59%).
- An amount of Rs 12.778 million was provided for procurement of machinery and equipment against which an amount of Rs 9.064 million was utilized resulting in lapse of Rs 3.714 million (29%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 762.200 million was lapsed due to inefficient management.

**Analyses of Appropriation Accounts and Financial Statements  
(Certification Audit 2019-20)**

The following issue surfaced during Certification Audit of District Health Authority Pakpattan for the Audit Year 2019-20.

- Non Reporting of Fixed Assets – Rs 9.064 million

This issue was discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, this issue has been reported in the audit certificate as emphases of matter.

**ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Pakpattan was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No.	Indicators	Target 2018-19	Achievement 2018-19	Remarks
1	Outdoor Patients	-	1227776	-
2	Indoor Patients	-	51055	-
3	Surgical Cases	-	10876	-
4	Cardiac Coronary Unit	-	8447	-
5	Diagnostic Services (Laboratory, Radiology)	-	535399	-
6	Family Planning Activities	-	30605	-
7	Peads	-	64551	-
8	Surgery	-	36216	-
9	T.B Chest Treatment	-	25357	-

10	Free Medicine to Patients	-	1227776	-
11	EPI Vaccination	-	189869	-
12	Sanctioned Posts (Doctors/Specialists)	-	-	-
13	Gazetted Staff/ Technical Staff	-	-	-
14	Other Staff	-	-	-

\*Source: Data received from CEO (DHA) Pakpattan

### **iii. Serious Financial Irregularities and Findings**

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- Record of expenditure amounting to Rs 1.715 million was not produced in 02 cases.
- Irregularities and non-compliance of rules amounting to Rs 1,260.801 million was observed in 42 cases.
- Weak Internal Controls involving amount of Rs 233.064 million was noticed in 40 cases.
- Poor performance of the management having financial impact of Rs 25.057 million was found in 30 cases.

### **iv. Service Delivery Issues**

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service, indoor patient's services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

### **v. Expectation Analysis and Remedial Measures**

#### **District Health Authority**

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development

remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary health care facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.



## **15.1.1 Audit Paras**

### **15.1.1.1 Non Reporting of Fixed Assets – Rs 9.064 million**

**Risk Categorization: High**

***Criteria:***

According to Section 2.2.7 of the Financial Reporting Manual a statement of fixed assets should be prepared for each reporting period.

***Facts:***

During certification audit of A/C VI it was noticed that District Accounts Officer Pakpattan neither prepared “Statement of Fixed Assets” for the year 2018-19 nor were the Fixed Assets reported in the Balance Sheet, in violation of section 2.2.7 of the Financial Reporting Manual. Furthermore, expenditure of Rs 9.064 million was booked in the accounts as A09 (Purchase of Assets), but same was not reflected in the balance sheet. Furthermore, assets of health department were more than the amount mentioned above in shape of hospital buildings, furniture & fixture, machinery and equipment etc.

***Implications:***

- Financial statement did not show proper record
- Valuations of assets could not be maintained
- Chances of errors could not be ruled out

***Recommendations:***

The detail regarding fixed assets may be maintained at appropriate level.

***Management Response:***

The DAO replied that fixed assets statement is being maintained in SAP R/3. A fixed account number is generated at the time of punching and processing of purchase of assets claims of every department. The fix assets list punched during the financial year 2018-19 can be examined from SAP R/3

***DAC Decision:***

Committee decided to shift the para on department and department will take the matter with higher authorities to resolve the matter. Para kept pending.

## **Chapter 2**

### **DHA Pakpattan**

#### **15.2.1 Introduction**

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

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health services delivery personnel under the policy framework given by the government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Pakpattan manages following primary and secondary health care facilities and institutes:

Description	No. of Health facility/ Institute
Basic Health Units	54
Government Rural Dispensary	10
Rural Health Centre	05
Tehsil Head Quarter Hospitals	01
District Head Quarter Hospital	01
District Health Development Centre	01
District Health Officer	01
Nursing School	01

\*Source: Data received from CEO (DHA) Pakpattan

The following table shows detail of total & audited formations of DHA Pakpattan:

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	15	05	203.820	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

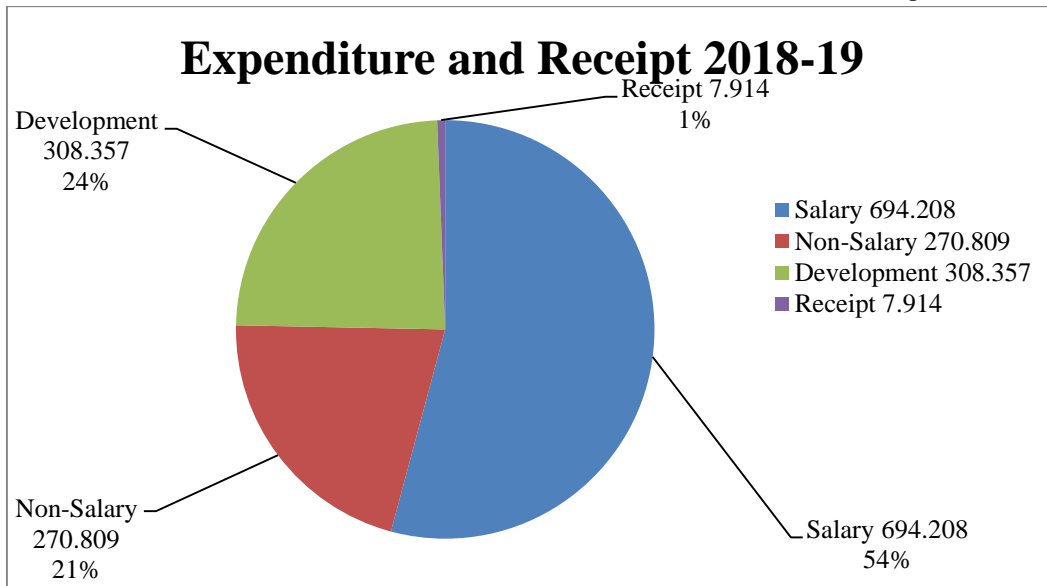
### 5.2.2 Comments on Budget and Accounts (Variance Analysis)

The detail of Budget and Expenditure is given below in tabulated form

(Rupees in Million)

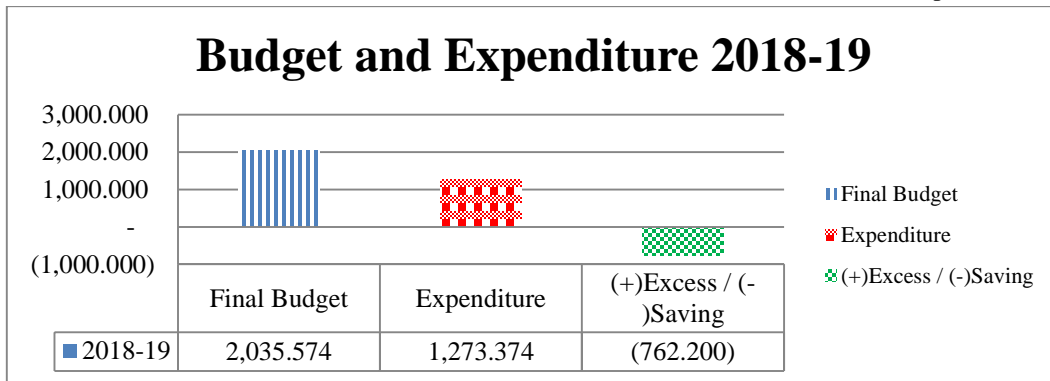
2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,670.395	694.208	(976.187)	-58%
Non-salary	341.432	270.809	(70.623)	-21%
Development	23.747	308.357	284.610	1199%
<b>Sub Total</b>	<b>2,035.574</b>	<b>1,273.374</b>	<b>(762.200)</b>	<b>-37%</b>
Receipts	11.306	7.914	(3.392)	-30%

(Rupees in Million)

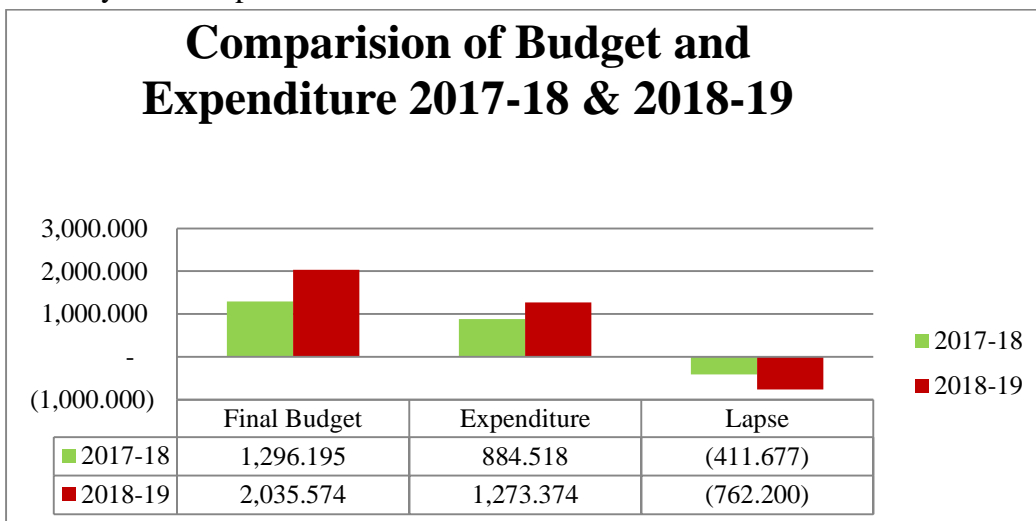


As per the Appropriation Accounts 2018-19 of the District Health Authority Pakpattan, total original budget (Development and Non-Development) was Rs 1,654.383 million, supplementary grant was provided Rs 381.192 million and the final budget was Rs 2,035.574 million. Against the final budget, total expenditure of Rs 1,273.374 million was incurred by the District Health Authority during the financial year 2018-19. A lapse of Rs 762.200 million came to the notice of Audit, which shows that the District Health Authority failed to provide services and infrastructure development. No plausible explanation was provided by the PAOs / Administrator and management of District Health Authority. **(Annexure-B)**

(Rupees in million)



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



There was 57% and 44% increase in budget allocation and expenditure incurred in financial year 2018-19 as compared to financial year 2017-18, while there was overall savings of Rs 762.200 million during 2018-19.

### 15.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,510.594 million were raised as a result of this audit. This amount also includes recoverable of Rs 32.338 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	1.715
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR / employees related irregularities	81.644
B	Procurement related irregularities	219.534
C	Management of Accounts with Commercial Banks	966.594
4	Value for money and service delivery issues	13.703
5	Others	227.404

### 15.2.4 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 but have not been examined by the Public Accounts Committee.

#### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2018-19	50	PAC not constituted

## 15.2.5 AUDIT PARAS

### 15.2.5.1 Non-Production of Record

#### 15.2.5.1.1 Non-production / non-maintenance of record – Rs 1.715 million

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”. Furthermore, according to Section 108 (2) of the Punjab Local Government Act 2013, “The Auditor-General shall audit the accounts of a local government in such form and manner as may be deemed appropriate”.

The CEO (DHA) and DHQ Hospital Pakpattan did not produce the record involving Rs 1.715 million for the Financial Year 2018-19 for Audit scrutiny despite repeated written and verbal requests. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO DHA Pakpattan	Non production of record and non-maintenance of record	1.447
2	MS DHQ Pakpattan	Non production of record of income tax deduction	0.268
<b>Total</b>			<b>1.715</b>

Audit is of the view that non-production of record of Rs 1.715 million created doubt regarding legitimacy of expenditure.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility and appropriate disciplinary action be taken against concerned DDO for non-production of record of Rs 1.715 million besides immediate production of record.

[AIR Para No. 5, 8]



## 15.2.5.2 Irregularities

### 15.2.5.2.1 Non-maintenance of cash book and Imprest account – Rs 966.594 million

According to rule 12 (a) (b) (i) (iii) (iv) of Punjab District Authorities (Accounts) Rules, 2017 The budget and accounts officer shall maintain the accounts of a District Authority. Monitor the expenditure of the office of a District Authority against the approved budget, maintain and examine appropriation control register for each object of expenditure and record necessary entries of each transaction in the register. Prepare monthly and annual statement of receipts and expenditure and get them reconciled with the accounts of the accounts officer of a District Authority. Maintain drawing and disbursing officer's cash book of receipt and expenditure of a District Authority and general cash book of a District Authority.

The CEO (DHA) and DHQ Pakpattan did not maintain general cash book of receipts, expenditure and imprest account for the period 2018-19 involving funds of Rs 966.594 million. The detail is as under:

(Rupees in million)

DDOs	Major Head	Description	Amount
CEO Pakpattan	A01	Employee Related Expenditure	672.535
	A03	Operating Expenditure	223.442
	A04	Pension Contribution and retirement benefits	21.673
	A05	Grants	8.700
	A06	Transfer Payments	23.586
	A09	Purchase of Physical Assets	9.064
	A13	Repair and Maintenance	6.594
MS DHQ Pakpattan		Imprest account	1.000
		<b>Total</b>	<b>966.594</b>

Audit is of the view that due to weak internal controls cash book and imprest account was not maintained.

Violation of rules resulted in non-maintenance of cash book and imprest account amounting to Rs 966.594 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends corrective measures besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 24, 7]

#### **15.2.5.2.2 Irregular award of contracts to non-participant bidders – Rs 89.756 million**

According to rule 30 of PPRA Rules 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. All bids shall be opened publicly in the presence of the bidders or their representatives who may choose to be present, at the time and place announced prior to the bidding and the procuring agency shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening. All bidders in attendance at the time of opening of the bids shall sign an attendance sheet. The bids submitted after the closing time prescribed shall be rejected and returned without being opened.

The CEO (DHA) Pakpattan awarded contracts of medicines amounting Rs 89.756 million during the Financial Year 2018-19 to non-participant bidders in violation of above rules. As per attendance sheets, the successful bidders were not participated in the bid opening process as 72 firms were finalized by technical evaluation committees on various three dates but attendance of only 56 firms was shown on attendance sheet of opening of financial bids on three dates but interestingly contracts were awarded to all 47 firms in violation of above rules.

(Rupees in million)

Sr. No.	Batch	Tech. bid date	No. of firms in list	Attendance of firms	Firms finalized by Tech committee	Financial Bid date	No. of firms in list	Attendance	No. of firms finalized	Amount of contract agreement
1	First	04.12.2018	31	29	18	24.12.18	18	2	14	47.350
2	Second	14.01.2019	31	26	30	08.02.19	30	8	26	36.902
3	Third	05.03.2019	10	8	8	20.04.19	8	2	7	5.504
<b>Total</b>			<b>72</b>	<b>63</b>	<b>56</b>		<b>56</b>	<b>12</b>	<b>47</b>	<b>89.756</b>

Audit is of the view that due to weak internal control, contracts were awarded without participation in the process.

Award of contracts without participation in the process resulted in violation of rules as well as irregular expenditure.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 10]

### **15.2.5.2.3 Irregular expenditure due to incomplete Purchase Committee – Rs 68.917 million**

According to Government of the Punjab, Primary & Secondary Healthcare Department letter No.SO (B&A) 1-71/2018-19 dated 16<sup>th</sup> November, 2018 following purchase committee was constituted:

- |   |          |
|---|----------|
| 1. Deputy Commissioner                        | Chairman |
| 2. CEO (DHA)                                  | Member   |
| 3. Rep of P&SHC Department                    | Member   |
| 4. Deputy Director (Development)              | Member   |
| 5. Finance & Planning officer                 | Member   |
| 6. Secretary, DQCB                            | Member   |
| 7. Health Expert / MS (to be nominated by DC) | Member   |

Chief Executive Officer (DHA) Pakpattan made rate contracts for purchase of medicines amounting Rs 68.917 million during 2018-19 without insuring presence of members of purchase committee. Financial bids were opened and rates finalized in absence of representative of P&SHC Department. The detailed is given below:

(Rupees in million)

Sr. No.	Phases	Amount
01	Phase-II	59.324
02	Phase-III	9.593
<b>Total</b>		<b>68.917</b>

Audit is of the view that due to financial indiscipline purchases were made without complete Purchase Committee.

Procurement without ensuring members of purchase committee resulted in violation of instructions.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 1]

#### **15.2.5.2.4 Non-utilization / surrender of funds – Rs 44.062 million**

According to rule 15 (a) (b) of (District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer shall be responsible to prepare estimates of expenditure of the concerned office, maintain budget control register, record entries of each transaction therein against corresponding allocation and make assessment of expenditure likely to be made during the financial year and takes measures accordingly.

CEO DHA Pakpattan neither utilized nor surrendered allocated funds Rs 44.062 million during 2018-19. Funds of Rs 136.108 million were allocated out

of which Rs 44.062 million were lapsed. The funds were lapsed due to negligence of DDO concerned.

Audit is of the view that due to weak financial controls, savings were not surrendered.

Non-surrender of savings resulted in non-availability of funds for other formations of DHA to whom funds were required.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 26]

#### **15.2.5.2.5 Irregular local purchase of medicines – Rs 24.470 million**

According to Government of the Punjab, Primary & Secondary Healthcare Department notification No.PSHD-TC0-1 (M) 6-14/2017 dated 16.12.2017, in order to ensure transparency, a local on line purchase portal has been designed with various features and requirements as total allocated budget for medicines for local purchase-budget consumed and budget remaining, a password and login will be issued to In-charge pharmacist / medical superintendent / consultant for data entry in local purchase portal and locally purchased items will be posted in portal on daily basis. Purchase order may be emailed to the LP supplier through LP portal. Contractor will submit invoice / bill with supply on daily basis. The tender should be awarded to the contractor as per Punjab Procurement Rules, 2014 offering maximum discount on medicines of multinational manufacturers, local manufacturers and for surgical / disposable items. Further, a formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic.

MS DHQ Hospital Pakpattan and MSTHQ Hospital Arifwala incurred expenditure amounting Rs 24.470 million during 2018-19 on account of local purchase of medicines. LP medicines were procured beyond the approved formulary of P&SHD at excessive rates than label prices. The detail is as under.

Audit is of the view that due to weak internal controls, non-formulary medicines were procured against the policy guidelines.

Purchase of non-formulary medicine and payment of excess than printed price resulted in irregular purchase of LP medicine amounting Rs 24.470 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 9, 15]

#### **15.2.5.2.6 Irregular expenditure by splitting – Rs 20.061 million**

According to rule 12, 8 and 9 of the 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 website / print media. 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.

Chief Executive Officer DHA Pakpattan and MS THQ Hospital Arifwala incurred an expenditure amounting Rs 20.061 million during 2018-19 on account of various purchases and repair items under different heads of accounts without tender

process by splitting up the indents of purchase through quotations or without quotations. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS THQ Arifwala	Expenditure through splitting of indents	17.029
2	CEO Pakpattan	Irregular purchases by splitting the value of indents	2.435
3	MS THQ Arifwala	Expenditure through splitting of indents	0.597
<b>Total</b>			<b>20.061</b>

Audit is of the view that due to weak financial controls, expenditure was incurred by splitting to avoid the tendering process.

Non-compliance of PPRA Rules resulted in irregular expenditure amounting Rs 20.061 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 16, 2, 22]

#### **15.2.5.2.7 Irregular revised allocation of funds against ‘Nil’ budget – Rs 11.555 million**

According to rule 5 (2) (a) & (b) of the District Authorities Budget Rules 2017, the Head of office is responsible for all matters relating to the budget for the office under his administrative control, ensure strict financial control.

The CEO (DHA) Pakpattan allocated funds amounting Rs 11.555 million to those detail object heads for which there was no budget allocation / appropriation in the original budget estimate. Revised allocation was made against “Nil” budget appropriation during the period 2018-19.

(Rupees in million)

Sr. No.	Fund Center	Major Object	Detail Object Description	Budget Grant	Releases
1	PY9015 – Deputy District Health Officer Pakpattan	A13	A13101-Machinery and equipment	0	0.010
2	PY9016 – Deputy District Health Officer Arifwala	A12-2	A01277-Contingent paid staff	0	0.050
3	PY9007-DHQ Hospital Pakpattan	A03	A03927-Purchase of drugs and medicine (Dialysis medicine)	0	7.128
4	PY9008 – MS THQ Hospital, Arifwala	A03	A03927-Purchase of drugs and medicine (Dialysis medicine)	0	4.367
<b>Total</b>					<b>11.555</b>

Audit is of the view that due to weak financial management the budget allocation was made against “Nil” allocations.

Allocation of funds against “Nil” budget heads resulted in irregular revised allocation of funds amounting Rs 11.555 million.

The matter was reported to the PAO / DDOs in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 13]

#### **15.2.5.2.8 Irregular expenditure of pay and allowances – Rs 8.769 million**

According to Government of the Punjab Finance Department notification No.FD/SRIV-8-1/76 (PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department. Further, Health Department letter No.PA/DSA-1/3/94 dated 19.03.1994 and DA/DSC/1294 dated 12.12.1995 letter No.4113-5/E dated 25.03.1998, letter No.18872-76/E dated 05.11.1996 and letter No.3961-4050/C dated 13.02.2004 to DO (Health) stipulates that all kind of general duties were done



away with direction that if any person was found on general duty his absence should be considered along with disciplinary action.

According to Government of the Punjab Finance Department notification No.FD/SRIV-8-1/76 (PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department. Further, Health Department letter No.PA/DSA-1/3/94 dated 19.03.1994 and DA/DSC/1294 dated 12.12.1995 letter No.4113-5/E dated 25.03.1998, letter No.18872-76/E dated 05.11.1996 and letter No.3961-4050/C dated 13.02.2004 to DO (Health) stipulates that all kind of general duties were drawn away with direction that if any person was found on general duty his absence should be considered along with disciplinary action.

Following DDOs of District Health Authority Pakpattan allowed payment of pay and allowances amounting Rs 8.769 million during 2018-19 to the staff posted on general duty at different health facilities in violation of above rules. Orders of competent authority regarding general duty followed by approval of Finance Department were not available in the office record.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS DHQ	Non-deduction of salaries due to absent from duty	7.540
2	Pakpattan	Drawl of pay and allowances after retirement	0.237
3	MS THQ Arifwala	Payment of pay and allowances despite resignation from service or transfer	0.569
4		Pay and allowances of non-existent / ghost employee	0.301
5		Payment of pay and allowances during Absence / extraordinary leave	0.122
<b>Total</b>			<b>8.769</b>

Audit is of the view that due to weak management, payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of Government instructions regarding general duty resulted in irregular payment of pay and allowances amounting Rs 8.769 million.

The matter was reported to PAO and DDOs in the month of September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 8, 15, 24, 10, 20, 13, 1]

#### **15.2.5.2.9 Irregular withdrawal of inadmissible allowances – Rs 5.977 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Following DDOs of District Health Authority Pakpattan made payment amounting Rs 5.977 million during 2018-19 on account of inadmissible 40% of incentive allowance, conveyance allowance to employees who have designated vehicles, hill allowance, project allowance, health risk allowance, HSRA without entitlement, personal allowance and non-practicing allowance to health department employees. Necessary detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particular</b>	<b>Amount</b>	<b>Violation of rules / instructions / orders</b>
1	DHQ Pakpattan	Irregular withdrawal of Incentive allowance by consultants without evening round	2.968	According to Primary and Secondary Health Care Department Notification No.PA/OS/(G)4-8/2016 dated 03.08.2016
2	MS THQ Arifwala	Irregular withdrawal of Incentive Allowance without delivering anything / evening round in ward	1.766	
3		Payment of personal allowances to Nurses	0.277	Finance Department, Lahore letter No. FD.SR-II/9-214/2013 dated 02.04.2014
4	SMO RHC Bunga Hayat	Unauthorized excess withdrawal of annual increments	0.138	Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017
5	MS THQ	Recovery of Inadmissible Allowances	0.158	Section Officer (ND),

Sr. No.	DDOs	Particular	Amount	Violation of rules / instructions / orders
	Arifwala			
6	MS DHQ Pakpattan	Excess drawl of Health Sector Reform Allowance than the entitlement	0.249	Health Department Government of the Punjab letter No. SO (ND) 2-26/2004(Vol-II) dated 20.02.2015, in continuation of this department's order No. SO(ND)2-26/2004(Vol-II) dated 07.08.12 and 13.01.2012
7	CEO DHA Pakpattan	Unauthorized withdrawal of HSRA	0.209	
8		Unauthorized withdrawal of different allowances without admissibility	0.212	Adhoc Allowance 2010@ 50%, HSRA, Adj-Mobility allowance, Adhoc Relief Allow-2014, Adhoc Allowance 2013 @10%, Risk Allowance and Adj. Social Security Benefit
<b>Total</b>			<b>5.977</b>	

Audit is of the view that due to weak internal controls, inadmissible allowances were paid without entitlement.

Payment of inadmissible allowances resulted in loss amounting Rs 5.977 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 5.977 million besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 23, 1, 13, 17, 22, 19, 26, 3]

#### **15.2.5.2.10 Irregular award of acceptance of tender on incomplete tender documents- Rs 5.279 million**

According to clause 1 (5) of bidding document, compulsory parameters / knockdown criteria for the procurement of medicines, the firms are required to provide Annual Sales Tax turnover / gross revenue of the bidder. For the purpose the

bidders are required to submit FBR document i.e. Income Tax return for the financial year 2018-19.

The CEO (DHA) Pakpattan issued acceptance of tenders amounting Rs 5.279 million to following firms during 2018-19. The scrutiny of tender documents revealed that firms did not submit sales tax return for the Financial Year 2018-19 in violation of condition of tenders. The annual sales tax turnover / revenue of firm could not be assessed to verify the financial worth of bidders in the absence of FBR return. This also depicts defective scrutiny of tendering process. The detail is as under:

(Rupees in million)

Sr. No.	Name of firms	Work acceptance letter No & Date	Amount
1	M/s Silver Pharmaceuticals (Pvt.) Ltd. Karachi	No. 24/2018-19 dated 09.03.2019	2.030
2		No. 1331 dated 19.03.2019	0.677
3		No. 5542/ CEO (H) dated 18.03.2019	0.338
4	M/s Kaumedex Pvt. Ltd. Lahore	No. 31/2018-19 dated 09.03.2019	1.459
5		No. 1323 dated 19.03.2019	0.575
6		No. 1535 dated 18.03.2019	0.200
<b>Total</b>			<b>5.279</b>

Audit is of the view that due to weak internal controls, irregular work acceptance was issued.

Issuance of acceptance of work on incomplete tender resulted in irregular expenditure amounting Rs 5.279 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 14]

#### 15.2.5.2.11 Irregular clearance of pending liabilities without allocation of funds - Rs 4.748 million

According to rule 2.10 (b) (3) of the PFR Vol-I, no charges / claims of previous years should be allowed to stand over to be paid from the grant of another year. Further, according to para 2 of letter No.FD (W&M) 22-1/2018-19/DHA/2022 dated 30th November, 2018 issued from Government of the Punjab Finance Department specific amounts for non-salary budget for bulk purchase of medicines for health facilities of DHA for 2018-19 were not required to be utilized for other purpose other than mentioned in para-1 of the letter.

Following DDOs of District Health Authority Pakpattan withdrew funds amounting Rs 4.748 million during the Financial Year 2018-19 on account of payment of medicine bills of 2015-18 without allocation of separate budget for clearance of pending liabilities and sanction of higher authority. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO Pakpattan	Payment of Pending medicine bills	3.359
2	SMO RHC Bunga Hayat	Pending liabilities	0.227
3	SMO RHC Malka Hans Pakpattan	Pending liabilities	1.162
<b>Total</b>			<b>4.748</b>

Audit is of the view that due to weak financial controls, pending liabilities were cleared without allocation of separate budget and approval of competent authority.

Non-observance of rules resulted in irregular expenditure amounting Rs 4.748 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 15, 1, 13]

**15.2.5.2.12 Non-deduction of conveyance allowance and house rent allowance – Rs 3.185 million**

According to Government of the Punjab Finance Department (Monitoring Wing) notification No.FD (M.1)1-15/82-P-J dated 15/01/2000, in case of designated residence the officer / official for which residence is meant, cannot draw house rent allowance. He will have to pay 5% maintenance charges even if he does not avail the facility and residence remains vacant during the period. Further, according to clarification regarding conveyance allowance issued vide Government of the Punjab Finance Department letter No.FD.SR.I.9-4/86 (PR) (P) dated 15.10.2011, conveyance allowance was not admissible to those government employees residing within the premises of work place. Moreover, according to the Government of the Punjab Finance Department (Monitoring Wing) Notification No.FD(M.1)1-15/82-P-J dated 15/01/2002 and Government of Punjab allotment policy at district level dated 10/2002, a government servant occupying a house un-authorized and illegally be charged penal rent @ 60% of his basic salary.

Following DDOs of District Health Authority Pakpattan did not deduct house rent allowance and conveyance allowance amounting Rs 3.185 million during 2018-19 from salaries of employees residing in designated / allotted hospital residences and from the employees having designated residence inside hospital premises. Furthermore, MS THQ Hospital neither vacated nor recovered penal rent from the unauthorized occupants in the residences of the hospital. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS THQ Arifwala	Non-recovery of penal rent due to unauthorized occupation of the Government residences	2.200
2	SMO RHC Bunga Hayat	Unauthorized withdrawal of house rent allowance and conveyance allowance despite having residential job and availability of Government residences inside the premises	0.581
3	CEO (DHA) Pakpattan	Unauthorized withdrawal of house rent and conveyance allowance	0.404
<b>Total</b>			<b>3.185</b>

Audit is of the view that due to weak internal controls, unauthorized payment on account of house rent allowance and conveyance allowance was made.

Unauthorized payment on account of Conveyance Allowance and House Rent Allowance resulted in loss amounting Rs 3.185 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 3.185 million besides fixing responsibility on the person(s) at fault.

[AIR Para No. 19, 8, 8]

**15.2.5.2.13 Inadmissible payment of allowances during leaves – Rs 2.980 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to Government of the Punjab Finance Department letter No.FD.SR-I/9-34/2011 dated 12.10.2017, monthly incentive package to the specialist posted in various DHQs of Punjab, is not admissible during any kind of leave, as the said incentive is applicable when a specialist performs his / her duties.

Following DDOs of District Health Authority Pakpattan made payment of Rs 2.980 million during 2018-19 on account of different allowance to different staff on leaves. The calculations were made from available information. Hence, department is requested to recover from all the staff and actual recoverable during the period of Audit.

(Rupees in million)

Sr. No.	Name of Formation	Subject of Para	Amount
1	CEO Pakpattan	Payment of inadmissible allowances during leaves	1.368
2	THQ Arifwala	Payment of allowances during leave	1.220
3	DHQ Pakpattan	Irregular withdrawal of conveyance allowance during leave	0.299
4	RHC Bunga Hayat	Payment of inadmissible allowances during leaves	0.093
<b>Total</b>			<b>2.980</b>

Audit is of the view that due to weak internal controls, allowances were paid during leave period.

Payment of allowances during leave period resulted in loss amounting Rs 2.980 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.980 million besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 7, 20, 28, 4]

#### **15.2.5.2.14 Irregular appointment of daily wages / contingent paid staff – Rs 2.886 million**

According to Government of the Punjab, Finance Department notification No.RO (Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment and according to Para 3 of Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, it has also come to the notice of the Department that the Local Governments in Punjab are appointing the work charge / daily wages



employees without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules. Therefore, it has been decided that in future no work charge / daily wages employee will be appointed without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.

MS THQ Hospital Arifwala and SMO RHC Malka Hans made payment amounting Rs 2.886 million on account of wages to contingent paid staff during 2018-19. The record pertaining to appointments i.e. advertisement, number of applicants, criteria for appointments, minutes of committee and final approval of candidates was not maintained etc. Further, subsequent appointment / duty roaster of candidates was also not on record. The amount was drawn from DAO and deposited in the DDO's bank account from where payment was made through bearer cheques instead of cross cheques due to which the chances of misappropriation of funds cannot be ruled out.

Audit is of the view that due to weak internal controls, irregular appointment of contingent paid staff was made.

Violation of rules resulted in irregular appointment and payment on account of salary / wages of contingent paid staff amounting Rs 2.886 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditures from the competent authority besides inquiry in the matter and fixing of responsibility upon person(s) at fault.

[AIR Para No. 7, 2]

**15.2.5.2.15 Irregular payment of pay and allowances without availability of sanctioned posts - Rs 2.230 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The CEO (DHA) Pakpattan made payment amounting Rs 2.230 million on account of pay and allowances of Principal Medical Officer BS-20 at DHQ Hospital Pakpattan despite the fact that no post of PMO was available in the budget book of CEO for the financial year 2018-19. The detail is as under:

(Rupees in million)

Cost Centre	Personal No.	Name	Designation	Description	Amount
PY9007	30860453	Dr. Muhammad Abbas	Principal Medical Officer	Adhoc Relief All 2018 10%	0.097
				Adhoc Relief All 2017 10%	0.097
				Adhoc Relief All 2016 10%	0.072
				Medical Allow 15% (16-22)	0.040
				Special Health Care Allowance	0.040
				Convey Allowance 2005	0.005
				House Rent Allowance	0.019
				Basic Pay	0.974
				Health Professional Allowance	0.153
				Senior Post Allowance	0.009
				Entertainment Allowance	0.006
				Adjustments	0.718
<b>Total</b>					<b>2.230</b>

Audit is of the view that due to weak financial controls, pay and allowance was withdrawn without availability of sanctioned post in budget book.

Payment of pay and allowances without availability of sanctioned post resulted in unauthorized expenditure amounting Rs 2.230 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 3]

#### **15.2.5.2.16 Misclassification of expenditure – Rs 1.922 million**

According to rule 12 (b) (ii) of District Authorities Accounts Rules 2017, the Budget and Accounts Officer shall ensure that monthly expenditure is charged to relevant object code and remains within allocation.

MS DHQ Hospital Pakpattan incurred expenditure amounting Rs 1.922 million during 2018-19 by misclassification of head of accounts.

Audit is of the view that due to weak financial controls, the expenditure was charged to irrelevant head of account by ignoring the Government rules.

Violation of rules resulted in irregular expenditure amounting Rs 1.922 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.5]

**15.2.5.2.17 Unjustified receipt of unmarked medicines against the terms and conditions of supply orders - Rs 1.820 million**

Government of the Punjab Health Department (Purchase Cell) letter No. SO (P-1)11/3-64/2001 dated 6th September 2001, stipulates that the locally manufactured and locally packed imported drugs and medicines were required to be supplied strictly in accordance with prescribed colour, packing and marking. Further, as per clause of the terms and conditions of tender documents all the medicines were required to be supplied strictly in accordance with the green colour and the packing, with the printed logo of “Government Property” “Not for Sale”. This practice was very effective and safe against any chance of pilferage so that medicines cannot be sold in the local market by the respective health institutions.

MS DHQ Hospital Pakpattan purchased and accepted unmarked medicines amounting Rs 1.820 million by giving undue favor to the suppliers during 2018-19. The store of DHQ Hospital was inspected and report of the verification was also available as evidence that unmarked medicines were accepted.

Audit is of the view that due to weak financial controls, unmarked medicines were accepted against the terms and conditions of tender documents.

Acceptance of unmarked medicines against the terms and conditions of tender documents resulted in irregular expenditure amounting Rs 1.820 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.26]

#### **15.2.5.2.18 Doubtful expenditure on repair of vehicles – Rs 1.289 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

The CEO (DHA) Pakpattan incurred expenditure amounting Rs 1.289 million during 2018-19 on account of repair and replacement of spare parts of government vehicles. Scrutiny of log books revealed that vehicles were on road during repair which creates doubt about the authenticity of bills claimed. The repair expenditure was incurred through general order supplier instead of motor workshop. Furthermore, no dead stock register was maintained and produced to Audit. No auction of sale of replaced parts was on the record. Defect report was not obtained and history sheets were not maintained. Proper payee's acknowledgment of receipts was not obtained.

Audit is of the view that due to weak internal controls expenditure was incurred without observance of rules and maintenance of the record.

Incurrence of expenditure by ignoring the prescribed rules and without maintenance of record resulted in irregular expenditure amounting Rs 1.289 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends corrective measures and regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault.

[AIR Para No. 8]

**15.2.5.2.19 Unjustified expenditure on POL of generators without maintenance of log books – Rs 1.272 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

MS THQ Hospital Arifwala did not properly maintain log books of generators operative in the hospital. Funds amounting Rs 1.272 million were incurred on POL for generators while timing of generator operation was not mentioned in log books. Expenditure was incurred without obtaining fresh fuel consumption certificates from competent authority. Maintenance of log books was inappropriate without recording timing of generator operation as authenticity of the expenditure could not be verified by comparison of log book and actual load shedding schedule.

Audit is of the view that due to weak internal controls unjustified expenditure was incurred and log books were maintained in an inappropriate manner.

Incurrence of expenditure on account of POL with inappropriate maintenance of log books resulted in apprehensions of misuse of POL funds amounting Rs 1.272 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility through departmental inquiry against the person(s) at fault besides taking immediate corrective measures.

[AIR Para No. 8]

### **15.2.5.3 Value for Money and Service Delivery Issues**

#### **15.2.5.3.1 Loss due to purchases on excess rates - Rs 11.673 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

MS DHQ Hospital Pakpattan made purchases on excess rates amounting Rs 11.673 million during 2018-19. The purchases of LP medicine, copper wire 4-core for connection of transformer and generator, cell pack (regents) and examination gloves were made on quotations at the higher rates than the approved / market rates.

Audit is of the view that due to weak financial controls, medicines were purchased on excess rates than approved / market rates.

Irregular purchases on excess rates resulted in loss amounting Rs 11.673 million

Audit recommends recovery of Rs 11.673 million besides fixing responsibility against the person(s) at fault.

[AIR Para No. 2, 6, 13, 16]

#### **15.2.5.3.2 Unauthorized award of contract without open auction - Rs 2.030 million**

According to Sr. No.8 (b) of the Punjab District Authorities (Delegation of Financial Powers) Rules, 2017, MS DHQ Hospital being officer in category – I, was competent in case of auction and contract of services outlet / canteen, lease of fruit trees and sales of grass growing in the compounds of the Government Buildings / Land subject to lease being openly auctioned.

MS DHQ Hospital Pakpattan awarded contract of cycle stand and security to M/s Safe Hand Security & Networking Solutions amounting Rs 0.110 million per

month without any open auction by violating above rules. Later on the same contract with same conditions was auctioned through open auction amounting Rs 0.400 million per month to M/s Manj International Security and Parking Service provider with effect from 16.02.2019 to 30.06.2019. It was revealed that due to delay and award of tender to the desired contractor by illegal emergency clause without open auction, the DHA sustained a loss of Rs 2.030 million. Penalty charges due to delay in deposit of dues and advance Income Tax was also not recovered from both firms.

Audit is of the view that due to weak financial controls, open auction was delayed and tender was awarded to the desired firm.

Unauthorized award of contract resulted in loss amounting Rs 2.030 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.030 million besides fixing responsibility against the person(s) at fault.

[AIR Para No. 4]



## 15.2.5.4 Others

### 15.2.5.4.1 Unauthorized retention of budget for bulk purchase of medicines - Rs 69.604 million

According to the Government of Punjab Finance Department letter No. FD (PFC) 1-48/2017-18 dated 31<sup>st</sup> October 2018, sanction was accorded to release of funds in Account-VI of District Health Authorities in Punjab for further disbursement to the following CEO Health, THQ, and DHQ Hospitals as Non-Salary Budget for bulk purchase of medicines for the health facilities of District Health Authorities, during the Financial Year 2018-19 as per detailed below:

(Rupees in million)

Name of district	Name of office	Amount
Pakpattan	DHQ Hospital PPN	69.604
	CEO Health	18.626
	THQ Hospital Arifwala	32.861

CEO Health Pakpattan did not purchase medicine amounting Rs 69.604 million during 2018-19. The funds were released by the Finance Department for purchase of bulk medicines for DHQ Hospital. CEO Pakpattan neither released funds as directed by Finance Department nor rate contract concluded timely. The rate contract was awarded late due to which firms fails to supply the medicines during the current financial year. The retaining of budget and late award of rate contract of medicines resulted in non-purchase of medicines.

Audit is of the view that due to weak internal controls, budget was irregularly held by CEO Health against instructions of the Finance Department.

Non-compliance of instructions resulted in unauthorized retention of funds amounting Rs 69.604 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 19]

**15.2.5.4.2 Lapse of funds for bulk purchase of medicines – Rs 40.528 million**

According to para 1 of letter No.FD (W&M) 22-1/2018-19/DHA/2022 dated 30<sup>th</sup> November, 2019 issued from Government of the Punjab Finance Department specific amounts for non-salary budget for bulk purchase of medicines for health facilities of DHA were released and funds were required to be utilized during the Financial Year 2018-19.

The CEO (DHA) Pakpattan did not utilize funds amounting Rs 40.528 million out of available funds amounting Rs 110.717 million during 2018-19 for bulk purchase of medicines for the health facilities of DHA Pakpattan. The funds were available but purchases were not made despite demands of different health facilities.

Audit is of the view that due to weak internal controls, funds were not utilized despite demands of health facilities of the district.

Non-compliance of instructions resulted in depriving health units from the availability of medicines for patients and lapse of funds amounting Rs 40.528 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 25]

#### **15.2.5.4.3 Doubtful preparation and drawl of bills on the last day of June 2019 to amounting to Rs 39.238 million**

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. According to Rule 9 of Punjab Procurement Rules, 2014 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 annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website.

MS DHQ Hospital Pakpattan drew Rs 39.238 million during the last fifteen days of the June 2019 by preparing unnecessary bills in piecemeal. The CEO Health made bulk purchase of syringes, stationary without any demand and requirement.

Audit is of the view that due financial mismanagement, heavy bills were prepared on the last day of June just to utilize budget without any need and demand.

Doubtful preparation and drawl of bills on the last day of June might result in misappropriation of government receipt.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that the constitution of independent inquiry committee to probe further into the matter under intimation to Audit.

[AIR Para No. 3]

**15.2.5.4.4 Doubtful consumption of medicine and inquiry thereof –  
Rs 18.955 million**

According to standard - 8 of MSDS Reference Manual, 2013 vide indicator No. 52 stipulates that only a registered Medical Practitioner (Medical and Dental) is authorized to write prescription / prescribe medicines on their own, in accordance with the parameters of the hospital formulary. According to rule 2.10(a)(1) of the 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 expenditure of his own money.

MS THQ Hospital Arifwala did not maintain proper consumption record of medicines amounting Rs 18.955 million during 2018-19. Medicines were being consumed without keeping record of the written prescriptions of concerned doctors in the COD / Emergency Department and OPD.

Audit is of the view that due to weak internal controls, consumption record of medicines was defective in absence of written prescriptions by registered medical practitioner.

Defective record of consumption of medicines resulted in doubtful expenditure amounting Rs 18.955 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends Inquiry at appropriate level besides fixing responsibility on the person(s) at fault.

[AIR Para No. 27]

#### 15.2.5.4.5 Difference between FI data and Expenditure Statement of June, 2019 Rs 18.473 million

According to rule 13 (a) of District Authorities Accounts Rules, 2017, the head of office shall ensure that object wise accounts of expenditure and receipts is kept and reconciled from accounts office.

During audit of MS THQ Hospital Arifwala it was observed that there was a difference of Rs 18.473 million between the figure of SAP FI Data and that of Reconciled Expenditure Statement of June, 2019 regarding expenditure under the Major Head of Account A01 – Establishment Charges during 2018-19 which is unjustified and needs to be reconciled. The details are given below:

(Rupees in million)

Sr. No.	Major Object Code	Description	Expenditure as per FI Data	Expenditure as per Expenditure Statement of June, 2019	Difference
1	A01	Establishment Charges	97.542	79.069	18.473
<b>Total</b>					<b>18.473</b>

Audit is of the view that difference in figure of SAP FI Data and that of Reconciled Expenditure Statement of June, 2019 occurred due to weaknesses of the internal controls.

Un-reconciled difference resulted in doubts regarding authenticity of the reconciled expenditure statement.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends reconciliation of the difference to ensure authenticity or the expenditure statements.

[AIR Para No. 27]

**15.2.5.4.6 Non-blacklisting / non-forfeiture of performance guarantee despite non-delivery of medicine / store items – Rs 9.101 million**

According to clause-10 of bidding documents, wherein the supplier fails to make deliveries as per signed contract and purchase order and within the stipulated time frame specified in the schedule of requirement, the contract to the extent of non-delivered portion of supplies shall stand cancelled. After the cancellation of contract no supplies shall be accepted and the amount of performance guaranty / security to the extent of non-delivered portion of supplies shall be forfeited. If the supplier fails to supply the whole consignment and not able to deliver to consignee’s end the entire amount of performance guarantee / security shall be forfeited to the Government account and the firm shall be blacklisted minimum for two years.

Following DDOs of District Health Authority Pakpattan did not take steps for forfeiture of 5% performance guarantee amounting Rs 9.101 million during 2018-19 on accounts of non-supply of medicine / store items by the firms. These firms were not blacklisted in violation of clause of bidding documents. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Subject of Para	Amount
1	MS THQ Hospital Arifwala	Non-delivery of Medicine and non-blacklisting / non forfeiture of the security	6.448
2	CEO (DHA) Pakpattan	Non-supply of medicines and non-forfeiture of security	1.492
3	MS DHQ Hospital Pakpattan	Non-delivery of store items and non-blacklisting / non forfeiture of the security	1.161
<b>Total</b>			<b>9.101</b>

Audit is of the view that due to weak internal controls, performance guarantee was not forfeiture despite non-supply of medicine / store items and firms were not declared as blacklisted.

Non-forfeiture of performance guarantee resulted in loss amounting Rs 9.101 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends forfeiture of performance guarantee amounting Rs 9.101 million and blacklisting of concerned firms besides fixing responsibility on the person(s) at fault.

[AIR Para No. 2, 4, 15]

**15.2.5.4.7 Doubtful withdrawal of pay without date of joining – Rs 8.308 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 11 (1) (f) of the Punjab District Authorities (Accounts) Rules 2017, The CEO shall be responsible for proper maintenance of departmental accounts and financial discipline of a District Authority, subordinate offices and institutions and shall be responsible for arranging internal controls in a District Authority.

The CEO District Health Authority Pakpattan withdrew pay and allowances amounting Rs 8.308 million during 2018-19 of employees. The withdrawal of pay and allowances was doubtful as no date of joining of the employees was mentioned in the HR data. Hence appointment of the staff was also doubtful. No verification of the concerned staff was available on the record showing the arrangement of internal controls in the District Health Authority.

Audit is of the view that due to weak internal controls the withdrawal of salaries was not properly accounted for in the payroll system.

Incomplete and doubtful information resulted in unjustified payment of pay and allowance amounting Rs 8.308 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends correction of HR data in the payroll system or the stoppage of withdrawal of funds besides fixing responsibility on the person(s) at fault.

[AIR Para No. 11]

#### 15.2.5.4.8 Less / non-supply of required medicines – Rs 8.276 million

According to rule 8 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. Further, as per rule 2.10 of PFR Vol-1, "Same vigilance should be exercised in respect of expenditure out of government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money".

Following DDOs of District Health Authority Pakpattan purchased medicines less than the annual demand prepared by them amounting Rs 8.276 million during 2018-19. This situation revealed that the demand of medicine was not observed at the time of procurement for the different health facilities. The available funds were consumed by procurement of excess medicines than the demands of DDOs from the self-favored firms. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	CEO Pakpattan	Less purchase of required medicine	6.009
2	SMO RHC Malka Hans	Less / Non-supply of required medicine despite demand	1.162
3	SMO RHC Bunga Hayat	Less receipt of medicines from Health Department than demand	0.596
4		Non-receipt of medicines from Health Department	0.509
<b>Total</b>			<b>8.276</b>



Audit is of the view that due to weak internal controls, the funds of medicines were consumed without observing the requirements of the health facilities.

Procurement of medicines without observing the demand resulted in deprive off patients from basic facility of medicines amounting Rs 8.276 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 12, 5, 9, 7]

#### **15.2.5.4.9 Purchases largely in excess than demand on higher rates – Rs 7.015 million**

According to Para 16.10 (xiii) (b) of the Punjab Budget Manual, purchase largely in excess of requirements is a financial irregularity. Further, as per rule 2.10 of PFR Vol-1, "Same vigilance should be exercised in respect of expenditure out of Govt. revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money."

Following DDOs of District Health Authority Pakpattan made purchases and received medicine and other items from CEO (DHA) amounting to Rs 7.015 million in excess of annual demand of medicines, surgical items, cell pack, rack of medicines and general store items during 2018-19. Medicines were received in excess of demand. Further, payments were made in excess than the approved rates of purchased items. The amounts were drawn on quotations by splitting the value of indents to avoid open tenders in violation of rules.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS DHQ Pakpattan	Unauthorized purchase largely in excess than demand on higher rates	1.590
2		Unauthorized purchase largely in excess than demand on higher rates	1.590
3		Illegal of excess purchase and loss to the government due to payment of higher rates	1.152
4		Unauthorized purchase largely in excess than demand on higher rates	0.216
5	SMO RHC Bunga Hayat	Receipt of medicines without demand / excess of demands	1.465
6	SMO RHC Malka Hans	Receipt of medicines without demand / excess of demands	1.002
<b>Total</b>			<b>7.015</b>

Audit is of the view that due to weak internal controls, medicines and other store items were purchase / received excess than demand at higher rates from the desired firms.

Purchases on higher rates excess than demand resulted in loss and irregular expenditure amounting Rs 7.015 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of excess payment besides constitution of an inquiry committee to probe into the matter for fixing of responsibility on the person(s) at fault.

[AIR Para No.12, 20, 1, 1, 3, 21]

#### **15.2.5.4.10 Non-charging / deposit of MLC and USG fee – Rs 6.493 million**

According to Government of the Punjab Health Department letter No.SO (HO) S-1/97(G) dated 15.12.1997 circulated vide DGHS Punjab Lahore letter No.C-20/3437-3530/G dated 07.03.1998 in which a letter No. 1-33/97-NIR was enclosed

containing the rates of various diagnostic services were given for wide circulation for implementation in all hospitals of provincial / federal institutes / hospitals / dispensaries. In these letters mentioned above an ultrasound examination abdomen and pelvis will be charged Rs 200 for general patients and Rs 400 for private patients.

Following DDOs of District Health Authority Pakpattan did not charge / deposit the MLC / USG fee amounting Rs 6.493 million during 2018-19. Scrutiny of record revealed that no fee was deposited during the entire Audit period. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS DHQ Pakpattan	Loss to Government due to non-charging of USG fee	2.000
2	MS THQ Arifwala	Loss to Government due to non-charging of USG fee	1.736
3	SMO RHC Bunga Hayat	Non-realization of income from ultra sound tests	1.301
4	MS DHQ Pakpattan	Non deposit of MLC Fee	1.000
5	SMO RHC Malka Hans	Loss due to non-deposit of income from ultra sound tests	0.363
6	MS THQ Arifwala	Non-Deposit of MLC Fee	0.093
<b>Total</b>			<b>6.493</b>

Audit is of the view that due to weak internal controls, Government receipts were not recovered / deposited into treasury immediately.

Non-recovery / non-deposit of the Government receipt resulted in loss amounting Rs 6.493 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate deposit of Rs 6.493 million into treasury besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 27, 4, 6, 29, 6, 12]

**15.2.5.4.11 Loss to Government due to supply of substandard medicines  
– Rs 1.413 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Chief Executive Officer (DHA) Pakpattan made irregular purchase of medicines amounting Rs 1.413 million during 2018-19. The scrutiny of record revealed that the DTL reports of medicines were declared substandard due to which the entire medicines were lying unutilized in the hospital.

Audit is of the view that due to weak internal controls, subs tabard medicines were received.

Supply of substandard medicines resulted in loss amounting Rs 1.413 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.6]

## 16. District Health Authority (DHA) Sahiwal

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Sahiwal on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,602.785	1,188.286	(414.499)	-25.86%
Non-salary	229.616	119.012	(110.604)	-48.17%
Development	22.039	18.614	(3.425)	-15.54%
<b>Sub Total</b>	<b>1,854.440</b>	<b>1,325.912</b>	<b>(528.528)</b>	<b>-28.50%</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 140.502 million was provided for purchase of medicines against which only Rs 72.399 million was utilized resulting in lapse of Rs 68.103 million (48%).
- An amount of Rs 9.667 million was provided for procurement of machinery and equipment against which an amount of Rs 7.069 million was utilized resulting in lapse of Rs 2.598 million (27%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 528.528 million was lapsed due to inefficient management.

**Analyses of Appropriation Accounts and Financial Statements  
(Certification Audit 2019-20)**

The following issues surfaced during Certification Audit of District Health Authority Sahiwal for the Audit Year 2019-20.

- Non-reporting of Fixed Assets – Rs 6.970 million
- Difference in SAP data and Annual Accounts
- Difference in closing balance Rs 125,798

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, these issues have been reported in the audit certificate as emphases of matter.

**ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Sahiwal was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, and facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No.	Indicators	Target 2018-19	Achievement 2018-19	Remarks
1	Outdoor Patients	1,791,000	2,582,394	Achieved
2	Indoor Patients	-	63,985	-
3	Surgical Cases	-	9,123	-
4	Cardiology	-	10,205	-
5	Diagnostic Services (Laboratory, Radiology)	-	172,897	-
6	Family Planning Activities	60,854	46,517	Not achieved
7	Peads	-	30,143	-
8	Surgery	-	4,639	-
9	T.B Chest Treatment	-	12,733	-
10	Free Medicine to Patients	-	2,582,394	-
11	EPI Vaccination	54,087	283,463	Achieved
12	Sanctioned Posts	549	530	Not achieved

	(Doctors/Specialists)			
13	Gazetted Staff/ Technical Staff	3,197	3,005	Not achieved
14	Other Staff	-	-	

\*Source: Data received from CEO (DHA) Sahiwal

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- Record of expenditure amounting to Rs 45.382 million was not produced in 05 cases.
- Irregularities and non-compliance of rules amounting to Rs 2,117.803 million was observed in 36 cases.
- Weak Internal Controls involving amount of Rs 239.411 million was noticed in 39 cases.
- Poor performance of the management having financial impact of Rs 41.553 million was found in 33 cases.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service, indoor patient's services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

### v. Expectation Analysis and Remedial Measures

#### District Health Authority

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

### **Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary health care facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.



## **16.1.1 Audit Paras**

### **16.1.1.1 Non-reporting of Fixed Assets – Rs 6.970 million**

***Risk Categorization: High***

***Criteria***

According to Section 13.4.1.1 of the APPM, the categories of assets shall include land & building, civil works, plant & machinery, vehicles, furniture & fixtures, office equipment and computer equipment. Further according to Section 13.4.5.2 of the ibid, all DAOs shall prepare a fixed asset report from the fixed asset account on quarterly basis. Furthermore, according to Section 13.4.5.4 of ibid, the AG shall consolidate the above information for including to the annual accounts.

***Observations:***

District Accounts Officer, Sahiwal made payments amounting to Rs 6.970 million (A09-Physical Assets = Rs 6.970 million), for procurement of assets by the District Health Authority Sahiwal during 2018-19. Contrary to the above referred Section of APPM, the expenditure was not included in statement of Capital Expenditure and asset side of Balance Sheet.

***Implications:***

Non-reporting of Fixed Assets resulted in violation of above mentioned Principle.

***Recommendations:***

Audit recommends justification besides reporting of Fixed Assets in Balance Sheet.

***Management Response:***

Fixed asset module has not so far been activated in SAP (R-3) up till now.

**DAC Decision:**

Para pending till the figures of assets communicated by department as per DAC decision

### 16.1.1.2 Difference in SAP data and Annual Accounts

**Risk Categorization: High**

**Criteria**

According to Section 6.5.3.1 of the Accounting Policies and Procedures Manual (APPM), the delegated officer in the Account Section of the DAO/AG/AGPR shall reconcile the daily balances of receipts and expenditures with its own records (Sub Ledger/General Ledger), including the daily balances as reported on the daily bank scrolls.

**Observations:**

During scrutiny of Financial Statements and SAP Data pertaining to District Health Authority Sahiwal, following difference in figures was noted.

Head of Account	DHA ACCOUNT -VI		
	Amount as per SAP	Amount as per Financial Statement	Difference
	(Rs. in "000")	(Rs. in "000")	(Rs. in "000")
Trust & other public account-Receipts	2,406,972	2,408,458	-1,485.95
Special Deposits-Receipts	10,982	10982	-0.22
State Provident Fund-Receipts	39,191	39191	-0.15

**Implications**

The difference in amount may result into under / over statement in booking of receipts/payments.

**Recommendations:**

Matter regarding difference in figure may be justified.

**Management Response:**

NBP wrongly include local receipts of DHA in F110 form of P-I but do not portray in DHA receipts conveyed to SBP. Therefore there is no difference in closing balance of NBP and this office. (Copy of SBD for June 2019 attached for verification).

**DAC Decision:**

DAO has written a letter to NBP for reconciliation of the matter under rules. Committee referred that matter to representative of Adl AG Mr. Khalid (AAO) will get the record verify before Audit regarding reconciliation. **Para kept pending.**

**16.1.1.3 Difference in closing balance Rs 125,798**

**Risk Categorization: High**

**Criteria:**

According to Accountant General Punjab, Lahore letter No. SBD.Bp & DGP/CB/HM dated 26.09.2019 closing balances of SBP Karachi and local branches of SBP/ NBP were circulated

**Observations:**

DAO Sahiwal shown closing balance on 30<sup>th</sup> June 2019 Rs 221,488,479 whereas, State Bank- of Pakistan Head Office Karachi reported closing balances on 30<sup>th</sup> June, 2019 Rs 221,362,681 of Account VI of District Health Authority Sahiwal. Thus there was difference of Rs 125,798 between DAO figure and SBP Karachi figure.

(Amount in rupees)

Closing balance as per FS on 30.06.2019	Closing balances as per SBP Head office Karachi	Difference
221,488,479	221,362,681	125,798

**Implications**

- Difference of figures creates doubts about the authenticity of financial statements.
- Weak internal controls in the part of DAO

***Management response:***

Financial statement is compiled according to approved mapping by AGP which include figures of trust & other public account receipts, formula of F.S figures calculations is (Total PAP/PAR-F01120-G11-G061-G12= F.S Figures) whereas SAP figures consist of (Total PAP/PAR-F01120-G11-G061-G12-F021).

Special Deposit Receipts Calculated in F.S is G11+G12 whereas in SAP figures G061+G12. Difference is due to rounding off in F.S

State provident fund=G061, difference is due to rounding off in F.S

Hence there is no difference in SAP and F.S figures.

***DAC Decision:***

Matter is referred to representative of Adl AG Mr. Khalid (AAO) will get the record verify before Audit regarding reconciliation of figures. Para kept Pending

## Chapter 2

### DHA Sahiwal

#### 16.2.1 Introduction

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

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health services delivery personnel under the policy framework given by the government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Sahiwal manages following primary and secondary health care facilities and institutes:

Description	No. of Health facility/ Institute
Basic Health Units	78
Government Rural Dispensary	04
Rural Health Centre	11
Tehsil Head Quarter Hospitals	01
District Head Quarter Hospitals	0
District Health Development Centre	01
District Health Officer	02

\*Source: Data received from CEO (DHA) Sahiwal

The following table shows detail of total & audited formations of DHA Sahiwal:

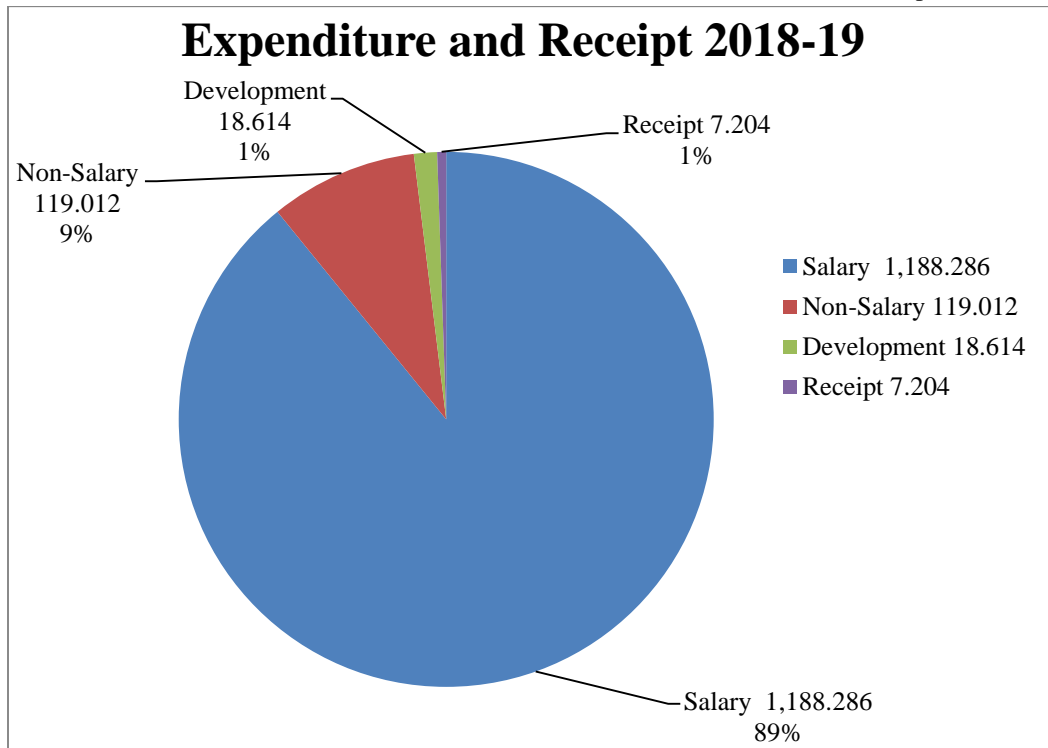
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	19	05	109.856	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

### 16.2.2 Comments on Budget and Accounts (Variance Analysis)

The detail of Budget and Expenditure is given below in tabulated form

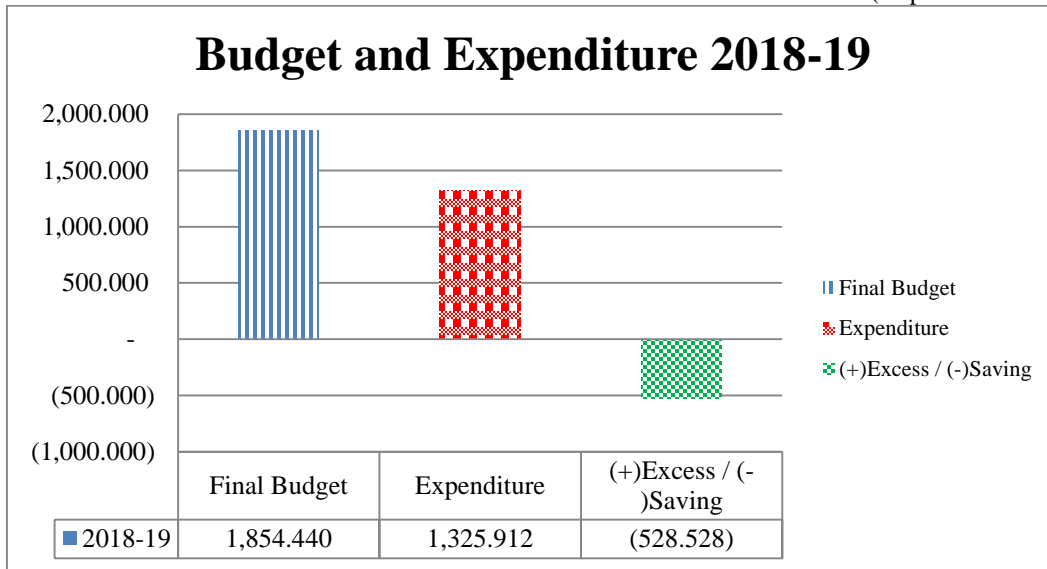
2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,602.785	1,188.286	(414.499)	-25.86%
Non-salary	229.616	119.012	(110.604)	-48.17%
Development	22.039	18.614	(3.425)	-15.54%
<b>Sub Total</b>	<b>1,854.440</b>	<b>1,325.912</b>	<b>(528.528)</b>	<b>-28.50%</b>
Receipts	10.594	7.204	(3.390)	-32.00%

(Rupees in million)

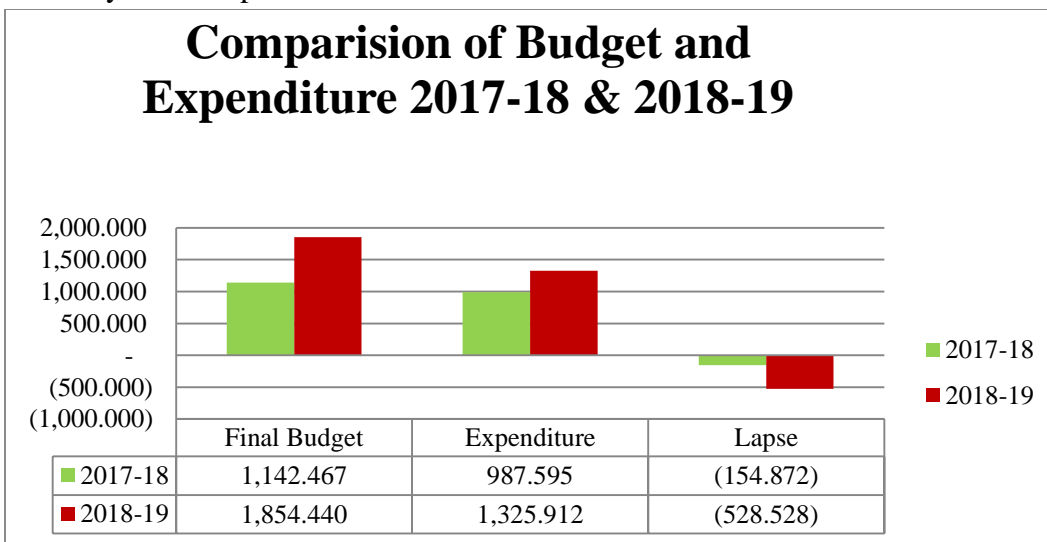


As per the Appropriation Accounts 2018-19 of the District Health Authority Khanewal, total original budget (Development and Non-Development) was Rs 1,543.367 million, supplementary grant was Rs 311.073 million and the final budget was Rs 1,854.440 million. Against the final budget, total expenditure of Rs 1,325.912 million was incurred by the District Health Authority during the financial year 2018-19. A lapse of Rs 528.528 million came to the notice of Audit, which shows that the District Health Authority failed to provide services and infrastructure development. No plausible explanation was provided by the PAOs / Administrator and management of District Health Authority. **(Annexure-B)**

(Rupees in Million)



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





There was 62% and 34% increase in budget allocation and expenditure incurred in financial year 2018-19 as compared to financial year 2017-18, while there was overall savings of Rs 528.528 million during 2018-19.

### 16.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,442.032 million were raised as a result of this audit. This amount also includes recoverable of Rs 42.606 million as pointed out by this as under:

Audit. Summary of the audit observations classified by nature

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	45.382
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR / employees related irregularities	2,107.332
B	Procurement related irregularities	74.200
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	215.118

### 16.2.4 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 but have not been examined by the Public Accounts Committee.

#### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2018-19	33	PAC not constituted

## 16.2.5 AUDIT PARAS

### 16.2.5.1 Non-Production of Record

#### 16.2.5.1.1 Non-production of record – Rs 45.382 million

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”. Furthermore, according to Section 108 (2) of the Punjab Local Government Act 2013, “The Auditor-General shall audit the accounts of a local government in such form and manner as may be deemed appropriate”.

Following DDOs of District Health Authority Sahiwal did not produce the record involving Rs 45.382 million for the Financial Year 2018-19 for Audit scrutiny despite repeated written and verbal requests.

(Rupees in million)

Sr. No.	DDOs	Description of record not provided	Amount
1	SMO RHC Kassowal	Non-Production of Record and non-maintenance of cash book	10.677
2	SMO RHC 45/12L	Intentionally concealment of service record and irregular withdrawal of salary	4.310
3	DHO-Sahiwal	Non-availability of vouched account	24.000
4	MS THQ Chichawatni	Non-production of Record	6.395
		<b>Total</b>	<b>45.382</b>

Audit is of the view that non-production of record of Rs 45.382 million created doubt regarding legitimacy of expenditure.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility and appropriate disciplinary action be taken against concerned DDO for non-production of record of Rs 45.382 million besides immediate production of record.

[AIR Para No. 4 &5, 13, 22, 13]

## **16.2.5.2 Irregularities**

### **16.2.5.2.1 Irregular late approval of budget estimates – Rs 1,534.431 million**

According to rule 3 (K) of District Authorities Budget Rules 2017, the Chairman shall ensure that the estimates and revised budget estimates shall be laid before the District Authority well before the commencement of the next Financial Year. Further, according to rule 4 (C) of District Authorities Budget Rules 2017, the Chief Executive Officer shall ensure that Budget estimates shall be submitted before the District Authority well before the commencement of the next Financial Year and budget so approved is distributed amongst DDOs by the commencement of the financial year.

The CEO District Health Authority Sahiwal did not take approval of budget estimates for the Financial Year 2018-19 amounting Rs 1534.431 million well before the commencement of financial year. The budget was prepared late and approved on 30.07.2018 after one month commencement of financial year. It also depicts that pay and allowances for the months of July, 2018 were paid without approval of budget.

Audit is of the view that due to weak management draft of budget was not prepared timely.

Non-observance of rules resulted in late approval of budget estimates amounting Rs 1534.431 million.

The matter was reported to the PAO / DDO in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 21]

#### **16.2.5.2.2 Unauthorized allocation of supplementary grants without approval – Rs 325.554 million**

According to Government of the Punjab Finance Department letter No.FD.SO (Goods) 44-4/2016 dated 01.08.2018, all the administrative departments shall remain within the budgetary allocations to minimize the incidence of supplementary grants. Further, the request for supplementary grants, if unavoidable, shall require approval of the Provincial Cabinet / Cabinet Committee on Finance & Development. Further, according to rule 65 (1) (2) of Budget Rules of District Authorities 2017, in case a head of office or institution considers that need for additional funds has arisen for which no appropriation is available, he shall submit a proposal for supplementary grant to the CEO. The proposal shall be accompanied by an explanatory note justifying the supplementary grant.

CEO (DHA) Sahiwal and Deputy Director Budget & Accounts has issued funds amounting Rs 325.554 million during 2018-19 as supplementary grant to different DDOs of DHA Sahiwal without approval of the Provincial Cabinet Committee constituted for the said purpose.

Audit is of view that due to weak financial management supplementary grant was issued without approval of Provincial Cabinet Committee.

Allocation of supplementary grant without approval of Provincial Cabinet Committee resulted in unauthorized payment of Rs 94.750 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.7]

**16.2.5.2.3 Irregular revised allocation of funds against ‘Nil’ budget – Rs 124.484 million**

According to rule 5(2) (a) & (b) of the District Authorities Budget Rules 2017, the head of office is responsible for all matters relating to the budget for the office under his administrative control, ensure strict financial control.

CEO (DHA) Sahiwal allocated funds amounting Rs 124.484 million during 2018-19 to those detailed object heads for which there was no budget allocation in the original budget estimate. Revised allocation was made through supplementary grant or re-appropriation of funds. Expenditure amounting Rs 88.932 million was incurred against these heads of accounts.

Audit is of the view that due to weak financial management the budget allocation was against “Nil” allocation in the original budget estimates.

Allocation of funds against “Nil” budget heads resulted in irregular revised allocation of funds amounting Rs 124.484 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 11]

**16.2.5.2.4 Non-surrender of savings Rs-27.994 million and expenditure in excess of budget allocation – Rs 0.082 million**

According to rule 15 (a) (b) of District Authorities Accounts Rules 2017, the Drawing and Disbursing Officer shall be responsible to prepare estimates of expenditure of the concerned office, maintain budget control register, record entries of each transaction therein against corresponding allocation and make assessment of

expenditure likely to be made during the financial year and takes measures accordingly.

MS THQ Hospital Chichawatni neither utilized nor surrendered allocated funds Rs 27.994 million during 2018-19. The funds were lapsed due to negligence of DDO concerned. Moreover, expenditure amounting Rs 0.082 million during 2018-19 incurred in excess of approved budget allocation.

Audit is of the view that due to weak financial controls, anticipated savings were not surrendered and expenditure was incurred in excess from approved budget allocation.

Non-surrender of funds resulted in lapse of Rs 27.994 million and excess expenditure than budget allocation resulted in irregular expenditure amounting Rs 0.082 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 20]

#### **16.2.5.2.5 Irregular procurement of various items - Rs 25.582 million**

According to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO-H&D (DHA-17-02-02) dated 10.02.2017, consequent upon the establishment of District Health Authorities across the Punjab under PLGA 2013, the competent authority announce the District Purchase Committee at District level consisting of Deputy Commissioner as Chairman, CEO (DHA) as member / Secretary, ADC (F&P) and DHO (MS) as member and any other co-opted member. Further, according to rule 62, 69 and 35 (4) of the Punjab Procurement Rules 2014, a procuring agency shall make prompt payments to the contractor against the invoice

or running bill on satisfactory performance within the time given in the conditions of the contract which shall not exceed thirty days. Further, any violation of PPRA rules shall be treated as mis-procurement and bidders shall be promptly informed about the rejection of the bids, if any.

MS THQ Hospital Chichawatni incurred expenditure amounting Rs 25.582 million during 2018-19 on account of laboratory items, X-films, bedding & clothing items, cost of other store items, etc. Medical Superintendent made advertisement without involving District Purchase Committee. The purchases were made through self-constituted illegal purchase committee. Further, no tender sale register was maintained. No working of technical evaluation committee was found in the record and no Grievances Redressal Committee was constituted. In case of general store items, financial bid was opened on 13.09.2018 instead of 01.09.18 without informing the bidders. Comparative statement was neither prepared nor financial bids of all the bidders available in record. The detail is given below:

(Rupees in million)

Sr. No.	Particulars	Amount
1	LP Medicines	15.473
2	Lab items	4.385
3	General Store and X-Ray Items	3.644
4	Stationery, Printing & Publication	2.080
<b>Total</b>		<b>25.582</b>

Audit is of the view that due to weak financial controls, irregular procurement was made.

Irregular procurement resulted in irregular expenditure amounting Rs 25.582 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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



### 16.2.5.2.6 Irregular withdrawal of inadmissible allowances – Rs 22.354 million

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Following DDOs of District Health Authority Sahiwal made payment of Rs 22.354 million during 2018-19 on account of different inadmissible allowances to different employees. Necessary detail is given below:

(Rupees in million)

Sr. No.	DDO's	Particular	Amount	Violation of Rules/Instructions/orders
1	CEO (DHA) Sahiwal	Irregular withdrawal of incentive allowance without delivering anything / evening round in ward	4.541	According to Primary and Secondary Health Care Department Notification No.PA/OS/(G)4-8/2016 dated 03.08.2016
2	MS THQ Hospital Chichawatni	Withdrawal of incentive allowance without delivering / evening rounds in hospital –	4.298	
3	DHO-Sahiwal	Overpayment of conveyance allowance	2.45	Para No.2, of letter No. FD.SR.I 9-4/86(P) (PR) dated 21-04-2013 of Government of Punjab Finance Department.
4	DHO-Sahiwal	Irregular drawl of hill allowances and qualification allowance	0.119	Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017
5	CEO (DHA) Sahiwal	Undue payment of project allowance after prohibition by the Punjab Finance Department	0.309	Para 02 Finance Department, Government of the Punjab's letter / notification No. FD.SR-I/9-20/2006 dated 27.07.2018
6	CEO (DHA)	Recovery of inadmissible health risk	6.82	Section Officer (ND),

Sr. No.	DDO's	Particular	Amount	Violation of Rules/Instructions/orders
	Sahiwal	allowance		
7	CEO (DHA) Sahiwal	Undue payment of HSRA without entitlement	0.173	Health Department, and Government of the Punjab letter No. SO (ND) 2-26/2004(Vol-II) dated 20.02.2015, in continuation of this department's order No. SO(ND)2-26/2004(Vol-II) dated 07.08.12 and 13.01.2012
8	CEO (DHA) Sahiwal	Recovery of undue payment personal allowance	1.716	
9	DHO-Sahiwal	Irregular withdrawal of personal allowance	0.27	Finance Department, Lahore letter No. FD.SR-II/9-214/2013 dated 02.04.2014
10	SMO RHC 45/12L	Irregular withdrawal of personal allowance	0.128	
11	MS THQ Hospital Chichawatni	Unjustified withdrawal of non-practicing allowance	1.263	Non-practicing allowance to different doctors without any documentary evidence
12	CEO (DHA) Sahiwal	Recovery of inadmissible non-practicing allowance	0.267	
<b>Total</b>			<b>22.354</b>	

Audit is of the view that due to weak financial controls, allowances were paid without entitlement.

Payment of allowances without entitlement resulted in loss amounting Rs 22.354 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 22.354 million besides fixing responsibility on the person(s) at fault.

[AIR Para No. 2,1,8,16,3,14,18,16,15,9,5,12]

### 16.2.5.2.7 Irregular local purchase of medicines – Rs 18.710 million

According to Government of the Punjab, Primary & Secondary Healthcare Department notification No.PSHD-TC0-1 (M) 6-14/2017 dated 16.12.2017, in order to ensure transparency, a local on line purchase portal has been designed with various features and requirements as total allocated budget for medicines for local purchase-budget consumed and budget remaining, a password and login will be issued to In-charge pharmacist / medical superintendent / consultant for data entry in local purchase portal and locally purchased items will be posted in portal on daily basis. Purchase order may be emailed to the LP supplier through LP portal. Contractor will submit invoice / bill with supply on daily basis. The tender should be awarded to the contractor as per Punjab Procurement Rules, 2014 offering maximum discount on medicines of multinational manufacturers, local manufacturers and for surgical / disposable items. Further, a formulary has been designed by the Drugs Control Wing of Primary & Secondary Healthcare Department with all details of approved brands mentioned against each generic.

MS THQ Hospital Chichawatni incurred expenditure amounting Rs 18.710 million during 2018-19 on account of local purchase of medicines and Laboratory items. LP medicines were procured beyond the approved formulary of P&SHD at excessive rates than label prices. The detail is as under:

(Rupees in million)

Sr. No.	Particulars	Amount
1	Irregular local purchase of medicine	15.473
2	Overpayment to supplier by payment of excess rates charged by LP supplier	1.496
3	Overpayment to supplier by payment of excess rates charged for Lab. Items	1.483
4	Overpayment to supplier by payment of excess rates than label price	0.258
<b>Total</b>		<b>18.710</b>

Audit is of the view that due to weak internal controls, non-formulary medicines were procured against the policy guidelines.

Purchase of non-formulary medicine and payment of excess than printed price resulted in irregular purchase of LP medicine amounting Rs 18.710 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 7, 24, 31, 10]

#### **16.2.5.2.8 Irregular payment of arrears of pay and allowances without release of separate budget – Rs 17.131 million**

According to rule 2.27 of PFR Vol-1 states that “no payment is admissible until additional budget for the payment of arrears of pay and allowances are provided and duly sanctioned in the Budget estimates”. As per Sr. No.8 of Delegation of Financial Power Rules 2016, the Administrative Department was competent to sanction investigation of claims of Government servants to arrears of pay, allowances, full powers in respect of T.A. claims not more than 3 years old, and other claims not more than 6 years old.

Following DDOs of District Health Authority, Sahiwal, withdrew Rs 17.131 million from government treasury on account of arrears of pay and allowances during the Financial Year 2018-19 without obtaining additional budget for payment of arrears of pay and allowances. Further, payment of arrears of pay and allowances more than six year old were made without approval of competent authority. The detail is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particular</b>	<b>Amount</b>
1	THQ Hospital Chichawatni	Payment of pay and allowances through adjustments	9.152
2	SMO RHC Kassowal	Amount of arrears of pay & allowances	1.498
3	DHO-Sahiwal	Arrear of Health Risk Allowance by the employees other than paramedics	5.150
4	SMO RHC 45/12L	Arrears of pay and allowances	1.331
<b>Total</b>			<b>17.131</b>

Audit is of the view that due to weak financial controls payments were made without obtaining additional/ separate budget for payment of arrears.

Payments of arrears without obtaining of separate budget allocation and without approval of competent authority resulted in irregular expenditure amounting Rs 17.131 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 33, 6, 4, 10]

#### **16.2.5.2.9 Irregular payment of pending liabilities – Rs 16.508 million**

According to rule 2.27 of PFR Vol-1 states that “no payment is admissible until additional budget for the payment of arrears of pay and allowances are provided and duly sanctioned in the Budget estimates”.

CEO (DHA) Sahiwal and MS THQ Hospital Chichawatni made payment of pending liabilities amounting Rs 16.508 million on account of contingent expenditure during 2018-19, without obtaining additional budget for clearing of pending liabilities. The chance of withdrawal of same bills from the government treasury during relevant financial year cannot be ignored in all such cases.

Audit is of the view that due to weak financial controls payments were made without obtaining additional/ separate budget for payment of arrears.

Payment of pending liabilities resulted in irregular expenditure Rs 16.508 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 20, 28]

#### **16.2.5.2.10 Irregular expenditure of pay and allowances – Rs 15.735 million**

According to Government of the Punjab Finance Department Notification No.FD/SRIV-8-1/76(PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department. Further, Health Department letter No.PA/DSA-1/3/94 dated 19.03.1994 and DA/DSC/1294 dated 12.12.1995 letter No.4113-5/E dated 25.03.1998, letter No.18872-76/E dated 05.11.1996 and letter No.3961-4050/C dated 13.02.2004 to DO (Health), stipulates that all kind of general duties were done away with direction that if any person was found on general duty his absence should be considered along with disciplinary action.

Following DDOs of District Health Authority Sahiwal allowed payment of pay and allowances amounting Rs 15.735 million during 2018-19 to the staff either posted on general duty or absent from duty and not performing their duties at their place of postings. Orders of competent authority regarding general duty followed by approval of Finance Department were not available in the office record. Further, SMO RHC 45/12L made payment of salaries to employees despite personal record was not available in the office record. Necessary detail is given below:

(Rupees in million)

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>Subject of Para</b>	<b>Amount</b>
1	THQ Chichawatni	Non-deduction of salaries of absent period reported by biometric system	10.655
2	RHC 45/12L	Payment of Pay & Allowances without performing duties at original place of posting	1.656
3	DHO-Sahiwal	Unjustified withdrawal of PCA & HSRA allowances instead not staying in designated residences & not performing duties	0.840

Sr. No.	Name of Formation	Subject of Para	Amount
4	DHO-Sahiwal	Irregular posting head clerk without posting order	0.813
5	HC Kassowal	Payment of Pay & Allowances without performing duties at original place of posting	0.812
6	CEO-Sahiwal	Unjustified payment of pay and allowances without performing duties	0.505
7	RHC 45/12L	Fraudulent payment of salary to the ghost employees	0.454
<b>Total</b>			<b>15.735</b>

Audit is of the view that due to weak management, irregular payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of instructions of the Government regarding general duty resulted in irregular payment of pay and allowances amounting Rs 15.735 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 8, 15, 24, 10, 20, 13, 1]

#### **16.2.5.2.11 Inadmissible payment of allowances during leaves – Rs 9.804 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to Government of the Punjab Finance Department letter No.FD.SR-I/9-34/2011 dated 12.10.2017, monthly incentive package to the specialist posted in various DHQs of Punjab, is not admissible during any kind of leave, as the said incentive is applicable when a specialist performs his / her duties.

Following DDOs of District Health Authority Sahiwal made payment amounting Rs 9.804 million during 2018-19 on account of different allowances to different staff during leaves which were not admissible. The calculations were made from available information. The department is requested to recover from all the staff and actual recoverable during the period of Audit.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS THQ Chichawatni	Inadmissible payment of allowances during leaves	4.103
2	CEO (DHA) Sahiwal	Recovery of overpayment on account of pay and allowances during leave	4.478
3	DHO Sahiwal	Unjustified withdrawal of pay and allowance during EOL	0.537
4	DHO Sahiwal	Unjustified withdrawal of Pay, Conveyance Allowance and HSRA during leave period	0.269
5	SMO RHC Kassowal	Unjustified withdrawal of pay and allowance during EOL	0.151
6	SMO RHC 45/12L	Unjustified withdrawal of pay and allowance during leave period	0.149
7	SMO RHC Kassowal	Unjustified withdrawal of Pay, Conveyance Allowance, HSRA , Dress Allowance & Mess Allowance during leave period	0.117
<b>Total</b>			<b>9.804</b>

Audit is of the view that due to weak internal controls, allowances were paid during leave period.

Payment of allowances during leave period resulted in loss amounting Rs 9.804 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 9.804 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 17, 4, 7, 17, 1, 6, 3]



#### **16.2.5.2.12 Irregular expenditure by splitting – Rs 9.470 million**

According to rules 9, 10 (2) and 12 of the Punjab Procurement Rules 2014, 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 and annual requirements thus determined would be advertised in advance on the PPRA's website. All procurement opportunities over two million rupees should be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. Further, according to rule 4.5 of Guidelines for Health Council 2017, the Health Council Committee will observe the financial rules of government including Punjab Procurement Rules, 2014 while incurring expenditure.

MS THQ Hospital Chichawatni incurred expenditure amounting Rs 9.470 million during 2018-19 on procurement of furniture, machinery, medical equipment and store items by splitting and keeping the expenditure below Rs 50,000 or Rs 100,000 to avoid the tendering process. Further, GST was paid to the suppliers whereas, hospital was exempt from GST.

Audit is of the view that due to weak internal controls, purchases were made by splitting.

Non-compliance of rules resulted in irregular expenditure amounting Rs 9.470 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 26, 30]

### **16.2.5.2.13 Irregular up-gradation of paramedical staff and payment of salaries – Rs 6.814 million**

According to para No. 12 to 14 of Director General Health, Lahore letter No. 1049-1240/AHP dated 28.8.2018, Departmental Promotion Committee was not competent as the same was not constituted as per relevant notification issued by S&GAD (Regulation Wing). After one time up-gradation grant of up-gradation to paramedic's staff is illegal. The letter referred above was held in abeyance up till further orders by the Director General Health vide letter No. 1547-1588/PA dated 05.09.2018. Further, according to Government of the Punjab, Primary & Secondary Healthcare Department, Lahore notification No.SO (ASP-II)1-1/ (Misc.) dated 3.9.2018 the committee was constituted to examine the issue pertaining to withdrawal of 4-Tier Up-Gradation ratio of Allied Health Professionals (Paramedics by DG Health Services). The committee shall meet on 5.9.2018 under the chairmanship of Deputy Secretary (Admin) for resolution of the aforesaid issue.

CEO (DHA) Sahiwal and MS THQ Hospital Chichawatni upgraded posts of paramedics and made irregular payment of pay and allowances amounting Rs 6.814 million during 2018-19. The letter of up-gradation was withdrawn and committee was constituted for the purpose. The committee has not finalized his findings yet. The DDOs of District Health Authority upgraded the post of paramedics illegally. Further, neither seniority list was prepared nor objection on seniority was obtained. The up-gradation was made without DPC. The up-gradation was made by issuing office orders by the CEO Health.

Audit is of the view that due to weak financial controls, the posts of paramedics were upgraded illegally.

Illegal up-gradation of posts and payment of pay and allowances resulted in loss amounting Rs 6.814 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry of the matter at appropriate level besides recovery of excess paid pay and allowances Rs 6.814 million.

[AIR Para No. 9, 21]

**16.2.5.2.14 Unjustified withdrawal of pay without date of joining – Rs 6.316 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 11 (1) (f) of the Punjab District Authorities (Accounts) Rules 2017, The CEO shall be responsible for proper maintenance of departmental accounts and financial discipline of a District Authority, subordinate offices and institutions and shall be responsible for arranging internal controls in a District Authority.

CEO- Sahiwal and MS THQ Hospital Chichawatni withdrew pay and allowance of Rs 6.316 million during 2018-19 to different employees. The withdrawal of pay was unjustified as no date of joining of the employees was mentioned in the HR data. Due to which the actual date of appointment of staff and their pay and allowances could not be assessed by Audit.

Audit is of the view that due to weak internal controls the withdrawal of salaries was not properly accounted for in the payroll system.

Incomplete and doubtful information resulted in unjustified payment of pay and allowance amounting Rs 6.316 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends correction of HR data in the payroll system or the stoppage of withdrawal of funds besides fixing responsibility on the person(s) at fault.

[AIR Para No.10, 4]

**16.2.5.2.15 Non-reconciliation of departmental figure with FI Data – Rs 5.171 million**

According to rule 13 (a) of District Authorities Accounts Rules, 2017, the head of office shall ensure that object wise accounts of expenditure and receipts is kept and reconciled from accounts office.

MS THQ Hospital Chichawatni did not properly reconcile object wise budget and expenditure with District Accounts Office Sahiwal. Audit scrutiny revealed that there was difference of Rs 5.171 million during the period 2018-19 as summarized below:

(Rupees in million)

Particulars	Budget	Expenditure
As per FBO Record	252.891	224.957
As per SAP System Record	252.531	219.786
<b>Difference</b>		<b>5.171</b>

Audit is of the view that due to weak financial controls, the expenditure statement was not reconciled with DAO Sahiwal.

Non-reconciliation of expenditure may cause misappropriation of funds withdrawn from government treasury.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper reconciliation besides fixing responsibility on the person(s) at fault.

[AIR Para No. 29]

### 16.2.5.2.16 Non-deduction of conveyance allowance and house rent allowance – Rs 4.231 million

According to Government of the Punjab Finance Department (Monitoring Wing) notification No.FD (M.1)1-15/82-P-J dated 15/01/2000, in case of designated residence the officer / official for which residence is meant, cannot draw house rent allowance. He will have to pay 5% maintenance charges even if he does not avail the facility and residence remains vacant during the period. Further, according to clarification regarding conveyance allowance issued vide Government of the Punjab Finance Department letter No.FD.SR.I.9-4/86 (PR) (P) dated 15.10.2011, conveyance allowance was not admissible to those government employees residing within the premises of work place. Moreover, according to the Government of the Punjab Finance Department (Monitoring Wing) Notification No.FD(M.1)1-15/82-P-J dated 15/01/2002 and Government of Punjab allotment policy at district level dated 10/2002, a government servant occupying a house un-authorized and illegally be charged penal rent @ 60% of his basic salary.

Following DDOs of District Health Authority Sahiwal did not deduct house rent allowance and conveyance allowance amounting Rs 4.231 million during 2018-19 from salaries of employees residing in designated / allotted residences inside hospital premises. Furthermore, MS THQ Hospital neither vacated nor recovered penal rent from the unauthorized occupants in the residences of the hospital. The details are given below.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	DHO Sahiwal	Non-deduction of house rent, conveyance allowance despite stay in the government residences	1.188
2	SMO RHC 45/12L		0.704
3	DHO Sahiwal		0.587
4	CEO (DHA) Sahiwal		0.254
5	MS THQ Hospital Chichawatni	Non-recovery of penal rent from unauthorized occupants and non-deduction of house rent, conveyance allowance despite stay in the government residences	1.498
<b>Total</b>			<b>4.231</b>

Audit is of the view that due to weak internal controls, unauthorized payment on account of house rent allowance and conveyance allowance was made.

Unauthorized payment on account of conveyance allowance and house rent allowance resulted in loss amounting Rs 4.231 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 4.231 million besides fixing responsibility on the person(s) at fault.

[AIR Para No. 18, 12, 19, 17, 22]

#### **16.2.5.2.17 Withdrawal of funds without pre-audit - Rs 3.930 million**

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe. Further, according to Government of the Punjab Finance Department letter No.SO (TT) 6-1/2013 (2015) dated 15.07.2015, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals or for en-block transfer of funds in commercial banks / Development Financial Institutions (DFIs). Withdrawals from the Special Drawing Accounts shall only be admissible, if these are required to meet validly accrued liabilities / booked expenditure, duly pre-audited, where so required.

MS THQ Hospital Chichawatni incurred expenditure amounting Rs 3.930 million from Health Council Funds during 2018-19. The funds were withdrawn for different expenditure i.e. salaries of contingent paid staff, janitorial staff, payment for security service etc. without pre-audit in violation of above rules.

Audit is of the view that due to weak financial controls, funds were withdrawn without pre-audit.

Violation of rules resulted in irregular withdrawal of funds amounting Rs 3.930 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides preparation of mechanism of pre-audit of health council funds.

[AIR Para No.6]

**16.2.5.2.18 Excess payment of pay and allowances despite resignation / transfer - Rs 3.361 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Following DDOs of District Health Authority Sahiwal made payment of Rs 3.361 million during 2018-19 on account of pay and allowances to different staff despite resignation / transfer. The pay and allowance were not admissible after resignation / transfer.

(Rupees in million)

Sr. No.	DDOs	Particular	Amount
1	CEO (DHA) Sahiwal	Excess payment of pay and allowances despite resignation / transfer	1.529
2	MS THQ Hospital Chichawatni		1.529
3	SMO RHC 45/12L	Excess payment of salary after dissolution of employment contract	0.303
<b>Total</b>			<b>3.361</b>

Audit is of the view that due to weak internal controls, pay and allowances were paid despite resignation / transfer of employees.

Unauthorized payment of pay and allowance resulted in loss amounting Rs 3.361 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 3.361 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para No. 8, 18, 2]

**16.2.5.2.19 Irregular appointment of contingent paid staff – Rs 2.099 million**

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.

MS THQ Hospital Chichawatni made payment of Rs 2.099 million on account of wages to contingent paid staff during 2018-19. The record pertaining to appointments i.e. advertisement, number of applicants, criteria for appointments, minutes of committee and final approval of candidates was not maintained etc. Further, subsequent appointment / duty roster of candidates was also not on record.

Audit is of the view that due to weak internal controls, irregular appointment of contingent paid staff was made.

Violation of rules resulted in irregular appointment and payment on account of salary / wages of contingent paid staff amounting Rs 2.099 million.



The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditures from the competent authority besides inquiry in the matter and fixing of responsibility upon person(s) at fault.

[AIR Para No. 8]

**16.2.5.2.20 Excess payment of pay and allowances to nurses – Rs 1.853 million**

According to Health Department (Nursing Cadre) notification No.SO (NC) 2-118/A/2009 dated 14.05.2011 and other similar regularization orders vide general condition No. ix of regularization orders of nurses this regularization of nurses was subject to the condition that the appointment on regular basis shall be prospective in nature and the officer shall have no right of entitlement to any back benefits.

MS THQ Hospital Chichawatni paid excess salaries amounting Rs 1.853 million to the charge nurses due to payment of personal allowance as back benefits. Salaries were not re-fixed on initial basic pay rather personal allowance was also allowed to the nurses contrary to the terms and conditions of regularization of their services.

Audit is of the view that due to weak internal controls, excess salaries were paid to charged nurses.

Withdrawal of back benefits after regularization resulted in loss amounting Rs 1.853 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 1.853 million despite fixing responsibility on the person(s) at fault.

[AIR Para No. 19]

### 16.2.5.3 Others

#### 16.2.5.3.1 Non-maintenance of consumption record of store items – Rs 101.540 million

According to rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

Following DDOs of District Health Authority Sahiwal purchased and shown issued different storable items costing Rs 101.540 million during 2018-19. Audit scrutiny revealed that either the stock was short in store and no consumption record was maintained or otherwise the stock was not received in the health facility concerned as summarized below:

(Rupees in million)

Sr. No.	DDOs	Nature of consumption record	Amount
1	DHO-Sahiwal	Consumption of Delta-methrine WP 5% in off season	1.144
2	THQ Chichawatni	Consumption of Medical Gases	1.282
3	THQ Chichawatni	Consumption of disposable items	3.128
4	DHO-Sahiwal	Consumption of Insecticides issued to dengue	1.092
5	THQ Chichawatni	Consumption of medicine in various departments	90.794
6	DHO-Sahiwal	Issuance of medicines / Store to DHQ Hospital, Abdul Qayyum Hospital, Municipal Corporation, PRSP	1.810
7	DHO-Sahiwal	Consumption of Delta-methrine 1.5% EC with	0.171

Sr. No.	DDOs	Nature of consumption record	Amount
		water instead of diesel in fogging	
8	RHC 45/12L	Stock entries and consumption record of medicines Issued to Emergency Ward	0.741
9	DHO-Sahiwal	Delta-metharin 1.5% EC & Delta-methrin	1.378
<b>Total</b>			<b>101.540</b>

Audit is of the view that due to weak internal controls, storable items were purchased and consumed without maintaining proper record.

Purchase and consumption of storable items without maintaining proper record and shortage of store items may cause loss amounting Rs 101.540 million

The matter was reported to the PAO and DDOs concerned in September, 2019. . No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 01, 23, 39, 11, 32, 23, 2, 14, 3]

#### **16.2.5.3.2 Supply of medicine in excess of demand and non-supply of required medicine – Rs 79.009 million**

According to rule 8 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.

MS THQ Hospital Chichawatni received medicine against the annual demand of the hospital from MSD during 2018-19. The required medicine amounting Rs 78.463 million was not provided in the hospital but excess medicines from demand amounting Rs 0.546 million was purchased. This situation revealed that the realistic demand of the hospital was not observed at the time of procurement for the hospital.

Audit is of the view that due to weak internal controls, the funds of the hospital were consumed without observing the requirements of the hospital by supply of excess medicines than demand and ignoring the required medicine.

Violation of rules resulted in supply of medicine in excess of demand and non-supply of required medicine amounting Rs 79.009 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 34]

**16.2.5.3.3 Irregular expenditure without sanctioned posts in budget – Rs 24.287 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Following DDOs of District Health Authority Sahiwal allowed the withdrawal of salaries for such posts against which no budget provision was made in budget book or such posts of higher scale against lower scale sanctioned posts. Therefore an irregular payment of Rs 24.287 million was made during 2018-19 without availability of sanctioned posts reflected in the budget.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	RHC 45/12L	Withdrawal of Pay & Allowances more than sanctioned posts	1.002
2	DHO-Sahiwal	Withdrawal of pay and allowances by higher scale officers against the lower scale sanctioned post	1.192

Sr. No.	DDOs	Detail	Amount
3	CEO-Sahiwal	Irregular withdrawal of pay and allowances by higher scale officers against the lower scale sanctioned post	1.192
4	CEO-Sahiwal	Expenditure on pay and allowances without approved SNE from Finance Department	18.250
5	THQ Chichawatni	Withdrawal of pay and allowances without availability of sanctioned posts	1.254
6	DHO-Sahiwal	Withdrawal of pay and allowances for the post of women medical officer without having posts in cost Center SC-9021	1.397
<b>Total</b>			<b>24.287</b>

Audit is of the view that due to weak internal controls excess posts were being withdrawn than sanctioned budgeted posts.

Excess withdrawal of posts than budgeted posts resulted in irregular expenditure amounting Rs 24.287 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 05, 13, 19, 15, 27, 14]

#### **16.2.5.3.4 Acceptance of sub-standard medicines – Rs 8.048 million**

According to Sr. No.J of letter No.S.O.(P-I)II/3-G-1/2001 Government of the Punjab Health Department (Purchase Cell) dated 06.09.2001, all regular purchases except emergency / day to day local purchase must be submitted to Drugs Testing Laboratories for quality assurance.

The CEO (DHA) Sahiwal and MS THQ Hospital Chichawatni accepted substandard medicines amounting Rs 8.048 million during 2018-19. Acceptance of sub-standard medicines may cause loss to the Government and non-provision of basic health facilities to the general public / patients.

Audit is of the view due to weak internal controls sub-standard medicine was procured and accepted.

Procurement and acceptance of sub-standard medicines may cause loss amounting Rs 8.048 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends replacement of sub-standard medicines besides fixing responsibility on the person(s) at fault.

[AIR Para No. 35, 6]

#### **16.2.5.3.5 Unauthorized charging of GST on electricity charges – Rs 1.231 million**

According to Section 52A of Sixth Schedule of Sales Tax Act, 1990, read with the Government of Pakistan Ministry of Law and Justice letter No.128/2011–Law (FTO) dated 16.07.2012, Goods supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds.

MS THQ Hospital Chichawatni made payment of electricity charges amounting Rs 8.299 million including GST amounting Rs 1.231 million to MEPCO during 2018-19. The payment of GST was irregular and unjustified as the hospitals were exempted from GST

Audit is of the view that due to weak internal controls, payment of GST was made without observing the government instructions.

Payment of GST despite exemption resulted in loss amounting Rs 1.231 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery / adjustment of Rs 1.231 million, besides fixing responsibility on the person(s) at fault.

[AIR Para No. 2]

### **16.2.5.3.6 Non-deposit of sale proceedings of empty cane of bi-carb solution – Rs 1.003 million**

According to rule 14 (d) of the Punjab District Authorities (Accounts) Rules 2017, the collecting officer shall be responsible to collect receipts in the transparent manner and guard against misappropriation, fraud, embezzlement or compromise.

MS THQ Hospital Chichawatni did not deposit the sale proceed of empty cane of bi-carb solution amounting Rs 1.003 million during 2014-19. The Dialysis Ward was operative since 2012, but on the available information Audit has pointed out recovery of sale proceedings of bi-carb solution empty canes since July, 2014 to onward. However, the department is requested to look into the matter for the complete period. The detail is given below:

(Rupees in million)

Period	Avg. Per Year Consumption of Bi-carb Solution (No. of cane)	Rate per cane empty	Amount to be deposited	Amount deposited	Empty stock available	Amount of auction / sale not deposited
2018-19	8,224	35	287,840	-	NIL	0.288
2017-18	8,224	30	246,720	-	NIL	0.247
2016-17	8,224	24	197,376	-	NIL	0.197
2015-16	8,224	18	148,032	-	NIL	0.148
2014-15	8,224	15	123,360	-	NIL	0.123
Total						<b>1.003</b>

Audit is of the view that due to weak internal controls the revenue realized from sale proceedings was not deposited in the Government treasury.

Non-deposit of sale proceedings resulted in loss amounting Rs 1.003 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was



not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 1.003 million from concerned and its deposit besides fixing responsibility on the person(s) at fault.

[AIR Para No. 38]

## 17. District Health Authority (DHA) Vehari

### Chapter 1

#### Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Health Authority Vehari on annual basis. Following observations surfaced during the audit of financial year 2018-19.

#### Sectoral Analysis

##### i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CEO (DHA) during 2018-19.

(Rupees in million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	2,534.591	1,762.417	(772.174)	-30%
Non-salary	320.127	313.598	(6.529)	-2%
Development	74.939	22.585	(52.354)	-70%
<b>Sub Total</b>	<b>2,929.657</b>	<b>2,098.600</b>	<b>(831.057)</b>	<b>-28%</b>

(Source: Appropriation Accounts 2018-19)

Analysis of Non development budget and expenditure revealed that:

- An amount of Rs 90.031 million was provided for purchase of medicines against which only Rs 88.389 million was utilized resulting in lapse of Rs 1.642 million (2%).
- An amount of Rs 33.019 million was provided for procurement of machinery and equipment against which an amount of Rs 16.515 million was utilized resulting in lapse of Rs 16.504 million (50%)

Financial data shows that funds were not utilized to achieve the targets. Huge amount of Rs 831.057 million was lapsed due to inefficient management.

**Analyses of Appropriation Accounts and Financial Statements  
(Certification Audit 2019-20)**

The following issues surfaced during Certification Audit of District Health Authority Vehari for the Audit Year 2019-20.

- Non Reporting of Fixed Assets – Rs 16.084 million
- Understated Books of Accounts of District Health Authority – Rs 14.175 million
- Unjustified inverse amount of cash & cash balance and receivables – Rs (8.607) million
- Difference in closing balance Rs- 7.555 million
- Difference between SAP data and Financial Statement of DHA – Rs 3.729 million
- Discrepancies in Financial Statements / Finance Accounts / Appropriation Accounts

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department Punjab. However, these issues have been reported in the audit certificate as emphases of matter.

**ii. Analysis of Targets and Achievements**

Sectoral analysis of DHA Vehari was made on the basis of various indicators of all the health units for the financial year 2018-19. These indicators were introduced, implemented and monitored through PMIU (Punjab Monitoring Information Unit). The objectives were to improve health facilities at each health unit, improved environment, and facilitation to patients in OPD, vaccination and free of cost deliveries through proper monitoring at appropriate level. Detail of indicators and achievements are given below:

Sr. No.	Indicators	Target 2018-19	Achievement 2018-19	Remarks
1	Outdoor Patients	4,284,600	4,190,805	Not achieved
2	Indoor Patients	-	181,657	-
3	Surgical Cases	-	28,732	-

4	Cardiac Coronary Unit	-	52,192	-
5	Diagnostic Services (Laboratory, Radiology)	-	484,394	-
6	Family Planning Activities	-	91,759	-
7	Peads	-	225,416	-
8	Surgery	-	28,732	-
9	T.B Chest Treatment	-	19,727	-
10	Free Medicine to Patients	-	4,190,805	-
11	EPI Vaccination	390,108	370,607	Not achieved
12	Sanctioned Posts (Doctors/Specialists)	-	389	-
13	Gazetted Staff/ Technical Staff	-	1,120	-
14	Other Staff	-	1,016	-

\*Source: Data received from CEO (DHA) Vehari

### iii. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- Irregularities and non-compliance of rules amounting to Rs 8,289.498 million was observed in 87 cases.
- Weak Internal Controls involving amount of Rs 55.513 million was noticed in 24 cases.
- Poor performance of the management having financial impact of Rs 81.639 million was found in 43 cases.

### iv. Service Delivery Issues

In view of the above target achievement table, it could be noticed that DHA failed to deliver the services in the area of outdoor patient's service, indoor patient's services, surgery, cardiac coronary, diagnostic services, family planning, peads, T.B treatment and EPI vaccination as intended in the indicators during 2018-19.

**v. Expectation Analysis and Remedial Measures**

**District Health Authority**

CEO (DHA) failed to prepare authentic budget as per needs as budget was not optimally utilized, various funds of death grants, medicines and development remained un-utilized due to inefficiency of the management in the area of financial planning. It is also concluded that DHA failed to achieve the targets and deliver the services as intended in the indicators as most of the indicators were not achieved during 2018-19 against the targets set for the purpose.

**Suggestion / remedial measures**

- Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- There is lack of medical facilities e.g. equipment, doctors in various facilities particularly in primary health care facilities. The same may be assessed and provided.
- Doctors' availability is another issue which needs government's attention.
- Weaknesses of the administration in solving the problems related to the field of medicines should be addressed.
- Procurement and Punjab Delegation of Financial Rules should be observed in letter and spirit.
- Efforts should be made for expediting the realization of various Government receipts and overpayments.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

## **17.1.1 Audit Paras**

### **17.1.1.1 Non Reporting of Fixed Assets – Rs 16.084 million**

**Risk Categorization: High**

#### ***Criteria***

According to Section 2.2.7 of the Financial Reporting Manual a statement of fixed assets should be prepared for each reporting period.

#### ***Facts***

During certification audit of A/C VI it was noticed that District Accounts Officer Vehari neither prepared “Statement of Fixed Assets” for the year 2018-19 nor were the Fixed Assets reported in the Balance Sheet, in violation of section 2.2.7 of the Financial Reporting Manual. Furthermore, expenditure of Rs 16.084 million was booked in the accounts as A09 (Purchase of Assets), but same was not reflected in the balance sheet. Furthermore, assets of health department were more than the amount mentioned above.

#### ***Implication***

Financial statement did not show proper record

Valuations of assets could not be maintained

Chances of errors could not be ruled out

#### ***Recommendation***

The detail regarding fixed assets be maintained at appropriate level.

#### ***Management Response***

It is submitted that matter is taken up with administrative department vide letter No.DAO/Admn-150-151 Dated 10.10.2019 to provide the detail of assets. After receiving the said information, fixed assets will be incorporated in SAP-R/3.

#### ***DAC’s Decision***

DAC kept the para pending for want of compliance.

### **17.1.1.2 Understated Books of Accounts of District Health Authority – Rs 14.175 million**

**Risk Categorization: Moderate**

#### ***Criteria***

According to Rule 3 (3) (4) of Punjab District Authorities (Accounts) Rules, 2017, all condition grants shall be included in budget and shall be utilized in accordance with the specific conditions. The District Authority may or if requirement by the Government shall maintain a separate bank account for any special purpose and shall be administrated, maintained and regulated as the local fund of District Authority.

#### ***Facts***

DAO Vehari did not observe the grant of Health Council Budget Rs 14.175 million to different health facilities under administrative control of District Health Authority Vehari during 2018-19. The funds were released by Provincial Government from Account-I in SDA of Chief Executive Officer Health Vehari. The salary expenditure of these institutions were booked to District Health Authority Account-VI but Health Council expenditure was charged to Account-I. The booking of expenditure in two different accounts related to health facilities under administrative control of District Health Authority was irregular. Hence, the accounts of District Health Authority were not presenting true and fair view.

#### ***Implications***

The booking of Health Council expenditure to Account-I resulted in understated expenditures / Financial Statement of District Health Authority.

#### ***Recommendations***

Audit recommends proper justification or corrective measures for fair view of accounts of District Health Authority Account-VI

### ***Management Response***

DAO stated that Health Council budget is directly transferred from Primary & Secondary Health care Department in to the Commercial Accounts of DDO, s of Health facilities. The books of accounts of Health Councils Budget are maintained at DDO Level. More over this office is not involve in pre-audit or post audit of Health Councils budget as no bill /claim is presented in this office. The reply was not acceptable as no documentary evidence was produced.

### ***DAC's Decision***

DAC kept the para pending till correction of accounts.

### **17.1.1.3 Unjustified inverse amount of cash & cash balance and receivables – Rs (8.607) million**

**Risk Categorization: Moderate**

#### ***Criteria***

According to Para 2.2.2.9 of APPM, the District Accounts Officers are responsible for the accounting functions.

#### ***Facts***

During the course of Certification Audit of District Accounts Office Vehari on the accounts of District Health Authority for the year 2018-19, it was observed that as per finance accounts page number mentioned below the figure of receivable / cash was reported contrary to each other which need justification.

(Amount in rupees)

<b>Government</b>	<b>Finance A/C Page No.</b>	<b>Head</b>	<b>Amount (Rs)</b>
District Health Authority	1	F02-Receiveable	(8,606,610)
<b>Total</b>			<b>-8,606,610</b>



### ***Implications***

Incorrect / incomplete recording of transactions

Incorrect financial reporting

Chances of errors could not be ruled out

### ***Recommendations***

Accurate financial reports be generated for use by the stake holders.

### ***Management Response***

DAO stated that the matter is given in the notice of Worthy Controller General of Accounts for rectification in SAP programme. The reply was not acceptable as no documentary evidence was produced.

### ***DAC's Decision***

DAC kept the para pending for want of compliance.

### **17.1.1.4 Difference in closing balance Rs- 7.555 million**

#### ***Risk Categorization: High***

#### ***Criteria***

According to Accountant General Punjab, Lahore letter No. SBD.Bp & DGP/CB/HM dated 26.09.2019 closing balances of SBP Karachi and local branches of SBP/ NBP were circulated.

#### ***Facts***

DAO Vehari shown closing balance on 30<sup>th</sup> June 2019 Rs 274,466,367 whereas, State Bank- of Pakistan Head Office Karachi reported closing balances on 30<sup>th</sup> June, 2019 Rs 282,011,019 of Account VI of District Health Authority Vehari. Thus there was difference of Rs -7.555 million between DAO figure and SBP Karachi figure. DAO Vehari showed less closing balance Rs 7.555 million.

(Amount in rupees)

Closing balance as per FS on 30.06.2018	Closing balances as per SBP Head office Karachi	Difference
274,466,367	282,011,019	(7,544,672)

***Implication***

Difference of figures creates doubts about the authenticity of financial statements.

Weak internal controls in the part of DAO

***Recommendation***

Necessary corrections should be made in the books of Accounts.

***Management Response***

DAO did not submit any reply.

***DAC's Decision***

DAC kept the para pending for compliance.

**17.1.1.5 Difference between SAP data and Financial Statement of DHA – Rs 3.729 million**

***Risk Categorization: High***

***Criteria***

According to Paras 2.2.2.9 & 6.3.4.2 of APPM, the District Accounts Officers are responsible for the accounting functions of the districts and every DAO shall prepare a monthly reconciliation statement for expenditure and receipts.

***Facts***

During certification audit of A/C VI District Health Authority Vehari, it was observed that there was a difference Rs 3.729 million between figures of financial statements and SAP data during 2018-19. Detail is given below:

(Rupees in million)

DISTRICT	Head of Account	DHA ACCOUNT -VI		
		Amount as per SAP	Amount as per Financial Statement	Difference
VEHARI	Trust & other public account-Payment	3,871,675.473	3,871,673	2.473
	Special Deposits-Payment	21,484.598	21,485	0.402
	State Provident Fund-payment	117,865.284	117,865	0.284
	Trust & other public account-Receipts	3,830,773.740	3,834,499	3,725.260
	Special Deposits-Receipts	21,398.204	21,398	0.204
	State Provident Fund-Receipts	57,174.025	57,174	0.025
<b>Total</b>				<b>3,728.648</b>

***Implication***

- Incorrect reporting.
- No clear picture of financial position.
- Chances of errors could not be ruled out.

***Recommendation***

Audit recommends appropriate actions to be taken for preparing actual financial position and production of correct data / amount under intimation to Audit.

***Management Response***

DAO stated that trust account and other Public account, special deposit account & state provident fund are prepared in accordance with SOPs of worthy Auditor General of Pakistan. So there is no difference between SAP data and Financial Statement. The reply was not acceptable as no documentary evidence was produced.

***DAC's Decision***

DAC kept the para pending for compliance.

**17.1.1.6 Discrepancies in Financial Statements / Finance Accounts / Appropriation Accounts**

***Risk Categorization: High***

***Criteria***

According to Section 7.1.1.2 of the APPM, Centralized Accounting Entities are required to produce (through DAO/AG/AGPR) their financial reports in accordance with the procedure set out and the format specified in the FRM.

***Facts***

Scrutiny of Financial Statements / Finance Accounts / Appropriation Accounts of District Health Authority, Vehari revealed following discrepancies:

**Appropriation Accounts:**

- Page No. IV Original and Revised Schedules of authorized expenditure figure not tally with grand summery of appropriation accounts at page No. VII. (Non development final grant).

**Financial Statement:**

- Page No.04 – Head wise Original and Revised Budgeted amounts for the financial year 2017-18 and 2018-19 was blank.
- Pat No. 06 Accounting Convention and basis preparation period was wrongly mentioned as 01 July 2017 to 30 June 2018 instead of 01 July 2018 to 30 June 2019.
- Page No. 06 Reporting and Budget Period was wrongly mentioned as 30 June 2018 instead of 30 June 2019.

- Closing balance of cash at the end of year not tally. Page No. 2 closing balance is Rs 274,466,000. However, closing balance of cash at Page No. 11 is Rs 15,000. Closing balances of cash mentioned on different pages not tally.
- Page No.12 notes for Financial Statement, the name of District Education Authority was written instead of District Health Authority.

**Finance Accounts:**

- Page 5 was not readable.
- Page No. 8 for the financial year 2017-18 and 2018-19 was blank. Whereas, expenditure on development Rs 22.584 million was reported in Appropriation Account. Further in column No. 2 expenditure till the year end of 2016-17 was written instead of 2017-18.

***Implications***

Incorrect reporting needs to be justified.

***Recommendations***

Audit recommends to make necessary correction in Financial Statements & Finance Accounts.

***Management Response***

DAO stated that all necessary corrections have been made in Financial Statements / Finance Accounts / Appropriation Accounts. The reply was not acceptable as no documentary evidence was produced.

***DAC's Decision***

DAC kept the para pending for compliance

## **Chapter 2**

### **DHA Vehari**

#### **17.2.1 Introduction**

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

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health services delivery personnel under the policy framework given by the government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Vehari manages following primary and secondary health care facilities and institutes:

Description	No. of Health facility/ Institute
Basic Health Units	74
Government Rural Dispensary	04
Rural Health Centre	14
Tehsil Head Quarter Hospitals	02
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officer	01

\*Source: Data received from CEO (DHA) Vehari

The following table shows detail of total & audited formations of DHA Vehari:

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	31	05	340.653	10.000
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

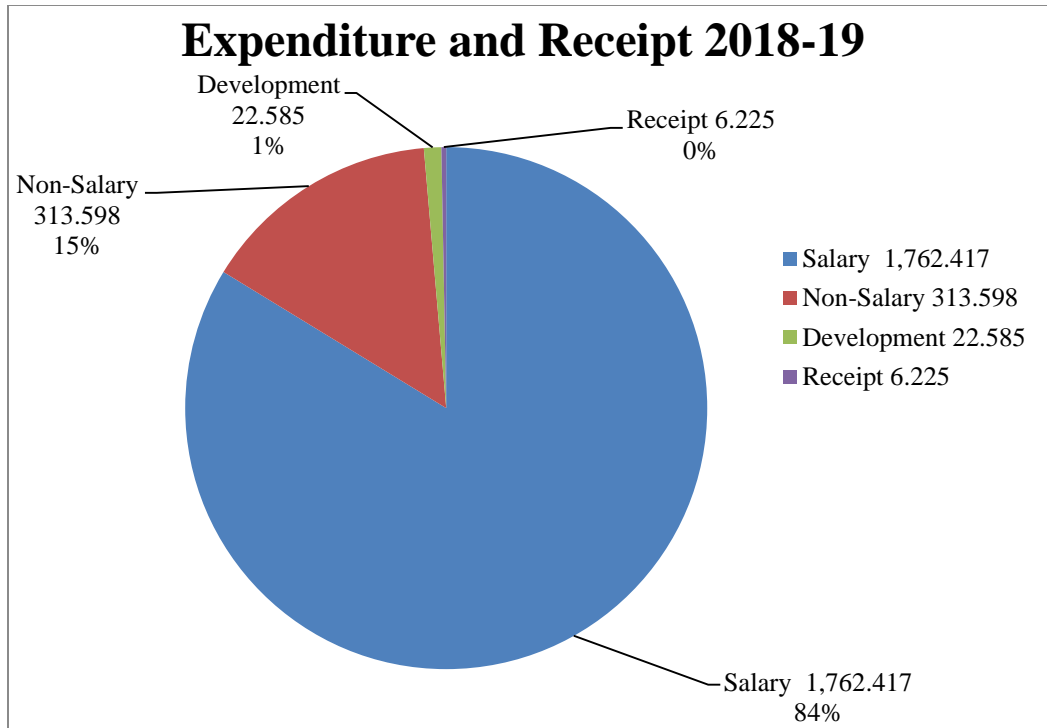
### 17.2.2 Comments on Budget and Accounts (Variance Analysis)

The detail of Budget and Expenditure is given below in tabulated form

(Rupees in Million)

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	2,534.591	1,762.417	(772.174)	-30%
Non-salary	320.127	313.598	(6.529)	-2%
Development	74.939	22.585	(52.354)	-70%
<b>Sub Total</b>	<b>2,929.657</b>	<b>2,098.600</b>	<b>(831.057)</b>	<b>-28%</b>
Receipts	8.893	6.225	(2.668)	-30%

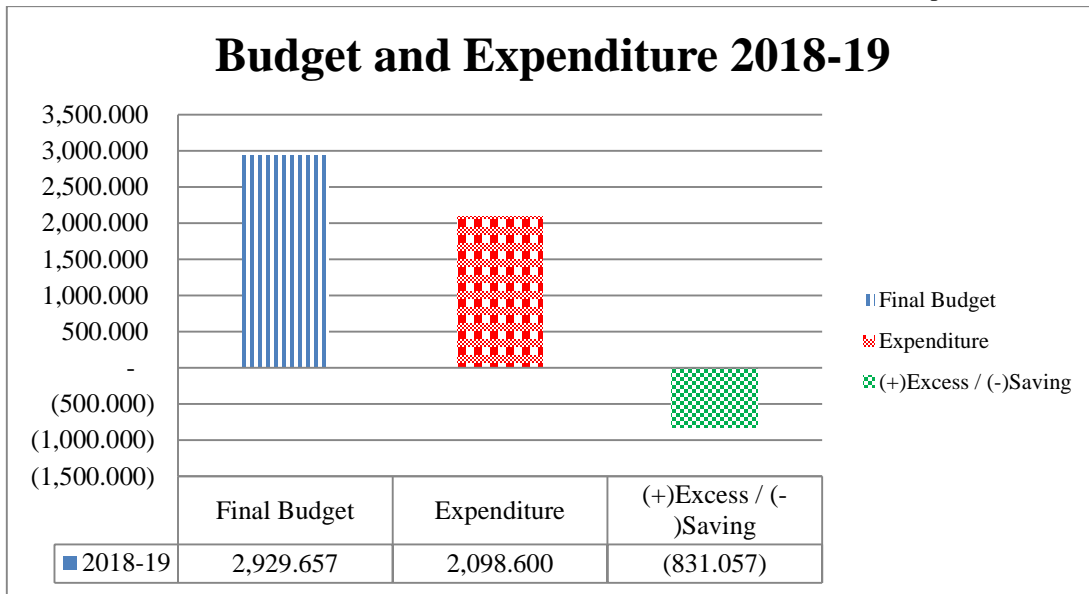
(Rupees in Million)



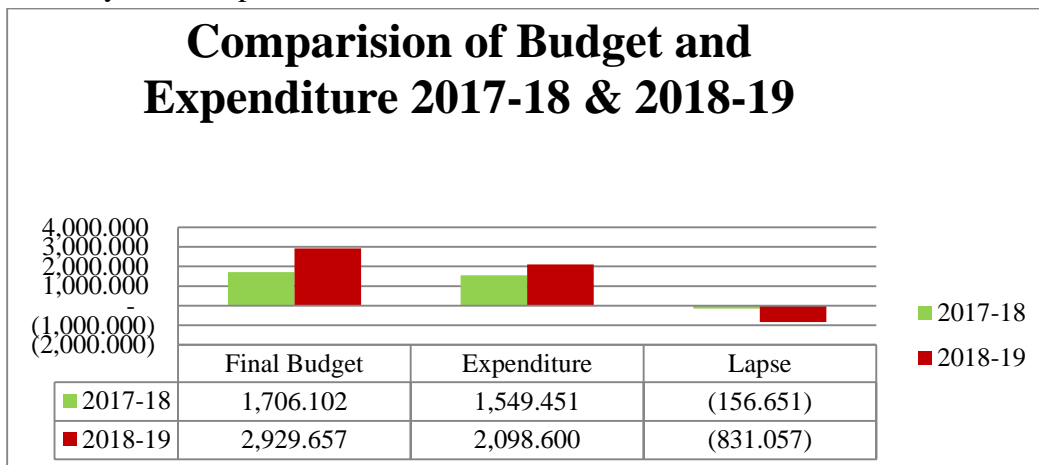
As per the Appropriation Accounts 2018-19 of the District Health Authority Vehari, total original budget (Development and Non-Development) was Rs 2,375.427 million, supplementary grant was Rs 554.231 million and the final budget was Rs 2,929.657 million. Against the final budget, total expenditure of Rs 2,098.600 million was incurred by the District Health Authority during the financial year 2018-19. A lapse of Rs 831.057 million came to the notice of Audit, which shows that the District Health Authority failed to provide services and infrastructure development. No plausible explanation was provided by the PAOs / Administrator and management of District Health Authority (**Annexure-B**).



(Rupees in Million)



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



There was 72% and 35% increase in budget allocation and expenditure incurred in financial year 2018-19 as compared to financial year 2017-18, while there was overall savings of Rs 831.057 million during 2018-19.

### 17.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 8,419.117 million were raised as a result of this audit. This amount also includes recoverable of Rs 73.063 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR / employees related irregularities	3,792.827
B	Procurement related irregularities	4,576.174
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	2.640
5	Others	47.476

### 17.2.4 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 but have not been examined by the Public Accounts Committee.

#### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2018-19	36	PAC not constituted

## **17.2.5                    AUDIT PARAS**

### **17.2.5.1 Irregularities**

#### **17.2.5.1.1 Non/ defective maintenance of record - Rs 4,060.784 million**

According to rule 2.2 of the PFR Vol-I, a simple Cash Book in P.F.R. Form-I should be kept in every office, receiving or disbursing money on behalf of Government regularly or frequently. All cash transactions should be entered in the Cash Book as soon as they occur and attested in token of check. Further, according to Rule 59(1)(2)(3)(4) of Punjab District Authorities (Budget) Rules, 2017 the District Authority shall prepare a monthly report relating to the expenditure incurred during the month. The monthly financial report shall include the prescribed BM Forms. The Chief Executive Officer, being principal accounting officer, shall consolidated the monthly reports of expenditure and submit an annual report to the Authority relating to the expenditure incurred during the twelve months. The annual financial report shall include:

- Annual statement of current expenditure duly reconciled
- Annual statement of receipts duly reconciled
- Annual progress report of development programme duly reconciled
- Statement of operationalization of projects
- Service delivery targets
- Service delivery facilities status
- Establishment status by gender and designation and
- Annual statement of re-appropriations of funds duly reconciled.

CEO District Health Authority Vehari were incurred Rs 4060.784 million during 2018-19 in salary and non-salary heads but cash book for receipt and disbursement was not maintained. Further, DHA Vehari failed to prepare monthly financial report of expenditure on the prescribed BM Forms. The CEO neither

submitted consolidated monthly reports of expenditure nor prepared annual report to the Authority.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	CEO-Vehari	Non maintenance of cash book of expenditures	50.959
2		Non-maintenance of cash book of DHA	2004.911
3		Non-preparation of monthly financial reports and annual financial reports	2004.914
<b>Total</b>			<b>4060.784</b>

Audit is of the view that due to weak internal controls, record of receipts and log book was not maintained.

Violation of rules enhanced the chances of misappropriation and resulted in non-maintenance of record amounting Rs 4060.784 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 23,19,25]

#### **17.2.5.1.2 Irregular late approval of budget estimates – Rs 2,435.109 million**

According to rule 3 (K) of District Authorities Budget Rules 2017, the Chairman shall ensure that the estimates and revised budget estimates shall be laid before the District Authority well before the commencement of the next Financial Year. Further, according to rule 4 (C) of District Authorities Budget Rules 2017, the Chief Executive Officer shall ensure that Budget estimates shall be submitted before the District Authority well before the commencement of the next Financial Year and

budget so approved is distributed amongst DDOs by the commencement of the financial year.

The Chief Executive Officer District Health Authority Vehari did not take approval of budget estimates for the Financial Year 2018-19 amounting Rs 2,435.109 million well before the commencement of financial year. The budget was prepared and submitted to Deputy Commissioner / Administrator of Authority on 13.08.2018 late after commencement of financial year. It depicts that pay and allowances for the month of July, 2018 were paid without approval of budget of authority.

Audit is of the view that due to weak management draft of budget was not prepared and approved well on time.

Non-observance of rules resulted in late approval of budget estimates amounting Rs 2,435.109 million.

The matter was reported to the PAO and DDO concerned in September, 2019. DDO replied that matter will be enquired in due course of time. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 12]

#### **17.2.5.1.3 Non-reconciliation of budget figures between DHA record and SAP R/3 record– Rs 479.787 million**

According to Para 6 (e)(j)(k)(l) of Punjab District Authorities (Budget) Rules, 2017 Budget and Accounts Officer is responsible to communicate grants, through SAP-R/3, to drawing and disbursing officers and institutions of the District Authority; to monitor the receipts and expenditure of the District Authority and institutions through System SAP R/3 and to maintain schedule of establishment of the District Authority, offices and institutions.

Chief Executive Officer, DHA, Vehari did not monitor the budget and expenditure of DHA, Vehari during 2018-19. Proper reconciliation of figures was not made. The original budget, revised budget figures reflected in SAP R/3 system and books of accounts of DHA mismatch. A different of Rs 219.436 million and Rs 260.351 million was noticed in original and revised budget figures respectively which needs proper justification. Necessary detail is given below:

(Rupees in million)

Particulars	As per DD Budget Record	As per SAP System Record	Difference
Original Allocation	2,313.35	2,093.918	219.436
Revised Budget / Final Grant	2,265.27	2,004.91	260.351

Audit is of the view that due to poor budgeting and defective financial management the budget figures were not properly reconciled with figures of District Accounts Office System SAP R/3.

Non-reconciliation of budget figures creates doubt on the true and fair view of books of accounts and authenticity of incurring.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends disciplinary action against the responsible of such negligence / incompetence besides regularization.

[AIR No. 14]

#### **17.2.5.1.4 Non-surrender of savings and expenditure in excess of budget allocation – Rs 354.094 million**

According to rule 15 (a) (b) of District Authorities Accounts Rules 2017, the Drawing and Disbursing Officer shall be responsible to prepare estimates of expenditure of the concerned office, maintain budget control register, record entries of each transaction therein against corresponding allocation and make assessment of

expenditure likely to be made during the financial year and takes measures accordingly.

Following DDOs of District Health Authority Vehari did not surrender budget amounting Rs 354.094 million during 2018-19. The funds were neither utilized nor surrendered well in time and lapsed. Moreover, expenditure of Rs 27.200 million was excess incurred than budget allocation irregularly by MS THQ Mailsi. No efforts were made for additional allocation in relevant object heads where expenditure was in excess of budget allocation.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS THQ Mailsi	Non surrender of savings on account of pay and allowances and Excess expenditure than budget allocation	113.625
2	CEO-Vehari	Non-Surrender of Anticipated Savings	90.373
3	MS DHQ Vehari	Non utilization of funds on account of contingent expenditure	116.570
4	DHO-PS Vehari	Non utilization of funds on account of contingent expenditure	2.367
5	MSTHQ Burewala	Non utilization of funds on account of contingent expenditure	31.159
<b>Total</b>			<b>354.094</b>

Audit is of the view that due to weak financial controls, anticipated savings were not surrendered well in time and efforts were not made for further funds where expenditure was in excess of allocation.

Non-surrender of funds resulted in lapse of Rs 354.094 million and excess expenditure than budget allocation resulted in irregular expenditure amounting Rs 27.200 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 30, 17, 33, 8, 10]

**17.2.5.1.5 Less / non supply of bulk medicine than annual budget allocation Rs 214.631 million**

According to Rule 8 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. Further, according to Para 16.10 (xiii) (b) of the Punjab Budget Manual, purchases less than requirements is a financial irregularity.

CEO DHA Vehari and MS DHQ Hospital Vehari purchased less medicine against the annual demand of the hospital amounting Rs 214.631 million during 2018-19. The firms failed to supply medicines within stipulated period. This situation revealed that the demand of the hospital was not observed at the time of procurement for the hospital. Less purchase of medicines badly affected the performance of hospital.

Audit is of the view that due to weak internal controls, the funds of the hospital were consumed without observing the requirements of the hospital.

Procurement of medicines without observing the demand of hospital resulted in violation of rules.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.



Audit recommends proper justification or regularization from the competent authority, besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR No. 16, 17]

**17.2.5.1.6 Irregular procurement by unauthorized procurement committee – Rs 194.285 million**

According to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO-H&D (DHA-17-02-02) dated 10.02.2017, consequent upon the establishment of District Health Authorities across Punjab under PLGA 2013, the Competent authority announce the District Purchase Committee at District level consisting of Deputy Commissioner as Chairman, CEO (DHA) as member / Secretary, ADC (F&P) and DHO (MS) as member and any other co-opted member. Further, according to Government of the Punjab Primary & Secondary Healthcare Department letter No.SO (B&A) 1-71/2018-19 dated 30.08.2018, the District Purchase Committee of District Health Authority previously constituted dated 10.02.2017 is hereby reconstituted as following to ensure the fairness and transparency in the procurement of drugs / medicines:

- |   |                  |
|---|------------------|
| 1. Deputy Commissioner/Administrator of DHA       | Chairman         |
| 2. CEO of DHA                                     | Member/Secretary |
| 3. Representative of P&SHC Department             | Member           |
| 4. Deputy Director (Development)                  | Member           |
| 5. Finance & Planning Officer                     | Member           |
| 6. Secretary, DQCB                                | Member           |
| 7. Health Expert / MS (to be nominated by the DC) | Member           |

Following DDOs of District Health Authority Vehari incurred expenditure of Rs 194.285 million during 2018-19 without complete purchase committee. Financial bids were opened and rates finalized without presence of representative of P&SHC

Department. Further, tender for execution of minor civil work was awarded through doubtful tender process. The detailed is given below:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS THQ Burewala	irregular procurement by unauthorized procurement committee	28.821
2	CEO-Vehari	Irregular expenditure due to incomplete Purchase Committee	145.535
3	MS THQ Mailsi	irregular procurement of LP medicine	8.842
4	MS DHQ Vehari	irregular procurement due to defective tender process for procurement of printing and Store Items	6.088
5	MS THQ Mailsi	Doubtful award of tender of minor civil work inquiry thereof	4.999
<b>Total</b>			<b>194.285</b>

Audit is of the view that due to weak financial controls, irregular tenders were called and purchases were made.

Violation of the Government directions resulted in irregular expenditure amounting to Rs 194.285 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization of expenditure from the competent authority under intimation to Audit.

[AIR No.17, 27, 9, 5, 10]

#### **17.2.5.1.7 Irregular payment of arrears without release of separate budget – Rs 141.739 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge,

fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 2.27 of PFR Vol-1 states that “No payment is admissible until additional budget for the payment of arrears of pay and allowances are provided and duly sanctioned in the Budget estimates”. As per Sr. No.8 of Delegation of Financial Power Rules 2016, the Administrative Department was competent to sanction investigation of claims of Government servants to arrears of pay, allowances, full powers in respect of T.A. claims not more than 3 years old, and other claims not more than 6 years old.

Following DDOs of District Health Authority, Vehari withdrew Rs 141. million from government treasury on account of arrears of pay and allowances during the Financial Year 2018-19 without obtaining additional budget for payment of arrears of pay and allowances. Further, payment of arrears of pay and allowances more than six year old were made without approval of competent authority. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Particular	Amount
1	CEO-Vehari	Doubtful payment of pay and allowances through adjustments	44.556
2	MS DHQ Vehari	Doubtful payments of pay and allowances through adjustments	22.512
3	DHO-PS Vehari	Irregular drawl of huge amount of arrears of pay & allowances without allocation / release of separate budget	74.671
<b>Total</b>			<b>141.739</b>

Audit is of the view that due to weak financial controls payments were made without obtaining additional/ separate budget for payment of arrears.

Payments of arrears without obtaining of separate budget allocation and without approval of competent authority resulted in irregular expenditure amounting Rs 141.739 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR No. 5, 7, 12]

#### **17.2.5.1.8 Unauthorized creation of liabilities despite availability of budget allocation – Rs 91.230 million**

According to rule 2.10 (b)(3) of the PFR Vol-1, all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year.

Following DDOs of District Health Authority Vehari did not clear the claims amounting Rs 91.230 million during 2018-19 on account of different object heads despite availability of budget. Unauthorized liabilities were created without proper justification.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Subject of Para</b>	<b>Amount</b>
1	MS THQ Burewala	Unauthorized creation of liabilities despite availability of budget allocation	5.421
2	CEO-Vehari	Unnecessary creation of liabilities due to nonpayment of claims despite availability of funds	2.254
3	MS DHQ Vehari	Unnecessary creation of liabilities due to nonpayment of claims despite availability of funds	83.555
<b>Total</b>			<b>91.23</b>

Audit is of the view that due to weak financial controls, liabilities were created despite availability of budget.

Non-payment of claims resulted in unauthorized creation of liabilities amounting Rs 91.230 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated requests. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization from the competent authority under intimation to Audit.

[AIR No. 12, 3, 2]

**17.2.5.1.9 Non purchase of medicines by the CEO Health by ignoring the government instructions of Rs. 69.409 million**

According to Government of the Punjab Finance Department letter No FD (PFC) 1-48/2017-18 (Medicine) dated 16.11.2018 “Sanction is hereby accorded to release a sum of Rs 6000 million into A/c VI of DHAs in Punjab for further disbursement for the offices of CEO, DHAs, THQs and DHQs Hospitals as Non salary Budget for bulk purchase of medicine for health facilities of DHA during financial year 2018-19”. According to letter No.SO(B&A)1-71/2018-19 Government of the Punjab Primary & Secondary Health Care Department dated 15.03.2019 “ the P&SH Department has notified the purchase committee at district level under the chairmanship of CEO, DHA Concerned due to the reason that the purchase will take four to five of months and by then district will come short of life saving medicine effecting the crucial service delivery, whereas the budget has been released by Finance Department at the level of THQs and DHQs Hospital.” According to corrigendum issued by the Government of the Punjab Finance Department letter No FD (PFC) 1-48/2017-18 (Medicine) dated 15.03.2019, referred to the letter of the dated 16.11.2018 of this office, Para-1 of the above said release order may be read as “Sanction is hereby accorded to release a sum of Rs 6,000 million into A/c VI of DHA in Punjab as Non salary Budget for bulk purchase of medicine for health facilities of District Health Authorities, during current financial year 2018-19”.

CEO Health Vehari did not purchase the medicines of Rs. 69.409 million during the financial year 2018-19 for the health institutes of District Vehari in

violation of above mention letter. Neither funds were transferred to DDOs nor medicines were purchased by CEO Health which resulted in deprive of local populace from necessary facility of medicines.

Audit is of the view due to weak management funds were not utilized in efficient ways.

Non-compliance of Government instruction resulted irregular expenditure of Rs.69.409 million

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of the expenditure besides fixation of responsibility on person at fault and disciplinary action be taken under intimation to audit.

[AIR No. 1]

**17.2.5.1.10 Defective method of procurement of LP medicine –  
Rs 56.494 million**

According to Government of the Punjab Health Department's Notification No. SO(P-I)H/3-64/2008 dated 12.09.2013 regarding policy and operation guidelines for LP Medicine (Day to Day) vide operational guidelines No. 16 LP of only those drugs should be done which are included in formularies and minimum level of doctor recommending the LP should be Senior Registrar, Assistant Professor, Consultant & Senior Medical Officer/ Senior Woman Medical Officer. Moreover vide guidelines No. 18 the bidder shall have its registered pharmacy facility within the reach of hospital (maximum within 2 km radius). The convenience of the hospital shall be given the paramount importance for this determination. Furthermore, vide guidelines No. 28, 29 and 30 Patient who receive medicine should be registered at the central point and should be allotted registration number. Treatment register should be maintained encompassing name, registration number, address, diagnosis and

description of medicines etc. LP medicine should not be purchased more than 7 days for a patient. Furthermore, according to No. Government of the Punjab, P&SHD Notification No. PSHD-TC0-1 (M) 6-14/2017 dated Lahore the 16th December, 2017 vide Sr. No. xv of operation guidelines for items being repeatedly purchased locally may be procure through Rule No. 59-B of Punjab Procurement Rules, 2014.

Following DDOs of District Health Authority Vehari incurred expenditure of Rs 56.494 million on account of LP medicine during 2018-19.

(Rupees in million)

Sr. No.	DDOs	Nature of consumption record	Amount
1	THQ Burewala	Defective method of procurement of LP medicine	13.672
2	DHQ Vehari	Defective method of procurement of LP medicine	33.980
3	THQ Mailsi	Irregular expenditure on local purchase of medicine	8.842
<b>Total</b>			<b>56.494</b>

The whole expenditure was held irregular on the basis of following observations:

1. No name of manufacturer batch No. date of manufacturing and date of expiry was mentioned on the bills which depict that local/china medicines were purchased from various local suppliers.
2. Consultant recommending medicines had not put his stamp with name on every bill.
3. No patient wise treatment register showing the name of patients, diagnosis and medicines recommended was maintained.
4. All medicines were purchased on the demand of dispenser / store keeper throughout the year. No patients based LP medicine was made as permissible under rules.
5. LP medicine was to be purchased for particular patient after complete diagnosis and prescriptions of doctor but here the medicines were purchased in bulk without any prescription.

Audit is of the view that due to weak monitoring controls, the medicines were purchased and consumed in irregular manner.

Irregular purchase and consumption of medicines amounting to Rs 56.494 million resulted in doubtful purchase process.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides action against the person at fault under intimation to Audit.

[AIR No. 25, 15, 13]

**17.2.5.1.11 Irregular withdrawal of incentive allowance without ensuring evening round in wards – Rs 44.586 million**

According to Government of the Punjab Primary and Secondary Healthcare Department notification No.PA/OS/ (G) 4-8/2016 dated 03.08.2016, in pursuance of the approval of competent authority 40% of the existing allowance shall be paid subject to conducting of evening rounds in hospital by consultant on call basis, for the purpose of adjustment in duty roster as devised by Punjab Information Technology Board. For purpose consultant shall checkout from morning shift through biometric attendance system after 2:00 pm and shall check in again after 5:00 pm. The consultant shall remain in hospital at least for one hour and shall conclude the round by checking out again. Their attendance and evening rounds shall be strictly monitored through bio metric attendance system.

Following DDOs of District Health Authority Vehari made of Rs 44.586 million during 2018-19 on account of 40% of incentive allowance to consultants as all the consultants in hospitals were not ensuring their rounds and at least one hour stay after 5:00 pm in the hospital as revealed from bio matric attendance record. The detail is as under:



(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS DHQ Vehari	Irregular withdrawal of Incentive Allowance without making evening round in ward	3.258
2	CEO-Vehari	Irregular withdrawal of Incentive Allowance without making evening round in ward	31.977
3	MS THQ Mailsi	Withdrawal of Incentive Allowance without delivering / evening rounds in hospital	3.479
4	MS THQ Burewala	Withdrawal of Incentive Allowance without delivering / evening rounds in hospital	5.872
<b>Total</b>			<b>44.586</b>

Audit is of the view that due to weak financial controls, the incentive allowance was paid without observing the payment criteria.

Irregular withdrawal of incentive allowance resulted in loss amounting Rs 44.586 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 44.586 million, besides further stoppage of 40% of allowance under intimation to Audit.

[AIR No. 1, 2, 1, 4]

#### **17.2.5.1.12 Doubtful consumption record of medicine and inquiry thereof – Rs 27.283 million**

According to Standard-8 of MSDS Reference Manual–2013 vide indicator No. 52 stipulates that only a registered Medical Practitioner (Medical and Dental) is authorized to write prescription/prescribe medicines on their own, in accordance with the parameters of the hospital formulary. According to Rule 2.10(a)(1) of the 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 expenditure of his own money.

MS THQ Hospital Mailsi did not maintain proper consumption record of medicines costing Rs 27.283 million during 2018-19. Medicines were being consumed without keeping record of the written prescriptions of concerned Doctors in the COD / Emergency Department and OPD.

Audit is of the view that due to weak internal controls consumption of medicines was held doubtful in above mentioned department as defective and doubtful record was maintained.

Non maintenance of consumption record of medicine amounting to Rs 27.283 million resulted in loss to government.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry besides action against the person at fault under intimation to Audit.

[AIR No. 29]

#### **17.2.5.1.13 Unjustified withdrawal of pay without date of joining – Rs 22.464 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to rule 11 (1) (f) of the Punjab District Authorities (Accounts) Rules 2017, The CEO shall be responsible for proper maintenance of departmental accounts and financial discipline of a District Authority, subordinate offices and institutions and shall be responsible for arranging internal controls in a District Authority.

Following DDOs of District Health Authority, Vehari withdrew pay and allowance of Rs 22.464 million during 2018-19 to different employees. The withdrawal of pay was unjustified as no date of joining of the employees was mentioned in the HR data. Due to which the actual date of appointment of staff and their pay and allowances could not be assessed by Audit.

(Rupees in million)

Sr. No.	DDOs	Particular	Amount
1	CEO-Vehari	Doubtful withdrawal of pay without date of joining	10.091
2	MS THQ Mailsi	Unjustified withdrawal of pay without date of joining	2.336
3	MS DHQ Vehari	Unjustified withdrawal of pay without date of joining	3.720
4	DHO-PS Vehari	Unjustified withdrawal of pay without date of joining	5.557
5	MS THQ Burewala	Unjustified withdrawal of pay without date of joining	0.760
<b>Total</b>			<b>22.464</b>

Audit is of the view that due to weak internal controls the withdrawal of salaries was not properly accounted for in the payroll system.

Incomplete and doubtful information resulted in unjustified payment of pay and allowance amounting Rs 22.464 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends correction of HR data in the payroll system or the stoppage of withdrawal of funds besides fixing responsibility on the person(s) at fault.

[AIR No.4, 4, 19, 17, 1]

#### **17.2.5.1.14 Irregular expenditure by splitting – Rs 21.936 million**

According to rules 9, 10 (2) and 12 of the Punjab Procurement Rules 2014, 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 and annual requirements thus determined would be advertised in advance on the PPRA's website. All procurement opportunities over two million rupees should be advertised on the

PPRA's website as well as in other print media or newspapers having wide circulation. Further, according to rule 4.5 of Guidelines for Health Council 2017, the Health Council will observe the financial rules of Government including Punjab Procurement Rules, 2014 while incurring expenditure. Further according to Rule 8 and 9 of the Punjab Procurement Rules 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.

Following DDOs of District Health Authority, Vehari incurred expenditure amounting Rs 21.936 million during 2018-19 on purchase of medicine, electric items, oxygen cylinders, furniture, machinery, medical equipment, store items, printing, others store items, repair of furniture, machinery and equipment by splitting and keeping the expenditure below Rs 50,000 or Rs 100,000 to avoid the tendering process and without procurement planning. Further, GST was paid to the suppliers irregularly.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS THQ Mailsi	Irregular expenditure on purchase of General Store and Lab items by splitting	4.578
2	MS THQ Burewala	Irregular expenditure by splitting	4.392
3	DHO-PS Vehari	Irregular expenditure by splitting	3.963
4	MS THQ Mailsi	Irregular expenditure on purchase of medicine by splitting	1.372
5	MS DHQ Vehari	Irregular purchase by splitting up to avoid the advertisement	5.333
6	DHO-PS Vehari	Uneconomical/irregular purchase of furniture & fixture /plant and machinery without procurement planning	2.298
<b>Total</b>			<b>21.936</b>

Audit is of the view that due to weak internal controls irregular expenditure was incurred.

Violation of rules resulted in irregular expenditure amounting Rs 21.936 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 28, 18, 5, 27, 6, 2]

#### **17.2.5.1.15 Unauthorized allocation of supplementary grant without approval – Rs 19.687 million**

According to Government of the Punjab Finance Department letter No.FD.SO (Goods) 44-4/2016 dated 01.08.2018, all the administrative departments shall remain within the budgetary allocations to minimize the incidence of supplementary grants. Further, the request for supplementary grants, if unavoidable, shall require approval of the Provincial cabinet / Cabinet Committee on Finance & Development. Further, according to rule 65 1) (2) of Budget Rules of District Authorities 2017, in case a head of office or institution considers that need for additional funds has arisen for which no appropriation is available, he shall submit a proposal for supplementary grant to the CEO. The proposal shall be accompanied by an explanatory note justifying the supplementary grant.

CEO (DHA) Vehari and Deputy Director Budget and Accounts has issued funds amounting Rs 19.687 million during 2018-19 as supplementary grant to different DDOs of DHA Vehari without approval of the Provincial Cabinet through the Chief Minister.

Audit is of view that due to weak financial management supplementary grant was issued without approval.

Allocation of supplementary grant without approval resulted in unauthorized payment of Rs 19.687 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.13]

**17.2.5.1.16 Irregular expenditure in excess of budget allocation - Rs18.490 million**

According to Rule 5(2) (a) & (b) of the District Authorities Budget Rules 2017, the Head of office is responsible for all matters relating to the budget for the office under his administrative control, ensure strict financial control. Further, according to Rule 6(f) the Budget and Accounts Officer is responsible to monitor expenditure and ensure utilization of funds as approved by the District Authority.

MS DHQ Hospital Vehari incurred excess expenditure of Rs 18.490 million than the allocation of Rs 65.204 million for employee's related expenditure during 2018-19 as detailed below:

(Amount in rupees)

<b>Fund Center</b>	<b>Detail Object Description</b>	<b>Final Grant</b>	<b>Actual Expenditure on date</b>	<b>Final Grant Balance</b>
KC9025	A01203-Conveyance Allowance	15,165,478	19,555,387	-4,389,909
KC9025	A0 121b-Health Professional Allowance	32,519,272	45,393,688	-
KC9025	A0123 G Adhoc Allowance 2018	13,302,556	13,416,125	-408,832
KC9025	A01270- Nursing+ Pro Allowance	4,217,085	5,330,112	-1,113,027
<b>Total</b>		<b>65,204,391</b>	<b>83,695,312</b>	<b>18,490,921</b>

Audit is of the view that due to poor management, proper need assessment of funds was made and expenditure was incurred in excess of budget allocation.

Irregular excess expenditure of Rs 18.490 million resulted in violation of government instructions.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization besides action against person at fault under intimation to Audit.

[AIR No. 25]

#### **17.2.5.1.17 Unauthorized withdrawal of funds without pre-audit - Rs 12.736 million**

According to Para No.5 (b) of Controller General of Accounts (Appointment, Functions and Powers) Ordinance 2001, the function of the Controller General shall be to authorize payments and withdrawals from the Consolidated Fund and Public

Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe. Further, according to Government of the Punjab Finance Department letter No.SO (TT) 6-1/2013 (2015) dated 15.07.2015, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals or for en-block transfer of funds in commercial banks / Development Financial Institutions (DFIs). Withdrawals from the Special Drawing Accounts shall only be admissible, if these are required to meet validly accrued liabilities / booked expenditure, duly pre-audited, where so required.

Following DDOs of District Health Authority, Vehari incurred expenditure amounting Rs 12.736 million from Health Councils Funds during 2018-19. The funds were withdrawn for different expenditure i.e. salaries of contingent paid staff, janitorial staff etc. and payment for security service without pre-audit from District Accounts Office in violation of above rules.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	DHO-PS Vehari	Irregular expenditure from Health Council funds without preparation of Annual Plan, Pre-Audit and monitoring	3.529
2	MS THQ Burewala	Withdrawal of funds without pre-audit	1.886
3	MS THQ Mailsi	Withdrawal of funds without pre-audit	7.321
<b>Total</b>			<b>12.736</b>

Audit is of the view that due to weak financial controls, funds were withdrawn without pre-audit.

Violation of rules resulted in irregular withdrawal of funds amounting Rs 12.736 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.



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

[AIR No.20, 11, 6]

**17.2.5.1.18 Irregular expenditure due to non-compliance of health council guidelines Rs 12.505 million**

According to guideline No. 1.1 regarding Health Councils circulated by Policy and Strategic Planning Unit Primary and Secondary Healthcare Department government of the Punjab the procedure guide lines for Health Council for DHQ Hospital must be followed before incurring any expenditure. Further, according to Health Council Guidelines issued by Government of the Punjab, Health Department, the Health Councils will observe the Punjab Procurement Rules while incurring expenditure from HC funds. The Health Council may allow the Medical Officer/Head of the HC of the BHU to draw an amount for petty expenditure which should, in no case exceeded to Rs 5,000. If possible all payment exceeding Rs 10,000 should be made through cross cheques.

Following DDOs of District Health Authority, Vehari incurred expenditure of Rs 12.505 million during 2018-19 without observing guideline given in Health Councils Policy. The detail is as under:

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	DHO-PS Vehari	Irregular / doubtful expenditure from Health Council funds	1.441
2	DHO-PS Vehari	Irregular purchases from Health Councils funds from unregistered suppliers	0.889
3	MS DHQ Vehari	Non-compliance of health council guidelines resulted in to irregular expenditure	10.175
<b>Total</b>			<b>12.505</b>

Audit observed the following irregularities

- i. HC meetings were not ensured on monthly basis as required vide instruction conveyed in Para 3.7 of guidelines.
- ii. HC did not recorded the minutes on Form-4 as required in Para 3.4 of guidelines.
- iii. HC did not ensured the preparation and up-dation of inspection register as prescribed in Form-5 in violation of Para 5.2(i) of guidelines.
- iv. HC did not maintain the registers/ record as required in Para 5.2 of guidelines.
- v. District Monitoring Committee was also not constituted and no output of the same was shown to audit in violation of Para 7.1 of the guidelines.
- vi. Chairperson did not sent any meetings minutes to Secretary P&SHD Lahore in violation of Para 3.7 of Guidelines
- vii. The expenditure was incurred by cash withdrawal from bank in excess of permissible limit despite the fact that all registered firms have their bank accounts.
- viii. The date of bills of suppliers / traders did not match with the date of cash withdrawal which depicts that purchases were made / repair work was done from local market and later on, bills from registered firms were prepared to complete the codal formalities.
- ix. Purchases from Health Councils funds from unregistered suppliers
- x. GST was paid on building material, tablets, white wash material etc.

Audit is of the view that mal-administration in incurring of Health Council funds resulted violation of policy instructions of the Government.

Violation of rules resulted in irregular expenditure amounting to Rs 12.505 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper maintenance of record and formulation of Health council members as per Rules besides regularization of the irregular approvals of HC decisions without ensuring their presence by members.

[AIR No.23, 21, 22]

**17.2.5.1.19 Non-deduction of conveyance allowance and house rent allowance – Rs 11.037 million**

According to Government of the Punjab Finance Department (Monitoring Wing) notification No.FD (M.1)1-15/82-P-J dated 15/01/2000, in case of designated residence the officer / official for which residence is meant, cannot draw house rent allowance. He will have to pay 5% maintenance charges even if he does not avail the facility and residence remains vacant during the period. Further, according to clarification regarding conveyance allowance issued vide Government of the Punjab Finance Department letter No.FD.SR.I.9-4/86 (PR) (P) dated 15.10.2011, conveyance allowance was not admissible to those government employees residing within the premises of work place. Moreover, according to the Government of the Punjab Finance Department (Monitoring Wing) Notification No.FD(M.1)1-15/82-P-J dated 15/01/2002 and Government of Punjab allotment policy at district level dated 10/2002, a government servant occupying a house un-authorized and illegally be charged penal rent @ 60% of his basic salary.

MS THQ Mailsi and DHO PS Vehari did not deduct house rent allowance and conveyance allowance amounting Rs 11.037 million during 2018-19 from salaries of employees residing in designated / allotted hospital residences and from the employees having designated residence inside hospital premises. Furthermore,

MS THQ Hospital neither vacated nor recovered penal rent from the unauthorized occupants in the residences of the hospital. The details are given below.

Audit is of the view that due to weak internal controls, unauthorized payment on account of house rent allowance and conveyance allowance was made.

Unauthorized payment on account of conveyance allowance and house rent allowance resulted in loss amounting Rs 11.037 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 11.037 million besides fixing responsibility on the person(s) at fault.

[AIR No. 21, 13]

**17.2.5.1.20 Inadmissible payment of allowances during leaves – Rs 8.793 million**

According to rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the Drawing and Disbursing Officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Further, according to Government of the Punjab Finance Department letter No.FD.SR-I/9-34/2011 dated 12.10.2017, monthly incentive package to the specialist posted in various DHQs of Punjab, is not admissible during any kind of leave, as the said incentive is applicable when a specialist performs his / her duties.

Following DDOs of District Health Authority Vehari made payment amounting Rs 8.793 million during 2018-19 on account of different allowance to different staff on leaves. The calculations were made from available information. The department is requested to recover from all the staff as actual recoverable during the period of Audit.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS DHQ Vehari	Irregular withdrawal of Allowance during Leave	2.610
2	CEO-Vehari	Irregular withdrawal of Pay & Allowances during Leave	0.422
3	MS THQ Mailsi	Payment of allowances during leaves	1.647
4	MS THQ Burewala	Payment of allowances during leaves	2.143
5	MS THQ Mailsi	Unauthorized payment of salaries during extra ordinary leave	0.187
6	MS THQ Burewala	Unauthorized payment of salaries during extra ordinary leave	0.286
7	DHO-PS Vehari	Unauthorized withdrawal of allowances recovery thereof	0.951
8	MS DHQ Vehari	Unauthorized withdrawal of pay and allowances during EOL/Leave without pay	0.547
<b>Total</b>			<b>8.793</b>

Audit is of the view that due to weak internal controls, allowances were paid during leave period.

Payment of allowances during leave period resulted in loss amounting Rs 8.793 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 8.793 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR No. 20, 18, 17, 21, 18, 5, 30, 12]

#### **17.2.5.1.21 Non-blacklisting / non-forfeiture of performance guarantee – Rs 7.514 million**

According to clause-10 of bidding documents, wherein the supplier fails to make deliveries as per signed contract and purchase order and within the stipulated time frame specified in the schedule of requirement, the contract to the extent of non-delivered portion of supplies shall stand cancelled. After the cancellation of contract

no supplies shall be accepted and the amount of performance guaranty / security to the extent of non-delivered portion of supplies shall be forfeited. If the supplier fails to supply the whole consignment and not able to deliver to consignee's end the entire amount of performance guarantee / security shall be forfeited to the Government account and the firm shall be blacklisted minimum for two years.

Following DDOs of District Health Authority Vehari did not take steps for forfeiture of 5% performance guarantee amounting Rs 7.514 million during 2018-19 on accounts of non-supply of medicine / store items by the firms. These firms were not black listed in violation of clause of bidding documents. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	CEO-Vehari	Non Supply of medicines and non-Forfeiture of security	6.597
2	MS DHQ Vehari	Non-forfeiture of performance guarantee	0.470
3	MS THQ Mailsi	Non-forfeiture of performance guarantee	0.181
4	MS THQ Burewala	Non-forfeiture of performance guarantee	0.266
<b>Total</b>			<b>7.514</b>

Audit is of the view that due to weak internal controls, performance guarantee was not forfeiture and firms were not declared as blacklisted.

Non-forfeiture of performance guarantee resulted in loss amounting Rs 7.514 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends forfeiture of performance guarantee amounting Rs 7.514 million and blacklisting of concerned firms besides fixing responsibility on the person(s) at fault.

[AIR No. 16, 16, 8, 24]

#### **17.2.5.1.22 Doubtful award of contracts through non-transparent tendering process – Rs 7.098 million**

According to Rule 4 of the PPRA, 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of the procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

MS THQ hospital Burewala awarded contracts to firms in doubtful manner through non-transparent tendering process during 2018-19 amounting to Rs 7.098 million. Scrutiny of record showed that various contracts were awarded to various firms but supply orders were issued even prior to the dates of contracts awarded and in a few situation even stock was received prior to the award letter. This situation revealed that self-favored firms were finalized and the whole process was done to show the formalities only that put question marks on the authenticity and transparency of the whole tendering process.

Audit is of the view that due to weak internal controls purchases and consumption was made in doubtful manner.

Purchases and consumption in doubtful manner may result in misuse of funds.

The matter was reported to the PAO and DDOs concerned in September, 2019. . No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.14]

**17.2.5.1.23 Irregular fake competition of purchase of LP medicines–  
Rs 6.946 million**

According to Rule 4 of PPRA, 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.

MS THQ hospital Burewala concluded rate contract with “Al-Hayat Medicine Company and purchased LP medicines for Rs 6.946 million during 2018-19. Two firms having same proprietorship address and phone numbers. It revealed that rate contract was concluded by fake competition and undue favor was given to supplier. The detail is as under:

Name of Company	As per Letter Head		Rate Contract Awarded
	Address	Contact No.	
Al-Hayat Medicine Company	Stadium Road Burewala	03077300796	LP Bulk Purchase
New Mubeen Medical Store	Stadium Road Burewala	03077300796	LP Day To Day
<b>Total</b>			

Audit is of the view that due to weak financial management undue favor was given to the certain supplier and irregular purchases were made.

Purchase of LP medicines by fake competition resulted in irregular purchase of LP medicines Rs 6.946 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 26]



#### 17.2.5.1.24 Irregular withdrawal of non-practicing allowance – Rs 6.443 million

According to Para No.2.31 (a) of Punjab Financial Rules Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

Following DDOs of District Health Authority, Vehari allowed withdrawal of Rs 6.443 million during 2018-19 on account of non-practicing allowance to different doctors without any documentary evidence. The service record of some doctors was produced, but certificate / affidavit regarding non-involvement in private practice was missing. Further, admissibility of non-practicing allowance by the Finance Department was not available in the record. The detail is as under:

(Rupees in million)

Sr. No.	DDOs	Particular	Amount
1	MS DHQ Vehari	Doubtful withdrawal of non-practicing allowance	2.572
2	CEO-Vehari	Irregular payment of non-practicing allowance to Doctors	3.333
3	DHO-PS Vehari	Unauthorized drawl of non-practicing allowance	0.130
4	MS THQ Mailsi	Unjustified withdrawal of non-practicing allowance	0.408
<b>Total</b>			<b>6.443</b>

Audit is of the view that due to weak internal controls, non-practicing allowance was withdrawn for the doctors without documentary evidence.

Irregular withdrawal of non-practicing allowance resulted loss to the Government amounting to Rs 6.443 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery from concerned under intimation to Audit.

[AIR No. 10, 11, 16, 5]

**17.2.5.1.25 Irregular appointment of contingent paid staff – Rs 6.380 million**

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charged / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.

Following DDOs of District Health Authority, Vehari made payment of Rs 138.446 million on account of wages to contingent paid staff during 2018-19. The record pertaining to appointments i.e. advertisement, number of applicants, criteria for appointments, minutes of committee and final approval of candidates was not maintained etc. Further, subsequent appointment / duty roaster of candidates was also not on record. The amount was drawn from DAO and deposited in the DDO's bank account from where payment was made through bearer cheques instead of cross cheques due to which the chances of misappropriation of funds cannot be ruled out. The detail is as under.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	MS THQ Mailsi	Irregular appointment of daily wages / contingent paid staff from Health Council	3.091
2	MS THQ Burewala	Irregular appointment of daily wages / contingent paid staff from Health Council – Rs 3.289 million	3.289
<b>Total</b>			<b>6.380</b>

Audit is of the view that due to weak internal controls, irregular appointment of contingent paid staff was made.

Violation of rules resulted in irregular appointment and payment on account of salary / wages of contingent paid staff amounting Rs 6.380 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditures from the competent authority besides inquiry in the matter and fixing of responsibility upon person(s) at fault.

[AIR No.7, 7]

#### **17.2.5.1.26 Irregular expenditure of pay and allowances – Rs 5.970 million**

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

Following DDOs of District Health Authority, Vehari made payment of Rs 5.970 million during 2018-19 on account of pay and allowances to different staff despite retirement, resignation, absent and transfer of the staff working under their jurisdiction.

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Particulars</b>	<b>Amount</b>
1	DHO-PS Vehari	Excess payment of pay and allowances after retirement	0.240
2	CEO-Vehari	Excess payment of pay and allowances despite resignation	1.761
3	MS THQ Mailsi	Excess payment of pay and allowances despite resignation / transfer	3.410
4	MS DHQ Vehari	Withdrawal of pay and allowances by doctors after resignation from services	0.559
<b>Total</b>			<b>5.970</b>

Audit is of the view that due to weak management, irregular payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of instructions of the Government regarding general duty resulted in irregular payment of pay and allowances amounting to Rs 5.970 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization of the expenditure from the competent authority besides taking disciplinary action against the person(s) at fault.

[AIR No. 18, 20, 20, 11]

**17.2.5.1.27 Loss to Government on account of payment of social security benefits due to non-regularization of services - Rs 5.911 million**

According to S&GAD (Regulation Wing) Notification No.SO/DS (O&M) (S&GAD) 5-3/2003 dated 01.03.13, employees working on contract was required to be regularized with immediate effect.

District Officer Health Vehari, withdrew Rs 5.911 million on account of 30% social security benefit to employees during 2018-19. The Government instructions regarding the regularization of services of contract employees were not observed on one side and on the other side these employees are still in receipt of 30% social security benefits. The withdrawal of pay and allowances without the sanction of Finance Department for extension of services as contract employee for the period 01.03.13 to date was also irregular.

Audit is of the view that due to weak internal controls, contract employees were not regularized despite government orders.

Excess withdrawal SSB resulted in loss to Government Rs 5.911 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends action against concerned for non-regularization of contract employees and undue withdrawal of Rs 5.911 million on account of SSB under intimation to Audit.

[AIR No. 14]

**17.2.5.1.28 Irregular expenditure of pay and allowances to employees on general duty – Rs 5.533 million**

According to Government of the Punjab Finance Department Notification No.FD/SRIV-8-1/76(PROV) dated 16.03.1988, shifting of headquarters of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department. Further, Health Department letter No.PA/DSA-1/3/94 dated 19.03.1994 and DA/DSC/1294 dated 12.12.1995 letter No.4113-5/E dated 25.03.1998, letter No.18872-76/E dated 05.11.1996 and letter No.3961-4050/C dated 13.02.2004 to DO (Health), stipulates that all kind of general duties were done away with direction that if any person was found on general duty his absence should be considered along with disciplinary action.

Following DDOs of District Health Authority Vehari allowed payment of pay and allowances amounting Rs 5.533 million during 2018-19 to the staff either posted on general duty or absent from duty and not performing their duties at their place of postings. Orders of competent authority regarding general duty followed by approval of Finance Department were not available in the office record. Necessary detail is given below:

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS THQ Mailsi	Irregular expenditure of pay and allowances	3.399
2	MS THQ Burewala	Irregular expenditure of pay and allowances	0.484
3	MS DHQ Vehari	Irregular expenditure of pay and allowances on general duty	1.650
<b>Total</b>			<b>5.533</b>

Audit is of the view that due to weak management, irregular payment of pay and allowances was made to the employees without serving at the original place of posting.

Violation of instructions of the Government regarding general duty resulted in irregular payment of pay and allowances amounting Rs 5.533 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 16, 20, 28]

#### **17.2.5.1.29 Irregular payment of pending liabilities – Rs 5.203 million**

According to rule 2.10(b) (3) of PFR Vol-I, all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year and money indisputably payable is not left unpaid and that all inevitable payments are ascertained and liquidated at the earliest possible date.

CEO (DHA) Vehari and MS DHQ Hospital Vehari made payment of pending liabilities amounting Rs 5.203 million on account of contingent expenditure during 2018-19, but neither was the approval of clearance of pending liabilities obtained nor additional funds was demanded for clearance of pending liabilities. The chance of withdrawal of same bills from the government treasury during relevant financial year cannot be ignored in all such cases.

Audit is of the view that due to weak financial controls, liabilities of previous year were cleared out of budget allocation of current financial year without obtaining additional funds for clearance of liabilities.

Violation of rules resulted in irregular payment of pending liabilities amounting Rs 5.203 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 6, 3]

**17.2.5.1.30 Irregular withdrawal of inadmissible allowances – Rs 4.701 million**

According to rule 9 (b) of the Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.

Following DDOs of District Health Authority Vehari made payment of Rs 4.701 million during 2018-19 on account of different inadmissible allowances to different employees. Necessary detail is given below:

(Rupees in million)

Para No.	DDO's	Particular	Amount	Violation of Rules/Instructions/orders
9	MS DHQ Vehari	Excess payment of pay & allowances to Nurses	0.818	Health Department (Nursing Cadre) Notification No. SO (NC) 2-118/A/2009 dated 14.05.2011
19	DHO-PS Vehari	Irregular Payment of Adhoc Allowances	0.597	Sr. No. 6 of the Notification No, FD/PC1-2/2016 dated 18th July,2016 of the Government of the Punjab Finance Department revision
8	CEO-Vehari	Irregular payment of Health Risk Allowance	0.180	Health Department, Lahore letter No. SO (ND)2-26/2004(Vol-II) dated 07.08.2012 and dated

Para No.	DDO's	Particular	Amount	Violation of Rules/Instructions/orders
				03.01.2013
10		Irregular payment of inadmissible allowances	0.821	Punjab, Finance Department, Lahore, notification No. FD.PC.2-1/2001 dated 11.07.2011
7		Irregular Payment of Personal Allowance	0.260	Punjab, Finance Department, Lahore letter No. FD.SR-II/9-214/2013 dated 02.04.2014
9		Irregular payment of Health Sector Reform Allowance	0.165	Punjab Health Department Notification
8	MS DHQ Vehari	Unauthorized and excess withdrawal of HSRA	1.700	No.EMU/PHSRP/G-106/61/270-340, dated 16.03.2007
3	MS THQ Mailsi	Unauthorized and excess withdrawal of HSRA	0.160	
<b>Total</b>			<b>4.701</b>	

Audit is of the view that due to weak financial controls, allowances were paid without entitlement.

Payment of allowances without entitlement resulted in loss amounting Rs 4.701 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 4.701 million besides fixing responsibility on the person(s) at fault.

[AIR No. 9, 19, 8, 10, 7, 9, 8, 3]

#### **17.2.5.1.31 Irregular revised allocation of funds against 'Nil' budget – Rs 4 million**

According to rule 5(2) (a) & (b) of the District Authorities Budget Rules 2017, the Head of office is responsible for all matters relating to the budget for the office under his administrative control, ensure strict financial control.



CEO (DHA) Vehari allocated funds amounting Rs 4 million during 2018-19 to those detailed object heads for which there was no budget allocation in the original budget estimate. Revised allocation was made through supplementary grant or re-appropriation of funds.

Audit is of the view that due to weak financial management the budget allocation was made later on against “Nil” allocation in the original budget.

Allocation of funds against “Nil” budget heads resulted in irregular revised allocation of funds amounting Rs 4 million.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No. 15]

#### **17.2.5.1.32 Unauthorized withdrawal of conveyance allowance despite having designated vehicle and recovery of Rs 3.472 million**

According to clarification regarding conveyance allowance issued vide Government of the Punjab Finance Department letter No.FD.SR.I.9-4/86 (P) (PR) dated 21.04.2014, conveyance allowance was not admissible to those government employees who are availing Government Vehicles including bikes w.e.f. 01.03.2014. Further, according to Government of the Punjab Finance Department Inspectorate of Treasuries & Accounts letter No.IT.(FD) (Estt-II)8-8/2016 dated 16.03.2018, vaccinators posted in Health Department and other departments who have been provided bikes for performance of their field duties and the expenditure incurred on account of POL etc. being reimbursed to them out of the budgetary allocation of the relevant cost center are not allowed the conveyance allowance.

District Officer Health Vehari paid conveyance allowance of Rs 3.472 million to those employees who are availing the facility of Government bikes. The petrol was also being paid to such employees by the Government.

Audit is of the view that due to weak financial controls, conveyance allowance was paid to employees who were availing the facility of Government bikes along with POL.

Unauthorized withdrawal of conveyance allowance resulted in loss to Government amounting to Rs. 3.472 million

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends action against concerned for unauthorized withdrawal of conveyance allowance besides recovery from the concerned under intimation to Audit.

[AIR No. 3]

#### **17.2.5.1.33 Un-authorized purchase of medicines on quotations amounting to Rs 2.751 million**

According to Rule 9 of Punjab Procurement Rules, 2014 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 annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website.

District Officer Health Vehari, incurred expenditure of Rs 2.751 million on account of purchase of medicines during the financial year 2018-2019 without calling quotations to keep the indent below Rs.50,000 and in some cases purchase was made through calling simple quotations from the suppliers and to avoid the

advertisement of the estimates on PPRA's web site, and print media in violation of above rules. Non-generation of healthy competition resulted into non-transparent/uneconomical expenditure.

Audit is of the view that due to weak internal controls, the expenditure was non-transparent/un-economical.

Non-generation of healthy competition resulted into non-transparent/uneconomical expenditure of Rs 2.751 million in violation of the Government rules.

The matter was reported to the PAO and DDOs concerned in September, 2019 No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that the matter may be got regularized from the competent authority besides taking action against the responsible under intimation to Audit.

[AIR No.6]

## **17.2.5.2 Value for Money and Service Delivery Issues**

### **17.2.5.2.1 Non-deposit of auction price of canteen - Rs 2.640 million**

According to rule 14 (d) of the Punjab District Authorities (Accounts) Rules 2017, the collecting officer shall be responsible to collect receipts in the transparent manner and guard against misappropriation, fraud, embezzlement or compromise.

MS DHQ Hospital Vehari auctioned canteen of the hospital amounting Rs 2.8 million for the year 2018-19 from 15.08.2018 to 01.02.2019. The contractor “Mr. Sajjad Aslam” was required to deposit the bid price in monthly equal installment amounting Rs 240,000 each. The first installment was deposited on 1.04.2019 and second installment was deposited on 02.05.2019. Audit observed that after depositing Rs 240,000 the contractor failed to deposit the remaining amount of auction amounting Rs 2,640,000 (excluding income tax) and fine as per condition of award of contract amounting Rs 2,640,000 up to the date of Audit. Further, the contractor did not deposit the electricity charges for the month of June, 2019. The contractor completed the duration of auction period. No action was taken against the contractor including blacklisting or recovery under existing rules.

Audit is of the view that due to weak internal control, auction price of canteen was not deposited and no action was taken against the contractor.

Non-deposit of auction price and fine resulted in loss amounting Rs 2.640 million

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommend proper justification or deposit of remaining amount of auction price and fine amounting Rs 2.640 million against the person(s) at fault, under intimation to Audit.

[AIR No. 27]

### **17.2.5.3 Others**

#### **17.2.5.3.1 Non / defective maintenance of consumption record of store / equipment items – Rs 7.604 million**

According to rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

Following DDOs of District Health Authority Vehari purchased and issued different store, stationery/printing items and equipment i.e. Bed Jet Emersion, Wooden Office Chairs, Electric Water Dispenser etc. costing Rs 7.604 million during 2018-19. Audit scrutiny revealed that certain items were being misused without having proper issuance record. Difference of date of supply orders and dates of contracts awarded put the question marks on the authenticity of the purchased and consumption. No stock entry was available on record. No issuance was made to the concerned section. No consumption record was maintained.

(Rupees in million)

Sr. No.	DDOs	Particulars	Amount
1	MS DHQ Vehari	defective maintenance of consumption record	2.704
2	MS THQ Burewala	Doubtful expenditure and consumption of store items	2.414
3	DHO-PS Vehari	Doubtful expenditure on account of stationery/printing charges	2.486
<b>Total</b>			<b>7.604</b>

Audit is of the view that due to weak internal controls, proper record of store items was not maintained.

Improper maintenance and shortage of store items may cause loss amounting Rs 7.604 million

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR No. 26, 13, 1]

#### **17.2.5.3.2 Unjustified expenditure on local and emergency purchase of medicines - Rs 7.009 million**

As per letter No.FD (FR 11-2/89 dated 1<sup>st</sup> November 2001, the officers in District Government are now authorize to distribute the budget allocation of medicine budget in the following ratio.

- i. 10% for natural climates / Emergencies to be purchase in bulk
- ii. 15% for day to day purchase for normal medicine
- iii. 75% bulk purchase for normal medicine

MS THQ Hospital Mailsi incurred excess expenditure on local purchase of medicine day to day and emergency medicine amounting Rs 7.009 million during 2018-19 against the Government instructions. The detail is as under:

(Amount in rupees)

Total Budget	Total Expenditure	Exp to be required on 15% LP	Exp incurred 15% LP	Difference excess exp on 15% LP	Exp to be required on 10% Emergency	Exp incurred 10% Emergency	Difference	Total Difference Amount
36,722,087	8,837,500	5,508,313	8,845,847	-3,337,534	3,672,209	0	3,672,209	-7,009,743

Audit is of the view that due to weak financial management excess expenditure was incurred on local and emergency purchase of medicine than the prescribed limit.

Excess expenditure than the prescribed limit, resulted in irregular expenditure amounting Rs 7.009 million.

The matter was reported to the PAO and DDO concerned in September, 2019. . No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization of expenditure from the competent authority under intimation to Audit.

[AIR No.26]

### **17.2.5.3.3 Unauthorized charging of GST on electricity charges – Rs 6.971 million**

According to Section 52A of Sixth Schedule of Sales Tax Act, 1990, read with the Government of Pakistan Ministry of Law and Justice letter No.128/2011–Law (FTO) dated 16.07.2012, Goods supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds.

MS DHQ Vehari and MS THQ Hospital Burewala made payment of electricity charges including GST amounting Rs 6.971 million to MEPCO during 2018-19 despite the hospital was exempted from GST. The department is also requested to look into the matter from the date of exemption of GST and recover / adjust the same.

Audit is of the view that due to weak internal controls, GST was paid without observing the rules position.

Unauthorized payment of GST resulted in loss amounting Rs 6.971 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. . No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends adjustment / recovery of Rs 6.971 million besides fixing responsibility on the person(s) at fault.

[AIR No. 3, 4]

#### **17.2.5.3.4 Non-verification of Government Receipts – Rs 4.995 million**

According to rule 76 of PDG and TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Furthermore according to Notification No.D.O No.5 (21) L&P/97-4910(S)-FS Sales Tax return cum payment challan along with supporting documents required (S.R) under the provision of sales Tax Act, 1990 in proof of payment/deposit of Sales Tax into Government treasury are required to be received from the supplier.

Following DDOs of District Health Authority Vehari deposited the Government receipts into the Government treasury amounting Rs 4.995 million collected during the period 2018-19. Audit noticed that Government receipts were not duly verified from DAO Vehari. Further, evidence for deposit of GST amounting



to Rs 1.276 million on purchase of various store from different suppliers / firms during 2018-19 not produce for verification.

(Rupees in million)

Sr. No.	DDOs	Detail	Amount
1	MS THQ Mailsi	Loss to Government due to non-payment of income tax, interest on late deposit and non-verification of deposit of hospital income	1.789
2	DHO-PS Vehari	Non-verification of deposit of Sales Tax from the purchases	1.276
3	MS THQ Burewala	Non-verification of Government Receipts	1.930
<b>Total</b>			<b>4.995</b>

Audit is of the view that due to weak internal controls, Government receipts were not duly verified from DAO.

Non-verification of Government receipt amounting Rs 4.995 million resulted in violation of rules.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends verification of the Government receipts from DAO Vehari under intimation to Audit.

[AIR No.31, 4, 6]

#### **17.2.5.3.5 Doubtful payment of minor civil work without fulfillment of codal formalities – Rs 3.795 million**

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

MS THQ Hospital Mailsi did not fulfill the codal formalities while making payment to the contractor for minor civil work during 2018-19. An amount of Rs 3.795 was passed for payment for which following discrepancies were noticed during audit scrutiny:

- i. No rough cost estimate was prepared based on MRS by the engineer in charge.
- ii. Tender was floated without TS estimate of the work.
- iii. No estimate was technically sanctioned by the Executive Engineer concerned.
- iv. No Measurements were recorded on MB as and when the work was actually executed by the contractor.
- v. No development plan of the Health Council was prepared for the FY 2018-19 as required in HC guidelines on prescribed format and form.
- vi. Partial payment was made to the contractor. No value of work done was considered while deducting the Security @ 10% and an amount Rs 46,537 was less deducted while making payment to the contractor.
- vii. Necessary detail is given below:

(Amount in rupees)

Name of Work	Work order no and Date	Amount of Work order/TS	Duration in Months	Target Date as per work order	Value of work done	PRA Tax	Income Tax	Security Deducted	Security to be deducted	Less deduction of security
Minor Civil work under Revamping of THQ Hospital Mailsi	1076 25.05.18	4,999,795	2	24.07.18	3,795,250	180,726	284,644	332988	379,525	46,537

Audit is of the view that due to weak internal control the expenditure was incurred without fulfilling the codal formalities.

Non-observance of codal formalities the civil work expenditure was incurred.

The matter was reported to the PAO and DDO concerned in September, 2019. . No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action besides regularization of expenditure under intimation to Audit.

[AIR No.23]

**17.2.5.3.6 Unjustified expenditure on POL of generator inquiry thereof – Rs 3.600 million**

According to Clause 4(4) of Contract Agreement between Project Management Unit (PMU) P&SHD and Iman Group dated 11.08.2017 regarding hiring of firms for providing Generator Operations and Maintenance Services in DHQ /THQs of Punjab (South Zone) the supply of fuel for the operation of generators shall be the responsibility of hospital administration of the respective hospital. However, the service provider is required to maintain a log-book for the generator operation and fuel expenditure and ensure that there is no pilferage on this account. According to rule 2.31(a) of the PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, fraud and misappropriation.

MS DHQ Vehari made irregular payment of Rs 3.600 million on the account of POL to Iman Group (a service provider) without ensuring proper maintenance of log books of generators during 2018-19. Neither fuel consumed & balance in tank was recorded in log book nor hours.

Audit is of the view that due to weak internal control unjustified expenditure was without fuel consumption record.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR No.21]

**17.2.5.3.7 Irregular expenditure on account of repair and maintenance  
– Rs 3.363 million**

According to rule 15.4(a) and 15.5 of the PFR, Vol-I all materials received should be examined, counted when delivery is taken and they should be kept in charge of responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched. The Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

MS DHQ Vehari and DHO-PS Vehari made irregular payment of Rs. 3.363 million on account of repair of motor vehicle/ machinery & equipment/furniture & fixture and installation of aluminum glasses doors in waiting area and nursing stations during the financial year 2018-19. The history sheets thereof were not found maintained. The old replaced parts were neither found available in the store room of the office nor found entered in the respective stock register which showed that no repair work was done. No. physical verification was made before repair and after repair in order to certify the need of repair and after repair to assess the quantity & quality of the repair work. Item wise repair rates were not mentioned, lump sum bill of each repair items was made. Rates of repair were higher than the market rates. Deduction of PST & income tax was not made.

Audit is of the view that due to weak internal control expenditure were incurred without maintenance of the record.

Incurrence of expenditure without maintenance of record may result in chances of misappropriation.

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends appropriate action against concerned under intimation to Audit.

[AIR No. 10, 14]

#### **17.2.5.3.8 Unjustified issuance of medicine to other health facilities— Rs 2.780 million**

According to rule 15.4 of PFR-Vol-I “All materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

MS DHQ Hospital Vehari issued different medicines amounting to Rs 2.780 million to various centers/ hospitals of the District and even to the other districts during 2018-19. It was evidence that the medicine was purchased / accepted by the hospital in excess of requirements. The medicine was issued without any demand and receipt of the concerned health facility. As per stock register medicine was issued without any signatures and approval of the competent authority for shifting of medicine to other health facilities which were not under the control of MS DHQ Hospital.

Audit is of the view that due to weak administration, the medicine was purchased / received in excess of requirement and issued to the other health facilities without any justification.

Excessive purchase / receipt of medicine and issuance of medicine to the other health facilities resulted in unjustified issuance of medicine amounting Rs 2.78 million

The matter was reported to the PAO and DDO concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or inquiry in the matter besides corrective measures, under intimation to Audit.

[AIR No. 13]

**17.2.5.3.9 Non-deduction of liquidity damages recovery thereof – Rs 2.516 million**

According to Rule 4.5 of Guidelines for Health Council 2017, the Health Council will observe the financial rules of Government while incurring expenditure including Punjab Procurement Rules, 2014. Further, according to Supply Order issued by Chief Executive Officer District Health Authority, Multan in case of non-delivery within stipulated period (45 +15 days), after completion of due delivery period penalty 2% per month (0.067%) per day shall be imposed. In order to avail the grace period the firm shall request procuring agency in writing. If the delivery period of the supplier exceeds beyond 60 days, the penalty shall be imposed from 46th day onward.

CEO DHA Vehari and MS THQ Hospital Mailsi failed to deduct liquidated damages Rs 2.516 million during 2018-19. The firms supplied the medicines late but no applications for grant of grace period were produced to Audit.

Audit is a view that due to weak financial control, liquidated damages were not deducted properly.

Non deduction of liquidated damages Rs 2.516 million resulted in loss to government.

The matter was reported to the PAO and DDO concerned in September, 2019. . No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.516 million under intimation to audit

[AIR No. 15, 21]

**17.2.5.3.10 Irregular issuance of supply order without obtaining performance guarantee – Rs 2.164 million**

According to rate award instruction No. 02 that firms will deposit performance security in the form of irrevocable bank guarantee equivalent to 5% of the total contract amount have validity 30th June, 2019 from date of issuance from any scheduled bank on the prescribed format and in prescribed manner in favor of concerned drawing & disbursing officer of DHA Multan and provide stamp papers as stamp duty 0.25% of the total value of contract.

MS DHQ Hospital Vehari and MS THQ hospital Burewala irregular issued supply orders to pharmaceutical firms on account of purchase medicine without obtaining performance guarantee amounting to Rs 2.164 million during financial year 2018-19. Further, Performance guarantee 5% of contracts was not deposited in Govt. treasury by contractors and same needs recovery.

Audit is of the view that due to financial mismanagement supply orders were issued without obtaining performance guarantee.

This non-obtaining of performance guarantee from suppliers resulted in violation of rule.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends appropriate actions against the concerned for such violation of the rule under intimation to Audit.

[AIR No.23]

**17.2.5.3.11 Loss due to purchase of medicines at higher rates-  
Rs 1.430 million**

According to Rule 2.33 of Punjab Financial Rules 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.

The Chief Executive Officer DHA Vehari overpaid an amount of Rs 1.430 million on account of purchase of medicine and IV Cannula sterile packs during 2018-19. Comparison of rate contract of DHA Vehari with DHA Lodhran revealed that M/s Silver Surgical Complex and Global Pharmaceutical (Pvt). Ltd supplied the same items to DHA Lodhran at less rates than rates quoted in District Vehari. Similarly comparison of rate contract of DHA Vehari with DHA Multan revealed that M/s Lisko Pak supplied the same items to DHA Multan at less rates than rates quoted in District Vehari. Government sustained a loss of Rs 1.430 million due to purchase of medicines at higher rates. The detail is as under:



(Amount in rupees)

Name of firm	Name of medicines	Rate of DHA Vehari	Rate of DHA Lodhnan	Difference	Qty purchased	Amount
Silver Surgical Complex.	I.V Cannula Sterile Packs 18G	36.89	33.84	3.05	13200	40260
	I.V Cannula Sterile Packs 20G	36.89	33.84	3.05	30400	92720
	I.V Cannula Sterile Packs 22G	36.89	33.84	3.05	71500	218075
	I.V Cannula Sterile Packs 24G	39.89	33.89	6	46800	280800
Global Pharmaceutical (Pvt). Ltd.	Metoclopramide (hydrochloride) Injection 10mg Nalbuphine Hcl Injection 10mg/ml	27.06	8	19.06	28900	550,834
M/s Lisko Pak	Syp Dimenhydrinate 12.5mg/4ml 60ml	28	32	4	38000	152,000
	Syp Paracetamol 120mg/5ml	39.5	40	0.5	190000	95,000
<b>Grand Total</b>						<b>1,429,689</b>

Audit is of the view that due to weak internal controls, medicines were purchased at higher rates

Purchase of medicines at higher rates resulted in loss to Government amounting Rs 1.430 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery from concerned besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR No.26]

### 17.2.5.3.12 Loss due to expiry of medicine - Rs 1.249 million

According to para 16.10 (xiii) (b) of the Punjab Budget Manual, purchase largely in excess of requirements is a financial irregularity.

MS DHQ Hospital vehari did not properly monitor the stock position of medicine in the hospital during 2018-19. It was observed from the main stock register of the hospital, that medicine amounting to Rs 1.120 million was expired and disposed of by the store department. It was due to excessive purchase / supply of concerned medicine. This resulted in loss of precious medicine without use. The detail is as under:

(Amount in rupees)

Sr. No.	name of medicine	quantity	date of expiry	unit price	Amount
1	tab.albandazole	61900	18-Apr	5.62	347,878
2	tab.co-arfentin	25724	19-Apr	4.5	115,758
3	inf.mannitol	839	18-Mar	80	67,120
4	anti snak venom	230	18-Apr	1075	247,250
5	inj.aquasina	16780	18-Apr	2	33,560
6	10% D/Water	1905	18-Feb	44	83,820
7	cap.fluconazole	700	18-Apr	4.57	3,199
8	5% D/Water	9000	18-Feb	39	351,000
				<b>Total</b>	<b>1,249,585</b>

Audit is of the view that due to weak internal controls, medicine was purchased / supplied in excess of requirement and expired without use.

Expiry of medicine without use resulted in loss amounting to Rs 1.249 million.

The matter was reported to the PAO and DDOs concerned in September, 2019. No reply was submitted till the finalization of this report. DAC meeting was

not convened despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization from the competent authority under intimation to Audit.

[AIR No.18]

# **ANNEXURE**

## Annexure-A

### BAHAWALPUR REGION

### Part-I

### Memorandum for Departmental Accounts Committee Paras Pertaining to the Audit Year 2019-20

#### District Health Authority, Bahawalnagar

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
1	CEO (DHA) BWN	5	Acceptance of tenders from same person without having authority letters	41.053
2		7	Award of Business to various suppliers without proper evaluation of sample by technical team	46.955
3		9	Loss due to non-deduction of LD charges for late supplies	0.388
4		18	Purchase of medicines excess/ less than demand	4.089
5		21	Unjustified payment of electricity bills of camp office	0.210
6		22	Loss due to Purchase of stationary at higher rates	0.268
7		25	Expenditure without proper sanction	0.173
8	DO (Health) BWN	1	Irregular re-appointment of doctors on adhoc and excess payment for gap periods and increments	0.120
9		2	Drawl of practice compensatory allowance by the doctors without residing at BHUs	0.306
10		3	Drawl of HSRP allowance by the employees other than BHUs	0.646
11		5	Irregular / Doubtful expenditure from Health Council funds – Rs 10.201 million	10.201
12		7	Loss to Govt. due to Non deduction of Conveyance Allowance	0.111
13		9	Unjustified payment of financial assistance without creation of OSD Posts	4.100
14		10	Drawl of HSRP by doctors who were not residing at BHUs	7.121
15		11	Loss due to unjustified payment of personal allowance after promoting into next scale	2.161
16		14	Loss to Govt. due to unauthorized payment of Health Risk Allowance	0.125
17		18	Purchase of medicines excess/ less than demand	4.089
18		20	Doubtful expenditure on T.A /D.A	0.471
19		21	Doubtful expenditure on repair of machinery and non deduction of PST	0.287
20		27	Misappropriation of Health Council Fund	0.537
21		28	Unauthorized Transfer of Health Council Fund	0.100
22		30	Irregular local purchase of medicine on the basis of influenced rate contract	2.833
23		32	Excess payment on local purchase of medicine than central rate contract	0.506

Sr. No.	DDOs	Para No.	Subject	Amount
24		34	Doubtful expenditure on repair of vehicles	0.787
25		36	Excess payment due to purchase of medicine at excessive rates than printed prices	0.131
26		37	Doubtful expenditure on repair & purchase and less deduction of taxes	0.451
27		39	Overpayment due to purchase on higher rates	0.464
28		40	Excess / Overpayment due to non observing the OGRA rates	0.125
29		44	Unjustified expenditure on POL by the employee of other office	0.413
30		46	Loss due to Non Deposit of Sale Proceed of Used Mobil Oil	0.029
31		47	Repair of office building itself instead of building department	0.902
32		49	Doubtful deduction and payment of GST due to non verification from FBR	0.668
33		50	Unjustified distribution criteria of medicine	-
34		51	Irregular continuation of adhoc appointment after appointment of regular incumbents excess payment	0.633
35		52	Loss to government by showing official residences as vacant loss in million	-
36		53	Irregular up gradation of some employees	-
37	DHQ Hospital BWN	1	Non deposit of hospital fee	0.366
38		4	Unjustified expenditure on account of HSRA	2.174
39		5	Unauthorized payment of HSRA to unauthorized designations at DHQ level	0.383
40		7	Wastage of pubic fund due to poor planning and non operational / installation of machinery / equipment valuing in millions	-
41		8	Unauthorized Payment of Health Professional Allowance	0.849
42		10	Local purchase of medicine without rate contract in violation of LP policy 2013 & 2017	19.377
43		15	Unjustified payment of increments to adhoc doctors	0.149
44		18	Doubtful clearance of pending liabilities	18.074
45		20	Payment of house rent and conveyance allowance to residents	0.410
46		31	Unjustified expenditure on washing of bed sheets	13.155
47		32	Misappropriation in purchase and issuance of items to irrelevant sections	2.102
48		38	Mis-use in X-Ray films	0.261
49		39	Doubtful expenditure on removing of debris	0.598
50		46	Non compliance of audit /DAC directives on preceding audit reports	-
51		48	Non creation of OSD post of deceased employees	-
52	49	Wasteful expenditure due to purchase of medicine without requirement	7.406	
53	53	Overpayment of allowances to employees	0.151	
54	THQ Hospital Fort Abbas	9	Less receipts of medicines from CEO office Bahawalnagar	1.832
55		10	Irregular acceptance of supplies without demand	2.917
56		12	Irregular expenditure	0.698
57		25	Loss due to charging of excess rates within office and as compare to DHQ	0.316
58		26	Unjustified expenditure on account of HSRA	1.394

Sr. No.	DDOs	Para No.	Subject	Amount
59		28	Likely fraud / Misappropriation of Laboratory income Inquiry thereof	1.522
60		29	Purchase through doubtful Billing	3.374
61		32	Loss due to non deduction of Income Tax	0.145
62	THQ Hospital Minchin Abad	1	Unauthorized payment of HSRA without entitlement	0.210
63		2	Non receipts of medicines from CEO (DHA)	1.455
64		4	Unjustified expenditure on account of HSRA	1.097
65		6	Irregular payment of Non Practicing Allowance (NPA)	0.320
66		7	Loss due to excess payment of non-practicing allowance	0.042
67		9	Loss due to unjustified payment of Adhoc Relief Allowance 2018 without entitlement	0.240
68		11	Unjustified expenditure on account of HSRA	0.354
69		18	Unauthorized excess drawl of pay and allowances after proceeding to deputation	0.582
70		22	Non-compliance of observations issued in previous year Audit	-
71		23	Non utilization of funds	15.373
72		27	Loss due to non recovery of penal rent	0.284
73		28	The matter was reported to the DDO. DDO seen, discussed and received the observation but did not reply	0.210
74		SMO RHC Madrissa	3	Overpayment of SSB due to non regularization of employees
75	5		Non/less receipts of medicines from Health Department Lahore and CEO (DHA)	-
76	6		Overpayment due to purchase on higher rates	0.508
77	7		Unjustified expenditure on medicine by showing fictitious patients	1.523
78	8		Loss due to payment of irrelevant allowances	0.036
79	9		Loss due to unjustified up gradation of employees	0.379
80	10		Irregular re-appointment of doctors on adhoc and excess payment increment	0.060
81	14		Doubtful expenditure on repair of vehicles and generator	0.212
82	18		Non deduction of water charges	0.090
83	19		Receipt of medicines without demand/excess of demands	-
84	20		Unjustified expenditure on POL of Ambulance by showing fictitious referred cases	1.048
85	21		Irregular promotions and payment of pay and Allowances	0.243
86	24		Doubtful deduction and payment of GST due to non verification from FBR	0.373
87	27		Excess / Overpayment due to non observing OGRA Rates	0.091
88	28		Non-recovery Penal Rent charges	0.619
89	29		Doubtful drawl of TA/DA	0.294
90	30		Doubtful purchase and consumption of Strychnine powder loss to Govt.	0.284
91	32	Non compliance of audit /DAC directives on preceding audit reports	-	
92	33	Non verification of amount of deposited challans	0.671	
93	34	Payment to suppliers of medicine without DTL	1.601	
94	SMO RHC	2	Overpayment on account of Health Sector Reform allowance	0.06

Sr. No.	DDOs	Para No.	Subject	Amount
95	Maroot	3	Loss due to un-justified drawl of allowances during leave period	0.176
96		4	Excess payment in the way of NPA instead of PCA	0.044
97		6	Doubtful drawl of pay and allowances without performing d	0.26
98		7	Excess payment on account of Health Professional Allowance	0.014
99		9	Non/less receipts of medicines from Health Department Lahore and CEO (DHA)	-
100		10	Receipt of medicines without demand/excess of demands	-
101		15	Unjustified payment of excess allowances	0.036
102		18	Excess / Overpayment due to non observing OGRA Rates	0.015
103		22	Unauthorized Payment of Conveyance Allowance despite residing in colony	0.070
104		24	Irregular purchases through splitting	0.875

### District Health Authority, Bahawalpur

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
1	CEO (DHA) Bahawalpur	2	Irregular tendering process due to incomplete Purchase Committee	112.888
2		8	Loss due to less/non-deduction of LD charges for late supplies	0.045
3		9	Non-blacklisting of firm despite non-supply of medicines	3.849
4		12	Loss due to purchase of fuel on higher rates than OGRA	0.037
5		13	Loss due to non-taking used Mobil oil into stock	0.01
6		17	Unjustified withdrawal of pay without mentioning dates of joining	1.458
7		18	Irregular revised allocation of funds against 'Nil' budget	135.818
8		District Health Officer Bahawalpur	1	Loss due to drawl of "Health Sector Reform Allowance" by employees other than BHUs
9	2		Loss due to payment of irrelevant allowances	0.406
10	11		Loss due to payment of salaries to doctors after resignation/ transfer	3.213
11	13		Drawl of practice compensatory allowance by the doctors without residing at BHUs	0.775
12	14		Unjustified expenditure of POL	0.220
13	17		Unjustified expenditure on purchase of POL	1.017
14	19		Loss due to purchase of fuel on higher rates than OGRA	0.131
15	20		Loss due to non-taking used Mobil oil into stock	0.025
16	25	Non-verification of deposit challans	0.841	
17	MS THQ Hospital Hasil Pur	9	Excess Expenditure on purchase of LP medicines than prescribed limit	2.264
18		14	Loss to Govt. due to non observing Austerity Measures on account of electricity	1.150
19		15	Loss due to non-realization of income	0.272
20		18	Uneconomical/doubtful procurements	2.570
21		19	Unauthorized shifting of medicine to other health facilities	0.817
22	24	Non deposit of liquidated damages	0.231	



Sr. No.	DDOs	Para No.	Subject	Amount
23		26	Expenditure on development works without pre-qualification of firms	6.491
24		27	Non taking action for black listing of the firms due to non supplying of medicines as per award letter	7.874
25		28	Irregular preparation of contingents bills	0
26		29	Excess consumption of medicines	0.693
27		30	Sanction of expenditure before receiving of stock	0.533
28		32	Doubtful expenditure on payment of salaries	0
29		33	Excess Expenditure due to excessive rates	0
30		1	Mis-appropriation of POL	2.152
31		2	Mis-appropriation of medicine	0.105
32		4	Loss to Govt. due to non-obtaining of discount on Local Purchase of Medicine	0.116
33		6	Overpayment of House Rent Allowance @ 45 % than entitlement	0.044
34		7	Non-recovery of water charges	0.1
35		8	Less deposit of receipts	0.189
36		13	Non-deduction of repair / maintenance charges after allotment of government residences	0.347
37		15	Unjustified drawl of Practice Compensatory Allowance	0.028
38		16	Unjustified / irregular drawl of pay and allowances	0.401
39		17	Overpayment due to purchase of medicine items on higher rates	0.046
40	MS THQ	18	Excess / Overpayment due to non observing the OGRA rates	0.058
41	Hospital	19	Less deposit of Income Tax	0.069
42	Ahmed Pur	22	Unjustified payment of incentive allowance to the doctors	10.694
43	East	26	Unjustified payment of allowances to the doctors without perform their duties	5.645
44		27	Non-auction of different items	1.989
45		29	Excess Expenditure on purchase of LP medicines then budget	2.509
46		30	Non taking action for black listing of the firms due to non supplying of medicines as per award letter	4.086
47		33	Loss to Govt. due to non observing Austerity Measures on account of electricity	0.750
48		35	Irregular preparation of contingents bills	36.480
49		37	Non-compliance of observations issued in previous year Audit	0
50		38	Purchase of medicines at excess rates	0.370
51		39	Purchase of Medicine in excess of requirement / without demand	0.278
52		40	Non production / maintenance of record	0
53		7	Unjustified mode of Payment	0.836
54		9	Loss due to non deposit of various receipts	0.11
55	MS THQ	10	Excess payment due to wrong calculations	0.101
56	Hospital	11	Loss due to non-deduction of LD charges for late supplies	0.076
57	Khair Pur	12	Loss due to non accountal of various store items	0.062
58	Tamewali	14	Loss due to shortage of stock	0.057
59		15	Illogical excess availability of stock than stock register	0.096
60		22	Doubtful/Unjustified consumption of Dialyzers	0.729

Sr. No.	DDOs	Para No.	Subject	Amount
61		24	Doubtful consumption of medicines and store in Indoor items without maintaining consumption registers	0.303
62		25	Misuse of medicines through less/excess issuance from main store	0.04
63		29	Irregular expenditure on repairs without history sheets	0.446
64		31	Excess / Overpayment due to non observing OGRA Rates	0.056
65		32	Likely misappropriation of medicines due to Not Carry Forwarding of Closing Balance of Medicines	0.885
66		33	Non-blacklisting of firms due to non Supply of medicines – Rs 2.2.43 million and non-forfeiture of security	0.112
67	Senior Medical Officer RHC Head Raj Khan	2	Unjustified payment of Health Sector Reform allowance	0.158
68		6	Unauthorized payment of SSB after regularization	0.061
69		8	Unjustified payment of Cholistan Allowance without entitlement	0.020
70		10	Irregular re-appointment of doctors on adhoc and excess payment increment	0.210
71		11	Loss due to non accountal of various store items	0.166
72		13	Doubtful consumption of X ray films without consumption record	0.677
73		14	Loss due to shortage of stock	0.063
74		15	Loss non deposit of ambulance receipts	0.040
75		16	Loss due to excess payment to the supplier due to payment in excess of supplied items	0.018
76		17	Unauthorized delivery cases conducted by Mid-Wives	0
77		18	Unauthorized payment of pay and allowances to WMO without working	0.495
78		20	Likely misappropriation of POL by the driver through fictitious logbook	0.800
79		24	Doubtful consumption of medicines in Indoor and LHVs	0
80		26	Non-collection of proof of deposit of sales tax	0.109
81		29	Expenditure on POL without availability of logbooks	0.669
82	30	Irregular expenditure on repairs without tendering process and history sheets	0.418	
83	Senior Medical Officer RHC Bela Jhullan BWP	1	Loss due payment of irrelevant allowances during leave period	0.019
84		2	Loss due to payment of pay and allowances against unsanctioned post of "Medical Officer"	0.091
85		7	Irregular drawl of HSRA by the staff	0.178
86		9	Deterioration of Government property due to non auction	0.300
87		12	Loss due to unjustified payment of practice compensatory allowance	0.030
88		16	Expenditure through number less / date less billing	0.390

### District Health Authority, Rahim Yar Khan

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
1	CEO (DHA)	2	Loss due to non deposit of GST by suppliers	0.539

Sr. No.	DDOs	Para No.	Subject	Amount	
2	RYK	11	Unjustified claims for out of district visits –	0.370	
3		12	Unjustified drawl of POL for field visits	0.667	
4		15	Illegal service of CEO after the date of retirement	0.942	
5		18	Unjustified / baseless budgeting and subsequent expenditure	-	
6		22	Illogical / late uploading of releases onto SAP	-	
7		DHO RYK	2	Loss due to non deposit of GST by suppliers	0.145
8	5		Doubtful payment of pay & allowances into unknown banks	4.423	
9	6		Loss due to Showing Higher Rates of Store Items	0.033	
10	7		Loss of due to unjustified payment of irrelevant allowances	0.132	
11	8		Loss due to unjustified drawls	0.010	
12	9		Unauthorized payment of allowances during leave period	0.197	
13	10		Loss due to Non Deposit of Sale Proceed of Used Mobil Oil	0.025	
14	11		Unjustified claims for out of district visits	0.374	
15	14		Loss due to doubtful / fake “Repair of Vehicles”	0.187	
16	15		Loss due to illegal use of vehicle by outsider	0.132	
17	16		Unjustified expenditure on account of photocopies	0.154	
18	17		Unjustified expenditure on account of TA/DAs	0.355	
19	18		Loss due to fake entries of log book	0.120	
20	19		Loss due to non delivery of medicine by contractor (TCS)	0.382	
21	21		Loss due to non auction of old / dry trees	0.68	
22	Zila Health Officer / DO (Health-III) RY Khan		9	Un-justified payment of health sector reform allowance	0.492
23			13	Non verification of deposit of Sales Tax on purchases	0.550
24			14	Doubtful expenditure on repair of furniture	0.228
25		15	Loss due to excess payment	0.109	
26		16	Doubtful expenditure due to difference in bill number and dates	0.497	
27	MS THQ Hospital Sadiq Abad	2	Loss due to unjustified payment of practice compensatory allowance	0.149	
28		3	Loss due to unjustified payment of personal allowance after promotion into next scale	0.045	
29		4	Loss due to unjustified payment of HSRA to allied staff at THQ level	0.010	
30		8	Loss due to payment of “Anesthesia Allowance” at excessive rate	0.050	
31		12	Loss due to purchasing L.P medicine at different rates during 2018-19	0.143	
32		24	Unjustified excess expenditure of L.P medicine	1.003	
33	MS THQ Hospital Khan Pur	1	Unauthorized payment of Practice Compensatory Allowance	0.128	
34		2	Unauthorized payment of HSRA	0.027	
35		6	Irregular payment of HSRA due to shifting of head quarter	0.065	
36		8	Loss to government due to absentee	0.355	
37		9	Un-authorized drawl of Health Sector Reform Allowance	0.105	
38		11	Non recovery of repair and maintenance charges due to allotment over and above than entitlement	0.362	
39		14	Irregular payment of Non Practicing Allowance (NPA)	0.777	
40		20	Misclassification of expenditure	0.114	
41		23	Non deposit of MLC and cycle stand fee into Govt. treasury	0.750	
42		25	Unjustified payment of TA/DA from unauthorized office	0.208	

Sr. No.	DDOs	Para No.	Subject	Amount
43		28	Purchase of Medicine in excess of requirement / without demand	0.442
44		29	Purchase of medicine without having budget	0.050
45		32	Non deposit of sale proceed of used mobil oil and fixer	0.001
46		34	Non-auction of different items	0.164
47		35	Non-compliance of previous audit report	
48		2	Loss due to doubtful / fake drawl of POL	0.305
49		3	Loss due to non deposit of GST by suppliers	0.343
50		7	Unjustified acceptance of medicines quantity in excess of need	0.382
51		12	Loss due to non / deposit of different fees into treasury	0.039
52	Senior Medical Officer RHC Kot Samaba	16	Loss due to unauthorized installation of air conditioners and misuse of electricity	0.240
53		17	Loss due to payment of adhoc allowance 2010 (50%) to the Doctors	0.055
54		18	Loss due to theft / illegal sale of agri water	0.312
55		19	Unjustified / doubtful indoor consumption of medicine	0.558
56		4	Irregular payment of HSRA due to shifting of head quarter	0.487
57		6	Unjustified payment of irrelevant allowances	0.006
58		9	Payment of pay and allowances during absent period	0.607
59		11	Loss to government due to non-deduction of water charges	0.691
60		12	Loss to government due to non-deduction of Sewerage Charges	0.979
61		17	Loss due to payment of Adhoc Allowance 2010 (50%) to the doctors	0.068
62		18	Loss due to unjustified drawl of SSB after regularization	0.197
63	Senior Medical Officer RHC Manthar	20	Non-auction of different items	0.833
64		21	Non deposit of sale of water fixer of X-Ray	0.110
65		22	Doubtful expenditure of repair and maintenance	0.875
66		23	Non compliance of audit /DAC directives on preceding audit reports	
67		24	Loss due to keeping the Chemistry Analyzer useless	0.200
68		25	Loss due to less collection of the discount on Local Purchase	0.116
69		32	Non deposit of sale of used mobil oil	0.018
70		33	Un-authorized / unjustified drawl of HRA, CA in salary and through adjustment bills after stopping on allotment of government residences	0.302

**Annexure-A**  
**Part-II**

**Memorandum for Departmental Accounts Committee Paras Pertaining  
to the Audit Year 2018-19**

**District Health Authority, Bahawalnagar**

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
1	CEO (DHA) BWN	2	Irregular payment of HSRA to the staff	0.02
2		3	Un-authorized payment of Health Professional Allowance	0.17
3		4	Irregular payment of electricity and telephone bills and overpayment	0.14
4		5	Doubtful / irregular payment of mobile bills	0.03
5		6	Non accountal into stock	0.23
6		7	Misclassification of expenditure	0.16
7		8	Unjustified / Doubtful expenditure on photo copies	0.22
8		9	Loss due to non / less deduction of Income Tax and Provincial Sales Tax	0.05
9		11	Non allocation of funds to THQ Hospital for local purchase of medicines and natural calamities	20.94
10		12	Doubtful Expenditure on POL due to unjustified travelling	0.43
11		13	Non deposit of different receipts into treasury	10.77
12		14	Un-authorized provision of supplementary grants	396.93
13		15	Expenditure against Nil budget	31.33
14		16	Un-authorized re-appropriation of funds	91.42
15		17	Overpayment of pay due to irregular award of annual increment and non recovery of salary of gap period	0.26
16		18	Release of budget including supplementary grants, additional budget and re-appropriations without approval of the competent authority	722.41
17		19	Un-justified increase in number of posts without SNEs	-
18		20	Non cancellation of general duties and irregular expenditure on pay and allowances due to shifting of headquarter	-
19		21	Irregular expenditure without sanction from the competent authority	12.9
20		25	Irregular payment of TA/DA	0.621
21		26	Irregular payment of incentive allowance	6.37
22		27	Loss due to unjustified payment of irrelevant allowances	1.384
23		29	Un-authorized payment of arrears	4.902
24		30	Loss due to unjustified payment of personal allowance after promotion into next scale	1.445
25		31	Improper maintenance of cash book and non-disbursement of payments	0.114
26		32	Irregular expenditure due to change of cadre and without having sanctioned post	0.725

Sr. No.	DDOs	Para No.	Subject	Amount	
27		34	Non compliance of previous Audit Report	-	
28	DO (Health) BWN	6	Loss due to unjustified payment of practice compensatory allowance	0.817	
29		12	Loss due to payment of excess rate of Fixed TA/DA vaccinators	0.078	
30		17	Loss due to Non Deposit of Sale Proceed of Used Mobil	0.064	
31		18	Doubtful expenditure on medicine through doubtful indents	17.692	
32		19	Loss due to shortage of stock	0.078	
33		20	Loss due to Purchase of POL at Higher Rates than the Rates Fixed by OGRA	0.051	
34		21	Doubtful payment of pay & allowances into same bank account	0.615	
35		22	Loss due to non deposit of GST by suppliers	1.208	
36		25	Doubtful consumption of medicine through unjustified distribution criteria	13.55	
37		26	Doubtful purchase of strychnine powder	1.294	
38		29	Doubtful drawl of transportation charges	0.566	
39		30	Unjustified drawl of refreshment bills	0.2	
40		31	Loss due to showing purchases at higher rates by "Health Councils"	6.494	
41		32	Doubtful drawl for photocopies expenditure	0.4	
42		34	Loss due to doubtful consumption of POL	3.301	
43		35	Loss due to double claims of arrears	1.517	
44		37	Loss due to continuation of adhoc appointment after filling vacant post	0	
45		38	Loss due to making unjustified excess appointments of vaccinators	2.905	
46		Dy.DO (Health) Fortabbas	1	Drawl of pay and allowances after transfer and retirement	0.399
47			2	Unauthorized expenditure on renovation of building	1.616
48	3		Less Deduction of Taxes	0.848	
49	7		Loss to Govt. due to unjustified payment of non practice allowance	0.048	
50	8		Unauthorized expenditure on pol without having / maintenance of log books of vehicles	0.409	
51	9		Irregular drawl of HSRA by the staff	0.032	
52	10		Irregular expenditure on POL due to unjustified travelling	1.409	
53	11		Unjustified expenditure on photocopies	0.434	
54	12		Unjustified expenditure on Courier	0.088	
55	14		Doubtful expenditure on transportation of good	0.279	
56	15		Unauthorized drawl of different allowances during leave period	0.032	
57	16		Doubtful expenditure on purchase and distribution of stock	3.521	
58	17		Unauthorized Drawl of Health Sector Reform Allowance	0.096	
59	19		Overpayment due to purchase on higher rates	0.105	
60	20		Non deduction of relevant allowances from the residents	0.035	
61	21	Excess / Overpayment due to non observing the OGRA rates	0.049		

Sr. No.	DDOs	Para No.	Subject	Amount
62		22	Doubtful unjustified expenditure on repair of vehicle, machinery and furniture items	1.244
63		23	Double drawl of pay and allowances	0.094
64		24	Irregular expenditure due to excess drawn of POL than fuel tank capacity	0.183
65	MS DHQ Hospital BWN	10	Receipt of medicine in excess of requirement and non utilization thereof	36.786
66		13	Non deposit of Purchee fee, X-Ray charges etc	0.099
67		15	Non recovery of Conveyance Allowance from occupants of Government residences	0.143
68		21	Loss due to unjustified payment of Practice Compensatory Allowance	0.06
69		22	Loss due to payment of Incentive Allowance and SHSRA at higher rates	0.036
70		24	Irregular expenditure on civil works	3.563
71		29	Unjustified expenditure on repair of generators	0.379
72		30	Irregular expenditure on repair of air conditioners	0.229
73		33	Non compliance of audit /DAC directives on preceding audit reports	-
74		34	Internal Control Weaknesses	-
75	MS THQ Hospital Fortabbas	7	Over drawn of Special Health Sector Reform Allowance	0.22
76		10	Unjustified expenditure on washing of different washable items	1.148
77		12	Purchase of medicines without get test analysis report from International WHO authorized Lab	1.705
78		14	Purchase of LP medicine without / on less discount rate	0.623
79		15	Blockage / wastage of public fund due to unrealistic demand	4.486
80		16	Incurring of expenditure without approval of health council and observing PPRA	2.794
81		17	Doubtful consumption of X-Ray films and in hospital receipt by maintaining fictitious record	0.042
82		18	Payment of pay and allowances during absent period	0.399
83		19	Consumption of Insulin anti rabies and anti-venom without essential record	0.514
84		20	Irregular clearance of pending liabilities	1.705
85		22	Loss to Govt. due to unauthorized payment of increments to adhoc employees	0.098
86		24	Non deduction of relevant allowances from the residents	0.602
87		25	Wasteful expenditure due to Purchase of LP medicine and other items without requirement	0.746
88		26	Purchase / acceptance of medicine in excess of demand	2.837
89		28	Doubtful expenditure on purchase and distribution of stock	2.004
90		30	Unjustified expenditure on POL	0.764
91	31	Unjustified expenditure of POL	0.249	

Sr. No.	DDOs	Para No.	Subject	Amount
92		34	Loss due to purchase of medicine, X-Ray higher rates than central rate contract	0.167
93		36	Non collection of auction amount	0.485
94		37	Non Deposit of income tax on auction amount	0.082
95		38	Core issue of mismanagement and administration	0.126
96		39	Some investigation / inquiries may be required on complaints	-
97		40	Shifting of near to expiry medicines	0.508
98		41	Payment of SSB instead of long period of service	0.409
99		42	Excess / Overpayment due to non observing the OGRA rates	0.053
100		43	Loss due to non allotment of designated residences of medical colony	1.779
101		44	Doubtful consumption of medicines by showing indoor patients and shortage of 230 patients charts	-
102		45	Loss due to non / less deduction of Provincial Sales Tax and Income Tax	0.459
103		46	Unauthorized payment of HSRA & PCA Allowances	0.026
104		47	Un-justified consumption of dialyzers	0.036
105		MS THQ Hospital Chishtian	1	Non deposit of MLC charges and other fee into Govt. treasury
106	7		Excess payment of incentive allowance to the consultants	0.071
107	8		Un-authorized drawl of Health Sector Reform Allowance	0.077
108	9		Irregular payment of HSRA to the staff	0.157
109	13		Overpayment to WAPDA through electricity bills	1.283
110	14		Doubtful / irregular payment of electricity bills	0.892
111	16		Overpayment due to local purchase of medicine on higher rates	0.712
112	17		Irregular expenditure on purchase of medicine	2.497
113	19		Excess expenditure on local purchase of medicines	1.793
114	20		Purchase / receipt of medicine in excess of requirement / without demand	8.552
115	21		Less / non receipt of medicines from health department than demand	25.504
116	24		Doubtful expenditure through dateless bills	0.572
117	26		Doubtful consumption / distribution of stock	0.294
118	27		Doubtful expenditure on repair of machinery and equipment	0.904
119	28		Shifting of near to expiry Medicines	0.328
120	29		Loss due to purchase of POL at higher rates than the rates fixed by OGRA	0.055
121	33		Non-compliance of previous audit report	0
122	34		Excess payment of pay and allowances due to irregular award of annual increment and payment during gap period	0.166
123	35	Doubtful consumption of medicine	0.116	
124	MS THQ Hospital Haroonaba	4	Loss due to unjustified payment of irrelevant allowances	0.067
125		6	Irregular expenditure and excess expenditure	0.987
126		10	Non/Less receipts of medicines from Health Department Lahore	46.374



Sr. No.	DDOs	Para No.	Subject	Amount
127	d	11	Receipt of medicines without demand/excess of demands	6.972
128		12	Loss due to unjustified payment of house rent allowance and conveyance allowance despite residing within work premises	0.120
129		13	Non deduction of water charges	0.038
130		14	Loss due to less accountal of various store items	0.027
131		15	Irregular maintenance of Stock Register and doubtful consumption thereof	0.24
132		17	Excess payment of pay due to irregular award of advance increment	0.075
133		23	Irregular workings of Health Council and expenditure thereof	7.988
134		24	Loss due to claiming of POL at higher consumption rates	0.066
135		26	Loss due to non collection of the discount on Local Purchase	0.411
136		27	Non-compliance of observations issued in previous year Audit	0
137	MS THQ Hospital Minchinabad	3	Unauthorized payment of HSRA	0.116
138		7	Excessive expenditure on Health Professional Allowance	0.299
139		8	Excess payment of pay due to irregular award of advance increment	0.081
140		12	Irregular expenditure and excess expenditure	6.687
141		15	Irregular workings of Health Council and expenditure thereof	7.988
142		19	Overpayment on account of Health Sector Reform allowance	0.04
143		20	Loss due to Un-justified drawl of allowances during leave period	0.05
144		22	Understated Books of Accounts of District Health Authority	27.487
145		23	Non/Less receipts of medicines from Health Department Lahore	8.044
146		24	Receipt of medicines without demand/excess of demands	2.037
147		25	Receipt of medicines excess than demand/excess	11.052
148		26	Non deposit of different fee into Government Treasury	0.378
149		27	Unjustified consumption of Sub Standard medicines	0.185
150	28	Doubtful purchase of items through doubtful billing	2.251	
151	SMO RHC Faqirwali	1	Doubtful Difference between Departmental Expenditure Statement and FI Data Maintained in District Accounts Office	1.326
152		5	Loss due to less deduction of Liquidity damages for late supplies of medicines	0.019
153		6	Irregular clearance of pending liabilities	0.845
154		7	Non deduction of water charges	0.067
155		8	Loss due to non deduction of Income Tax	0.084
156		13	Loss due to unjustified payment of irrelevant allowance	0.02
157		14	Receipt of medicines without demand/excess of demands	0
158		15	Non/Less receipts of medicines from Health Department Lahore	0
159		16	Unjustified payment of health sector reform allowance	0.177
160		17	Irregular repair works without calling tenders	0.371
161		18	Doubtful expenditure on account of photocopies	0.035
162		19	Irregular/Doubtful expenditure on account of Health mela	0.232
163		20	Irregular expenditure without Immediate Requirement Resulting Blockage of Govt. Funds	0.071

Sr. No.	DDOs	Para No.	Subject	Amount
164		23	Non-compliance of observations issued in previous year Audit	0
165		24	Unjustified consumption of store items	0.031
166	SMO RHC Dahranwala	3	Acceptance of medicines quantity in excess of need	1.591
167		4	Purchase of Sub-Standard Medicines without Drug Testing Laboratory (DTL) reports	0.477
168		6	Loss to govt. Due to non-deduction water charges from the resident of Government residences	0.052
169		7	Non-availing of discount on local purchase	0.036
170		8	Un-justified expenditure on carriage of medicine	0.051
171		9	Unauthorized delivery cases conducted by Mid-Wives	0
172		10	Loss to govt. due to purchase of POL at higher rates than the rates fixed by OGRA	0.04
173		11	Non Deposit of Sale Proceed of Used Mobil Oil	0.036
174		12	Irregular Payment of 35% share to SMO/MO/WMO due to non-posting of specialist	0.27
175		13	Irregular drawl of practice compensatory allowance	0.03
176		14	Expenditure in excess of prescribed limit on purchase of medicine LP Bulk	0.599
177		15	Doubtful Expenditure on Repair of Machinery	0.056
178		17	Non-deposit of Fee into Govt. Treasury	0.007
179		18	Non auction / sale of X-ray Fixer	0.005
180		19	Loss to Government due to unjustified expenditure on repair of vehicles	0.077
181	20	Loss to govt. due to Non Compliance of Audit Observations of Previous period	1.203	
182	21	Un-Justified payment on account of POL	2.275	
183	District Blood Transfusion Officer, BWN	2	Unauthorized excess withdrawal of pay and allowance after regularization	0.223
184		3	Irregular payment of non practicing allowance (NPA)	0.2
185		4	Non production of record	0.055
186		5	Irregular purchase from the black listed and non registered firms	3.71
187		6	Irregular payment of previous years without additional budget	0.47
188		9	Non reconciliation of expenditure statement	2.145
189		10	Doubtful expenditure on repair of machinery and furniture	0.629
190		11	Overpayment due to unauthorized withdrawal of adhoc relief	0.227
191		12	Unauthorized payment of travelling allowance	0.014
192		13	Non-collection of proof of deposit of Sales Tax	0.88
193	SMO RHC 6-Gijiani	4	Payment of salaries to Doctors after resignations from services	0.092
194		6	Excess payment to various employees	0.422
195		7	Loss due to unjustified payment of personal allowance after promotion into next scale	0.032
196		9	Irregular drawl of Practice Compensatory Allowance	0.19
197		10	Loss to Govt. due to non observing Austerity Measures on account	0.25

Sr. No.	DDOs	Para No.	Subject	Amount
			of electricity	
198		12	Authorization of payment of medicines without test analysis report from International WHO authorized Lab	2.303
199		14	Non-observance of financial discipline while incurring non-salary funds through SDA account	0.35
200		15	Less deduction of liquidity damages for late supplies of medicines"	0.409
201		17	Loss due to non-allotment of designated residences	0.502
202		18	Payment on account of POL without observing OGRA rates	0
203		19	Irregular drawl of SHSRA by the staff. Recovery	0.116
204		21	Irregular expenditure due to joining to Doctors without attaining medical duly approved/ issued by the Medical Board	2.02
205		23	Un-justified use and un-authorized retention of substandard medicine	0.116
206		24	Non-compliance of observations issued in previous year Audit	0
207		1	Irregular drawl of HSRA by the staff	0.629
208		2	Payment due to irregular promotion	0.475
209		4	Drawl of pay and allowances after transfer	0.888
210		5	Non collection of allocated budget for local purchase of medicines from District Health Authority million	-
211		7	Drawl of pay and allowances after retirement and resignation	0.271
212		8	Non-observance of financial discipline while incurring non-salary funds through SDA account	0.203
213		10	Overpayment of allowances and irregular drawn of pay after regularization of services	0.178
214		11	Misclassification of expenditure	0.31
215		14	Purchase of medicines without get test analysis report from International WHO authorized Lab	2.061
216		16	Wasteful expenditure due to Purchase without requirement	0.074
217	SMO RHC	17	Payment of medicines without DTL	1.884
218	Khichiwala	19	Doubtful use of hospital receipt	0.179
219		20	Non deduction of relevant allowances from the residents	0.305
220		22	Doubtful consumption of medicines by showing excess admission days of indoor patients	4.469
221		23	Loss due to purchase of medicine, X-Ray higher rates than central rate contract	0.152
222		24	Loss due to unjustified payment of personal allowance after promotion into next scale	0.192
223		25	Unjustified expenditure on photocopies	0.126
224		26	Loss due to non / less deduction of Provincial Sales Tax	0.211
225		27	Doubtful unjustified expenditure on repair of vehicle and machinery items	0.272
226		28	Shifting of near to expiry Medicines	0.068
227		30	Excess / overpayment due to non observing the OGRA rates	0.059
228		32	Un-authorized drawl of Health Sector Reform Allowance	0.144

Sr. No.	DDOs	Para No.	Subject	Amount
229		33	Purchase / acceptance of medicine in excess of demand	0.751
230		34	Doubtful expenditure on purchase and distribution of stock	1.518

### District Health Authority, Bahawalpur

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
1	CEO (DHA)	2	Booking of excess expenditure without release of budget	7.082
2		5	Loss to Govt. due to non observing Austerity Measures on account of electricity	0.36
3		6	Expenditure of pay without sanctioned post	1.027
4		8	Irregular release of Supplementary Grant	147.418
5		11	Expenditure by misclassification	0.988
6		14	Irregular Expenditure due to non observance of Austerity Measures	0.658
7		15	Doubtful difference between departmental expenditure statement and FI data maintained in District Accounts Office	0.556
8		16	Deposit without maintenance of Progress Report and reconciliation statement	22.417
9		17	Preparation of Budget amounting to Rs. 221.93 million without fulfilling the requirements	221.93
10		18	Payment of irrelevant allowances Rs 564,063	0.564
11		19	Doubtful Selection of Midwifery Staff and irregular payment of stipend Rs. 450,000	0.45
12		20	Irregular expenditure of Rs. 11.207 million due to appointment during ban period	11.207
13		21	Loss due to unjustified payment of sales tax – Rs 23,584	0.024
14	DDHO BWP	2	Non maintenance of record of repair and maintenance of machinery and equipment – Rs 514,524	0.515
15		4	Un-justified payment of personal allowance	0.088
16		5	Non disposal of used mobile oil amounting to Rs 30,720	0.031
17		6	Doubtful / Unjustified withdrawal of POL –Rs 48,854	0.049
18		7	Excess payment due to purchase of POL without observing the OGRA rates – Rs 78,239	0.078
19		8	Un-justified expenditure of different accounting head	0.133
20	10	Un-justified expenditure of cost of other store items	0.033	
21	DHDC BWP	1	Non recovery of charges from occupants of hostel	0.101
22		3	Unjustified expenditure on account of utilities	0.785
23		4	Unjustified expenditure on transportation Charges	2.338
24		5	Irregular expenditure on TA/DA – Rs 669,650	0.67
25		6	Loss due to use of air conditioners by unauthorized persons – Rs	0.528

Sr. No.	DDOs	Para No.	Subject	Amount	
			528,000		
26		7	Misclassification of Expenditure – Rs 36,504	0.037	
27	DO (Health)	1	Loss due to excess payment of pay and allowances after retirement – Rs 83,336	0.083	
28		3	Doubtful Difference between Departmental Expenditure Statement and FI Data Maintained in District Accounts Office – Rs 4.513 million	4.513	
29		4	Irregular expenditure on account of repair of transport without history sheets– Rs 292,275	0.229	
30		8	Doubtful expenditure on account of repair of transport	0.157	
31		9	Irregular Payment of TA/DA to employees working in other offices/general duties – Rs 238,139	0.238	
32		10	Loss due to unjustified payment of sales tax – Rs 26,644	0.027	
33		13	Loss due to non observing Austerity Measures on account of electricity – Rs 240,000	0.24	
34		17	Non-collection of proof of Sales Tax from firm	0.126	
35		18	Recovery on account of excess claim than less tank capacity – Rs 114,290	0.114	
36		19	Loss due to purchase of fuel on higher rates than OGRA	0.056	
37		20	Loss due to non-taking used mobil oil into stock	0.022	
38		22	Loss due to unauthorized drawl of SSB after regularization	0.257	
39		23	Irregular clearance of pending liabilities – Rs 218,058	0.218	
40		24	Irregular expenditure of Pol without average consumption certificate – RS 726,107	0.726	
41		Govt. Tibbia College BWP	1	Unauthorized Drawl of pay and allowances during Ad Hoc period Rs 62,409	0.062
42			3	Overpayment of conveyance allowance during Summer & Winter Vacations of Rs 105,672	0.106
43			5	Wasteful expenditure due to Purchase without requirement Rs 1.518 million	1.518
44			6	Un-sound Budgeting / Non-surrender of Anticipated Savings / Excess and difference of expenditure	4.608
45	7		Issuance of medicines to patients without DTL and any other check of Rs 3.801 million	3.801	
46	8		Irregular Expenditure by Misclassification of Rs 146,753	0.147	
47	9		Unjustified consumption of medicines in indoor section of Rs 42,844	0.043	
48	10		Un-Justified Retention of Securities Rs 167,400	0.167	
49	11		Unjustified percentage of destroyed medicines during preparation process Rs 1.574 million	1.574	
50	12		Loss to Govt. due to unauthorized payment of Health Risk Allowance Rs 64,500	0.065	
51	13		Excess/irregular and unauthorized drawl of pay & allowances	0.056	

Sr. No.	DDOs	Para No.	Subject	Amount
52		14	Unjustified consumption of medicines in OPD	6.038
53		16	Irregular Payments of Arrears / adjustments without Additional Budget and availability of record Rs 745,405	0.745
54		17	Loss to Govt. due to irregular payment of HSRA	0.019
55		18	Non accountal into stock Rs 11,600	0.012
56		1	Loss to government due to long absent from duty	0.074
57		4	Un-authorized payment of sui gas bills of hostel	0.152
58		5	Less / non-recovery of water charges	0.332
59	Para Medical	6	Non deduction of house rent allowances and repair / maintenance charges after allotment of government residences	0.038
60	School	8	Excess drawl of pay and allowances Rs 14,315	0.014
61	BWP	9	Non-auction of dry trees – Rs 136,000	0.136
62		10	Non reconciliation expenditure statement with FI data	2.098
63		11	Irregular payments of arrears of pay and allowances without additional budget and non-production of arrear bills	0.093
64		2	Unjustified expenditure on purchase of medicine	7.174
65		7	Irregular purchase of X-ray films, fixer & developer through quotations by splitting the value of indents	0.94
66		8	Doubtful expenditure on account of repair of ambulance / machinery & equipment / furniture and fixture	0.787
67		9	Non-Deposit of Government Receipts Rs 85,535	0.086
68		10	Loss to Government due to misappropriation of used Mobil Oil	0.053
69		11	Loss to Government due to misappropriation of waste of fixer	0.052
70		12	Loss due to misuse of used mobil oil	0.053
71		13	Non-collection of proof of deposit of Sales Tax	0.392
72		14	Non deduction of water charges from the residents of quarters	0.087
73		15	Non collection of proof of deposit of sales tax	0.392
74	RHC	16	Irregular mode of payment of Rs. 4.417 million	4.417
75	ChoonaW	17	Payments without pre-audit - Rs. 1.935 million	1.935
76	ala	18	Irregular drawl of pay and allowances due to shifting of head quarter - Rs 710,084	0.71
77		19	overpayment of Rs 32088 on account of health sector reform allowance	32,088
78		20	Less deduction of liquidity damages charges for late supplies of medicines - Rs 126,698	0.127
79		21	Excess drawl of pay Rs 63,540 on account Adhoc Relief Allowance (2010)	0.064
80		22	Purchase of medicines in excess of prescribed limit	1.344
81		23	Purchase and utilization of medicines with doubtful efficacy	0.431
82		24	Irregular expenditure due to non termination of Adhoc period	3.104
83		25	Appointment during ban period	-
84		26	Unjustified expenditure of Rs 704,968 on purchase of machinery	0.705

Sr. No.	DDOs	Para No.	Subject	Amount	
			equipment& Store items		
85		27	Unjustified expenditure through fictitious billing	0.042	
86		28	Irregular payment of electricity charges - Rs 190,200	0.19	
87	RHC Dera Bakha	4	Non-deposit of hospital receipt into Govt. Treasury	0.111	
88		7	Unauthorized Expenditure on account of POL Rs 426,187	0.426	
89		8	Misuse of Insulin Rs 30,668	0.031	
90		9	Unauthorized Drawl of pay and allowances and continue of service Rs 197,448	0.197	
91		10	Doubtful consumption of anti Snake vaccine Rs 178,920	0.179	
92		11	Unauthorized Use of Ambulance and expenditure	0.423	
93		12	Spurious consumption of medicines by showing indoor patients	0.135	
94		13	Use of Medicine in indoor without having patient charts	1.001	
95		14	Doubtful expenditure on repair of Generator and Vehicles	0.248	
96		15	Excess / overpayment due to non observing the OGRA rates	0.047	
97		17	Irregular Payments of Arrears / adjustments without Additional Budget and availability of record Rs 2.957 million	2.957	
98		18	Loss due to unjustified payment of allowances to residents of residences 23,532	0.024	
99		RHC Khanqah Sharif	4	Loss due to doubtful / fake drawl of POL – Rs 40,065	0.04
100			5	Loss due to Purchase of POL at Higher Rates than the Rates Fixed by OGRA – Rs 30,202	0.03
101	6		Loss due to Non Deposit of Sales Proceed of Used Mobil Oil and Fixer Water – Rs 25,560	0.026	
102	7		Loss due to non deposit of GST by suppliers	0.124	
103	8		Loss due to non deduction of “Water Charges” from residents of official / designated residences – Rs 46,240	0.046	
104	9		Drawl of arrear without additional budget – Rs 2,763,692	2.764	
105	10		Loss due to unjustified payment of practice compensatory allowance – Rs 217,712	0.218	
106	11		Loss due to Showing Higher Rates of Store Items	0.028	
107	12		Loss due to unjustified usage of Funds through Doubtful Billing	0.036	
108	14		Loss due to less deposit of different fees into treasury	0.056	
109	15		Loss due to unauthorized expenditure on ambulance	0.021	
110	18		Loss due to theft / illegal sale of agri water – Rs 187,000	0.187	
111	19		Unauthorized delivery cases conducted by Mid-Wives	-	
112	20		Loss due to allotment of residence above entitlement	0.155	
113	21	Loss due to misuse of ECG machine – Rs 135,000	0.135		
114	RHC Mubarakpur	2	Unjustified mode of payment of Rs 1.455 million	1.455	
115		4	Irregular payment of electricity charges – Rs 104,422	0.104	
116		6	Drawl of arrear without production of vouchers and receiving of additional budget – Rs1.624million	1.624	
117		8	Excess expenditure of Rs.162167 due to claim extra mileage	0.162	

Sr. No.	DDOs	Para No.	Subject	Amount
118		9	Less deduction of liquidity damages for late supplies of medicines” Rs. 62,074	0.062
119		10	Irregular drawl of Practice Compensatory Allowance	0.46
120		11	Non-submission of purchee fee into Govt. Treasury Rs. 62,400	0.062
121		12	Overpayment of Rs.15,000 due to irregular award of Advance Increment	0.015
122		14	Unjustified repair of generator Rs. 390,000	0.39
123		15	Booking of excess expenditure without release of budget	0.614
124		16	Purchase of POL from unregistered Pump Rs. 2.372, million	2.372
125		18	Irregular Expenditure due to non observance of Austerity Measures Rs 1.320 million	1.32
126		THQ Hospital Ahmad Pur East	5	Non shifting of consumable / perishable items after outsourcing of services - Rs 447,354
127	7		Non deduction of PST on services and repair of different items	0.033
128	8		Wasteful expenditure due to Purchase without requirement	2.26
129	10		Purchase of Medicine in excess of requirement / without demand – Rs 13.472	0.013
130	12		Non collection of room rent of side room from the occupant	0.165
131	16		Unjustified expenditure on POL Rs 3.972 million	3.972
132	17		Overpayment due to purchase of different items on higher rates	0.045
133	19		Loss due to purchase of medicine, X-Ray higher rates than central rate contract – Rs 273,900	0.274
134	20		Unjustified expenditure on washing of different washable items	1.739
135	21		Issuance of medicines before DTL report Rs 1.744 million	1.744
136	23		Purchase of medicines without testing from International WHO Lab Rs 1.931 million	1.931
137	25		Non recovery of repair and maintenance charges from the residents of medical colony Rs 319,851	0.32
138	26		Excess / Overpayment due to non observing the OGRA rates	0.088
139	27		Loss to Govt. due to non-obtaining of discount on Local Purchase of Medicine Rs 152,302	0.152
140	28		Loss to government due to non functioning of dual connection of electricity Rs 2.561 million	2.561
141	30	Non reconciliation and verification of expenditure statements from DAO Rs 46.590 million	46.59	
142	THQ Hospital Hasilpur	1	Doubtful Difference between Departmental Expenditure Statement and FI Data Maintained in District Accounts Office	7.161
143		2	Unauthorized payment of pay and allowances after transfer	0.15
144		4	Loss due to unjustified payment of irrelevant allowances	0.105
145		5	Unauthorized payment of pay and allowances after transfer and death of employees – Rs 299,386	0.3
146		7	Unjustified expenditure on purchase of materials of washmen and doubtful consumption thereof – Rs 326,631	0.327



Sr. No.	DDOs	Para No.	Subject	Amount
147		9	Less deduction of Income Tax	0.028
148		10	Loss due to less deduction of Liquidity damages for late supplies of medicines	0.018
149		13	Irregular clearance of pending liabilities	2.371
150		14	Doubtful expenditure on account of POL – Rs 1.792 million and recovery thereof	1.829
151		17	Loss due to non/less taking of stock in registers	0.191
152		26	Non-collection of proof of Sales Tax from Firms	0.448
153		28	Unauthorized drawl and allowances during Leave with Half Pay	0.762
154		THQ Hospital KhairpurT amewali	3	Unjustified payment of Incentive Allowance to the doctors
155	5		Drawl of arrear without production of vouchers and receiving of additional budget	3.919
156	6		Loss due to unjustified payment of irrelevant allowances	0.066
157	7		Less receipt of medicines from Health Department than Demand	-
158	8		Receipt of medicines Rs.326,764 without demand	0.327
159	9		Payment of salaries to Doctors after resignations from services	0.706
160	17		Loss due to non-allotment of designated residences of medical colony	0.469
161	21		Excess expenditure than local rates on purchase of oxygen cylinder	0.023
162	22		Loss due to purchase of fuel on higher rates than OGRA	0.026
163	23		Shortage of stock	0.308
164	24	Fraud in POL	0.15	
165	THQ Hospital Yazman	1	Non deposit of different fees into Govt. treasury	0.181
166		6	Un-justified consumption of dialyzers and other related items	0.134
167		7	Overpayment due to purchase of different items on higher rates	0.064
168		9	Irregular expenditure on local purchase of medicine	5.134
169		12	Less deduction of Liquidity damages for late supplies of medicines	0.036
170		14	Purchase / Receipt of medicine in excess of requirement / without demand	14.901
171		15	Shifting of near to expiry Medicines	1.415
172		18	Non recovery of repair and maintenance charges due to allotment over and above than entitlement	0.395
173		22	Overpayment of electricity charges	0.767
174		23	Shortage of stock	0.018
175		24	Irregular clearance of pending liabilities	5.083
176		26	Un-authorized drawl of pay and allowances during absent period	0.676
177		30	Non deduction of relevant allowances from the residents	0.085
178	32	Doubtful Expenditure due to improper maintenance of repair register	0.199	

## District Health Authority, Rahim Yar Khan

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
1	RHC	4	Non deduction of water charges from the residents of quarters of	0.012
2	Mianwali	5	Irregular drawl of practice compensatory allowance	0.065
3	Qureshian	6	Non-collection of proof of deposit of Sales Tax	0.023
4		4	Irregular drawl of practice compensatory allowance	0.003
5	RHC	5	Overpayment due to unauthorized withdrawal of adhoc relief	0.062
6	Trinda	6	Irregular expenditure on purchase of LP Medicine	0.034
7	Saway Khan	7	Doubtful expenditure on account of repair of ambulance / machinery & equipment / furniture and fixture	0.007
8		8	Non-collection of proof of deposit of Sales Tax	0.016
9	Deputy DO	1	Doubtful purchases without consumption record	0.050
10	Health	2	Unjustified expenditure on photo copies	0.029
11	RYK	3	Non verification of deposit of Sales Tax on purchases	0.007
12	District	3	Irregular drawl of practice compensatory allowance	0.135
13	Officer	4	Loss to Government due to misappropriation of used mobil oil	0.028
14	Health	6	Recovery of HSRA	0.079
15	RYK	8	Non verification of deposit of Sales Tax on purchases	0.028
16		1	Irregular payment of incentive allowance to the doctors	0.960
17		2	Irregular payment of Non Practicing Allowance (NPA)	0.123
18		3	Un-authorized drawl of Health Sector Reform Allowance	0.017
19		5	Loss due to non recovery of electricity charges	0.360
20		7	Loss due to purchase at higher rates	0.059
21	MS THQ	8	Un-authorized payment of pay and allowances after transfer	0.718
22	Hospital	10	Loss due to non deduction of Income Tax and Provincial Sales Tax	0.531
23	Liaquatpur	11	Non deposit of sale proceed of used mobil oil	0.106
24		13	Purchase of Medicine in excess of requirement and shifting of medicine	0.641
25		14	Improper maintenance of stock registers – Rs 961,140	0.961
26		15	Un-justified issuance of store items on application rather than indents	0.116
27		2	Unjustified payment on account of POL	0.138
28		3	Overpayment of pay and allowances to staff	0.179
29	MS THQ	4	Non deduction of conveyance allowance and house rent allowance	0.019
30	Hospital	5	Loss due to non allotment of designated residences of medical colony	0.291
31	Khanpur	7	Payment before DTL	0.938
32		8	Doubtful expenditure on purchase of medicines	
33	RHC	2	Un-Justified drawl of HSRP Allowance during General duty	0.141
34	MS THQ	2	Misappropriation of Funds through Fictitious Billing	0.545
35	Hospital	3	Loss to Govt. due to Showing Higher Rates of Store Items	0.281
36	Sadiqabad	5	Loss to Govt. due to Unjustified Payment of Irrelevant Allowances	0.126

Sr. No.	DDOs	Para No.	Subject	Amount
37		9	Loss to Govt. due to Drawl of Doubtful / Fake "Repair of Vehicle" Bills	0.187
38		10	Non Deposit of Sale Proceed of Used Mobil Oil	0.053
39		12	Loss to Govt. due to Drawl of Doubtful / Fake Drawl of POL Bills	0.329
40		13	Loss to Govt. due to Non / Less deposit of MLC Fee into Govt. Treasury	0.033
41		14	Un-Justified drawl of Non-Practice Allowance	0.072
42		15	Loss due to Non Allotment of Designated Residences of Medical Colony	0.736
43		17	Loss due to Unjustified Drawls under different Heads	0.236
44		19	Non-Production of Record	
45		4	Loss due to non-recovery of cost of Lab Test	0.172
46		Chief Executive Officer (DHA) RYK	6	Loss to Govt. due to Non Deduction of Liquidity Damages from Suppliers for Late Supplies of Medicines
47	9		Irregular Payment of Conveyance Allowance during Leave Period	0.009
48	10		Loss to Govt. due to Non deduction of Conveyance Allowance	0.550
49	11		Irregular / Doubtful Expenditure on POL	0.431
50	13		Non-deposit of hospital receipt into Govt. treasury	0.403
51	14		Unauthorized drawl of TA/DA	0.174

**Part-I**

**Memorandum for Departmental Accounts Committee Paras Pertaining to the Audit Year 2019-20**

Formation	Sr. No	Para No.	Para Title	Amount
<b>District Health Authority, D.G. Khan</b>				
CEO (DHA)	1.	7	Unjustified payment against the supplies not as per specifications	0.796
	2.	10	Misclassification of expenditure	0.086
	3.	13	Irregular expenditure on advertisement	0.030
	4.	14	Unjustified and doubtful expenditure on repair of vehicle, machinery & equipment and furniture	0.395
	5.	21	Non verification of GST paid	0.195
	6.	22	Unauthorized provision of supplementary Grant	467
District Officer (Health)	7.	7	Unauthentic expenditure on purchase of store item	0.098
	8.	9	Non-verification of general sales tax deposit into Government treasury	0.447
	9.	13	Un-Justified Expenditure on Transportation Charges	0.400
	10.	19	Overpayment due to payment of higher rates of POL	0.081

Formation	Sr. No	Para No.	Para Title	Amount
			than notified by OGRA	
	11.	20	Irregular payment of qualification allowance without verification of degrees	0.370
	12.	21	Less deduction of group insurance from employees salaries	0.058
	13.	26	Loss to government due to payment of income tax out of health council fund	0.106
	14.	29	Irregular expenditure on repair of vehicles	0.316
SMO RHC Shadan Lound	15.	7	Non production of record of expenditure incurred by PHFMC	0
	16.	10	Unauthorized payment of operational expenditure out of Health Council	0.152
SMO RHC Sarwar Wali	17.	6	Unauthorized payment of operational expenditure out of Health Council	0.143
	18.	11	Unjustified shifting of medicine	0.166
	19.	12	Misappropriation of medicine	0.014
	20.	13	Non production of record of expenditure incurred by PHFMC	0
MS THQ Hospital Taunsa	21.	9	Unauthorized inclusion of sales tax in electricity bills	1.274
	22.	12	Purchase of medicines on higher rates	0.964
	23.	17	Non-obtaining of performance guarantee from suppliers	0.883
	24.	21	Un-authorized deduction of sales tax	0.434
	25.	25	Unauthorized purchase of medicines as LP in excess of prescribed limit	27.337
	26.	28	Misclassification of expenditure	8.344
	27.	36	Un-authorized payment of previous years liabilities	9.704
	28.	39	Loss to government due to non obtaining of discount against local purchase of medicines	0.905
	29.	41	Purchase of x-ray films on higher rates	0.264
	30.	42	Loss due to adding the PST amount by the service provider bills	0.274
	31.	43	Loss to Govt, due substandard medicine	0.173
	32.	45	Purchase of medicines excess than requirement	0.473
	33.	47	Overpayment due to payment of higher rates of POL than notified by OGRA	0.035
SMO RHC Choti	34.	7	Overpayment due to grant of annual increment without completing six month service and recovery	0.094
	35.	21	Non production of record of expenditure incurred by PHFMC	0

Formation	Sr. No	Para No.	Para Title	Amount
MS THQ Hospital Kot Chutta	36.	3	Unauthorized purchase of medicines as lp in excess of prescribed limit	2.062
	37.	15	Unauthorized inclusion of sales tax in electricity bills	0.064
	38.	20	Misclassification of expenditure	0.773
	39.	22	Purchase of medicines excess than requirement	0.037
	40.	27	Overpayment due to payment of higher rates of pol than notified by OGRA	0.012
SMO RHC Shah Sadar Din	41.	9	Recovery of qualification allowance	0.023
	42.	11	Unjustified Duty by SMO in Night Shift just for Personal Private Practice and wilfully Concealment of Attendance Record	0
	43.	15	Misuse of Electricity and Non Recovery of Residential Electricity Charges Rs66,000	0.066
	44.	21	Non production of record of expenditure incurred by PHFMC	0
<b>District Health Authority, Layyah</b>				
CEO (DHA)	1.	12	Overpayment due to payment of higher rates of POL than notified by OGRA	0.036
	2.	25	loss to govt. due to non registration of healthcare establishment and hospitals	0.760
District Officer (Health)	3.	3	Unauthorized issuance of medicine to RHCs	0.339
	4.	4	Loss to the Government due to availing less discount on local purchase of medicines	0.211
	5.	7	Purchase of various items on higher rate	0.560
	6.	13	Irregular expenditure on repair of vehicles	0.434
	7.	14	Unauthorized expenditure of transportation charges	0.230
	8.	15	Overpayment due to payment of higher rates of POL than notified by OGRA	0.084
	9.	28	Unauthentic Payment of Salaries worth	0.271
MS DHQ Hospital	10.	3	unauthorized utilization of budget on local purchase of medicines	0.311
	11.	9	unauthorized payment of sales tax on electricity bills	4.621
	12.	14	Non-recovery of liquidated damages	0.272
	13.	34	Overpayment Due To Payment of Higher Rates of POL Than Notified By OGRA	0.046
	14.	45	Unjustified expenditure on repair of machinery & equipment	0.895
	15.	47	Expenditure beyond Competency on Tentage	0.892
	16.	53	Overpayment due to allowing of House rent allowance	0.039

Formation	Sr. No	Para No.	Para Title	Amount
			at higher rate	
MS THQ Hospital Karor	17.	2	purchase of medicines on higher rate	0.032
	18.	15	overpayment due to payment of higher rates of pol than notified by OGRA	0.013
	19.	17	unauthorized inclusion of sales tax in electricity bills	0.261
	20.	18	unjustified expenditure against repair of machinery & equipment	0.438
	21.	19	Mis-use of Medicine and loss	0.082
	22.	23	Misclassification of expenditure	0.522
MS THQ Hospital Chowk Azam	23.	9	Unauthorized drawl of 20% incentive allowance	0.935
	24.	19	Irregular distribution of share money to the persons who are drawing NPA	0.048
	25.	25	Overpayment due to laying of excessive quantity of tile	0.264
	26.	26	Un-Justified Payment of TA/DA	0.150
	27.	29	Overpayment due to payment of higher rates of POL than notified by	0.034
	28.	31	un-authorized purchase of bedding clothing excessive than requirement	0.100
MS THQ Hospital Kot Sultan	29.	14	Misclassification of expenditure	1.498
	30.	15	Non-recovery of liquidated damages	0.110
	31.	16	Overpayment due higher rates of medicine	0.041
	32.	17	Non-Forfeiture of Performance Guaranty / Security	0.001
	33.	23	Misappropriation of on Account of X-Ray films	0.012
MS Thal Hospital Layyah	34.	12	Misclassification of expenditure	0.542
	35.	13	Non-recovery of liquidated damages	0.063
	36.	14	Overpayment due higher rates of medicine	0.107
	37.	15	Non-Forfeiture of Performance Guaranty / Security	0.060
	38.	23	Unjustified expenditure on repair of machinery & equipment	0.379
	39.	24	Doubtful Payment of transportation charges resulted loss to Govt.	0.030
MS THQ Hospital Choubara	40.	7	Unjustified Expenditure on account of repair of machinery and equipment's worth	0.357
	41.	14	Loss of medicines due to fail of DTL Reports -	0.876
	42.	16	Receipt of medicines without DTL Reports -	0.802
	43.	19	Overpayment due to allowing unauthorized annual increment without completion of six months services	0.057
	44.	25	Overpayment due to adding of Income Tax and PST in price	0.124
<b>District Health Authority, Muzaffargarh</b>				

Formation	Sr. No	Para No.	Para Title	Amount
CEO (Health)	1	3	Overpayment due higher rates of medicine	0.355
	2	5	Doubtful issuance of stores	0.175
	3	15	Non-recovery of liquidated damages	0.200
	4	17	Non-Forfeiture of Earnest Money	0.134
	5	20	Unauthorized Payment in Cash	0.729
	6	13	Irregular pay due to shifting of headquarter	0.653
District Officer (Health)	7	20	Payment of salaries after transfer	0.458
	8	21	Unauthorized payment of integrated allowance to the employees not admissible	0.335
	9	32	Overpayment due to payment of higher rates of pol than notified by OGRA	0.240
	10	38	Irregular expenditure on repair of vehicles	0.736
MS DHQ Hospital	11	14	Non-recovery of liquidated damages	0.327
	12	15	Overpayment due higher rates of medicine	0.443
	13	16	Non-forfeiture of performance guaranty / security	0.559
	14	24	Overpayment due to payment of higher rates of POL than notified by OGRA	0.967
	15	27	Doubtful Payment of transportation charges	0.695
	16	32	Unauthorized Purchase of stores from unregistered suppliers	0.263
MS THQ ALIPUR	17	1	Non-supply of medicines and non-forfeiture of Security deposit & Black Listing of defaulting suppliers	0.434
	18	2	Recovery due to overpayment on account of medicines	0.782
	19	10	Non recovery of liquidated damages	0.098
	20	11	Recovery due unauthorized Inclusion of Sales Tax in electricity bills	0.240
	21	33	Over payment on account of pay & allowance due to non adjustment on reappointment	0.039
	22	36	Overpayment due to grant of annual increment without completing six month service and recovery	0.433
	23	37	Unjustified payment of pay & allowance without verification of degrees	4.854
	24	40	Unauthorized Payment of incentive allowance	0.840
	25	44	Overpayment due to payment of higher rates of POL than notified by OGRA	0.072

Formation	Sr. No	Para No.	Para Title	Amount
	26	45	Loss to government due to non deduction of discount against local purchase of medicines	0.135
MS THQ Hospital Kot Addu	27	7	Purchase of medicines at higher rates	0.630
	28	15	Unjustified drawl and transferring of amount into personal/salary account	0.230
	29	18	Non-recovery of advance income tax	0.096
	30	24	Unjustified payment of tuff tile pavers	0.089
	31	33	Loss to government due to less obtaining of discount against local purchase of medicines	0.076
	32	34	Irregular payment of qualification allowance without verification of degrees	0.285
MS THQ Hospital Jatoi	33	15	Unjustified Payment of pay & allowance without verification of degrees	0.482
	34	18	Un-justified Purchase of X-Ray films /medicine on higher rates	0.277
	35	25	Recovery on account of dental X-Ray films due to showing Excessive use of films than actual cases	0.091
	36	26	Un-justified Local Purchase of Medicine on higher rates	0.100
	37	29	Loss to Govt. due to non recovery of liquidated damages/ penalty due to late supply of medicine	0.135
	38	30	Non deduction of DTL sample portion of medicine out of bills paid	0.117
MS THQ Level Hospital Chowk Sarwar Shaheed	39	5	Unauthorized purchase of medicine on higher rates	0.500
	40	15	Unauthorized purchase of medicine	0.030
	41	16	Overpayment due to payment of higher rates of POL than notified by OGRA	0.036
	42	21	Mis-use of medicine and loss of	0.239
	43	29	Unauthorized inclusion of sales tax in electricity bills	0.181
<b>District Health Authority, Rajanpur</b>				
CEO (Health)	1.	4	Non-forfeiture of performance guaranty / security	0.177
	2.	5	Unauthorized purchase of medicine through local purchase	0.284
	3.	6	Un-authorized expenditure against medicines without DTL report	0.270



Formation	Sr. No	Para No.	Para Title	Amount
	4.	10	Irregular expenditure on advertisement	0.081
	5.	11	Unauthorized expenditure on repair of vehicle	0.775
	6.	19	Unauthorized drawl of inadmissible allowances	0.040
District Officer Health	7.	8	Un-authorized / invalid expenditure against other formations	0.173
	8.	15	Loss of govt. due to theft of govt. motorcycle	0.290
	9.	17	Loss on account of transportation charges	0.050
	10.	18	Un-justified drawl of health risk allowance	0.066
	11.	20	Non production of record of expenditure incurred by PHFMC	
	12.	22	Doubtful payment on account of purchase of POL	0.821
	13.	23	Unauthorized drawl of personal allowance	0.053
	14.	28	Overpayment due to payment of higher rates of pol than notified by OGRA	0.079
	15.	30	Irregular expenditure on repair of vehicles	0.617
MS DHQ Hospital Rajanpur	16.	6	Overpayment due to allowing of unauthorized allowances	0.240
	17.	7	Overpayment due to allowing of House rent allowance at higher rate	0.027
	18.	9	Overpayment due unauthorized payment of Qualification allowance	0.360
	19.	15	Unjustified payment of Unattractive Area Allowance	0.175
	20.	17	Payment of Unjustified Allowances	0.020
	21.	19	Non Depositing of Additional Performance Security Required for Below Quotation/Tender	0.218
	22.	20	Overpayment due to payment of higher rates of POL than notified by OGRA	0.042
	23.	22	Overpayment due to irregular allowing of increment	0.035
	24.	23	Irregular expenditure on fiber glass shed	0.300
	25.	24	Irregular pay due to shifting of headquarter	0.749
	26.	25	Blockage of Government money due to non-utilization of item	0.195
	27.	28	Loss to Government to non recovery of 10% house rent allowance	0.057
	28.	33	Overpayment due to payment of Health Sector Reform	0.350

Formation	Sr. No	Para No.	Para Title	Amount
			Allowance against not entitled post	
	29.	34	Unjustified purchase of laundry items without consumption	0.426
	30.	35	Unauthentic expenditure on POL	0.667
MS THQ Hospital Jampur	31.	2	Payment of HSRA in excess of admissible rate	0.053
	32.	3	Doubtful issuance of medicines due to non availability of proof of consumption	0.258
	33.	7	Drawl of incentive allowance with different rates and recovery	0.140
	34.	11	Doubtful drawal against the purchase & Installation of IPC Cameras Recovery of	0.341
	35.	12	Irregular Advance Drawal without Work Execution	0.163
	36.	13	Recovery against Purchase of items at higher rates	0.032
	37.	14	Purchase of Medicine & Machinery without requirement/Operational	0.310
	38.	15	Loss to government due to less obtaining of discount against local purchase of medicines	0.061
	39.	23	Unauthorized purchase and doubtful consumption of ARV vaccines	0.745
	40.	29	Unauthorized inclusion of sales tax in electricity bills	0.204
	41.	31	Unauthorized payments in cash	0.171
MS THQ Rojhan	42.	3	Unjustified drawl of TA/DA and overpayment	0.014
	43.	5	Unjustified payment on account of repair of machinery and equipment's	0.174
	44.	9	Loss to govt. due to unjustified purchased of laptop and blockage of government money	0.180
	45.	15	Overpayment due to payment of higher rates of pol than notified by OGRA	0.050
	46.	16	Unauthorized inclusion of sales tax in electricity bills	0.649
	47.	18	Misclassification of expenditure and loss to government due to non obtaining of discount	0.054
SMO RHC Muhammad Pur	48.	2	Non refund of one month salary after termination of contract by employees recovery	0.217
	49.	4	Doubtful issuance of medicines due to non availability of proof of consumption	0.468

<b>Formation</b>	<b>Sr. No</b>	<b>Para No.</b>	<b>Para Title</b>	<b>Amount</b>
	50.	9	Withdrawal of HSRA during OSD period	0.023
	51.	12	Purchase of medicines excess than requirement	0.165
	52.	16	Variation in fi data and departmental figures	0.015
	53.	18	Non production of record of expenditure incurred by PHFMC	
SMO RHC	54.	1	Withdrawal of salaries after expiry of contract period	0.170
Kot Mithan	55.	7	Unjustified condemnation of linen items	0.100
	56.	12	Non production of record of expenditure incurred by PHFMC	
	57.	13	Non accountal of stores	0.050
SMO RHC	58.	7	Misuse of electricity and non recovery of residential electricity charges	0.066
Fazil Pur				

**Annexure-A  
Part-II**

**Memorandum for Departmental Accounts Committee Paras Pertaining  
to the Audit Year 2018-19  
District Health Authority, D.G.Khan**

(Rupees in million)

DDO's	Sr. No.	Para No.	Detail	Amount
CEO	1	2	Overpayment due to payment of higher rates of POL than notified by OGRA	0.031
	2	7	Doubtful payment on account of POL	0.899
	3	8	Un-authorized expenditure on advertisement	0.111
	4	9	Misclassification of the expenditure	0.104
	5	11	Unauthorized payment of honoraria	0.049
	6	12	Unjustified drawl of hotel charges , recovery of GST	0.038
	7	13	Unauthorized advance payments of utilities	0.133
District Officer Health	8	18	Non-recovery of penalty/fine imposed during absent period	0.088
	9	19	Irregular payment on account of salaries of contingent paid staff	0.493
	10	23	Withdrawl pay and allowances after superannuation	0.147
	11	26	Doubtful payment on account of purchase of POL	0.501
	12	28	Overpayment due to payment of higher rates of pol than notified by OGRA	0.107
	13	29	Irregular expenditure on repair of vehicles	0.413
MS DHQ Hospital Taunsa	14	7	Non-deduction of house rent, 5% and conveyance allowance from the occupants of govt. Residences	0.086
	15	11	Unauthorized inclusion of sales tax in electricity bills	0.207
	16	15	Overpayment due to payment of higher rates of POL than notified by OGRA	0.039
	17	17	Loss due to unnecessary expenditure on advertisement	0.070
	18	18	Misclassification of the expenditure	0.243
	19	19	Unauthorized drawl of TA / DA	0.229
	20	20	Un-authorized payment of previous years	0.137

DDO's	Sr. No.	Para No.	Detail	Amount
			liabilities	
	21	23	Non-deposit of government receipts –	0.005
Principal Nursing School	22	1	Recovery of over drawl against pay and allowances	0.063
	23	10	Unjustified and doubtful expenditure on repair and maintenance	0.098
	24	11	Unjustified purchase of store items	0.040
SMO RHC Tibbi Qaisrani	25	3	Non-adjustment of pay and allowance after regularization of services	0.425
	26	5	Non-adjustment of pay and allowance after regularization of services	0.079
	27	7	Non-adjustment of pay and allowance after regularization of services	0.048
	28	11	Loss to government due to non-deduction of discount rate on local purchase	0.027
	29	13	Recovery of unauthorized payment of conveyance allowance HSRA during leave on full pay	0.004
	30	19	Non-recovery of maintenance charges	0.131
	31	20	Doubtful issuance of medicines due to non-availability of proof of consumption	0.180
SMO RHC Choti	32	8	Non-refund of one month salary after termination of contractor recovery	0.078
	33	9	Un-authorized clearance of outstanding liabilities	0.207
	34	10	Recovery of overpayment due to non-fixation of basic pay	0.124
	35	14	Unauthorized expenditure without estimate and measurement	0.349
	36	19	Irregular expenditure on repair of machinery	0.198
SMO RHC Kot Chutta	37	1	Overcharging on account of x-ray fee	0.049
	38	12	Non-deduction of 5% house maintenance charges	0.030
	39	18	Misappropriation of medicine	0.111
SMO RHC Kala	40	4	Doubtful consumption of medicine	0.374
	41	5	Unauthorized drawl of inadmissible allowance	0.047
	42	9	Loss to government on account of HRA & conveyance allowance	0.622
	43	11	Doubtful expenditure on transportation of goods	0.025
	44	12	Payment of pay & allowance without	2.324

DDO's	Sr. No.	Para No.	Detail	Amount
			verification of degree	
	45	13	Unjustified payment of salaries without performing duty	0.524
MS THQ Hospital Fort Munro	46	5	Unauthorized retention of cash in hand	0.031
	47	6	Non-accountal of stores	0.580
	48	7	Non-maintenance of important record chances of misappropriation	-
	49	8	Loss to hospital due to lapse of fund	5.000
	50	9	Unrealistic expenditure out of health council on civil	0.649
SMO RHC Bharti	51	1	Un-Authorized Drawl Of Inadmissible Conveyance Allowance Recovery	0.030
	52	3	Doubtful expenditure on medicine	0.311
	53	4	Non-verification of GST payment	0.043
	54	6	Loss on account of house rent allowance and conveyance allowance due to non-allotment of govt. Residencies	0.694
	55	7	Doubtful issuances of store items	0.300
	56	9	Non-maintenance of cash book	-
SMO RHC Shah Sadar Din	57	4	Doubtful incurrence of expenditure on civil work	0.358
	58	5	Loss to government due to non-deduction of discount rate on local purchase of medicines	0.037
	59	7	Irregular purchase of mobile tablet	0.088
	60	12	Doubtful expenditure on civil work without specification of work	0.403
	61	13	Misuse of electricity and non-recovery of residential electricity charges	0.013
	62	14	Scrutinized expenditure due to non-production of logbook	0.099
	63	15	Non-adjustment of pay and allowance after regularization of services	0.022
	64	19	Loss to government due to non-recovery of penal rent from the unauthorized occupants of govt. Residences	0.229
	65	20	Doubtful utilization of medic	-
SMO RHC Sarwar Wali	66	5	Non-recovery of maintenance charges	0.157
	67	6	Unjustified consumption of POL for generators	0.154
	68	7	Recovery of unauthorized payment of social security benefit after regularization	0.623

DDO's	Sr. No.	Para No.	Detail	Amount	
	69	9	Un-justified receipt of medicines without obtaining report of drug testing laboratory	0.354	
SMO RHC Shahdan Lund	70	4	Non-recovery of maintenance charges	0.079	
	71	5	Non-recovery of house rent from the employees residing above entitlement	0.692	
	72	6	Unjustified consumption of POL for generators	0.075	
	73	7	Non-adjustment of pay and allowance after regularization of services	0.026	
	74	8	Doubtful consumption/issuance of medicine insulin	0.034	
	75	9	Misappropriation of medicine	0.318	
	76	12	Un-authorized drawl of pay during absent	0.023	
	77	13	Non-deduction of house rent allowance having designated residence recovery	0.106	
	78	14	Non-adjustment of pay and allowance after regularization of services	0.045	
	79	1	15	Misuse of electricity and non-recovery of residential electricity charges	0.120
	80		16	Un-justified consumption of medicines without obtaining report of drug testing laboratory	-
SMO RHC Qadirabad	81	1	Misappropriation on account of medicines	0.386	
	82	2	Non-proof of consumption of medicines chances of misappropriation	0.528	
	83	4	Misappropriation due non-accountal of x-ray films & developer and non-proof of consumption	0.096	
	84	7	Misappropriation on account of electrical material	0.152	
	85	11	Local purchase of medicines at higher rates, loss of government due to non-deduction of discount rate	0.063	
	86	17	Non-deduction of 5% house maintenance charges	0.421	
	87	18	Illegal supply of electricity to residences and non-recovery of electricity charges	0.288	

#### District Health Authority, Layyah

Name of Formation	Sr. No.	Para No.	Detail	Amount
CEO (DHA)	1	1	Un-justified purchase of medicine on higher rates	0.041

Name of Formation	Sr. No.	Para No.	Detail	Amount
	2	5	Irregular payment on development works-	0.293
	3	6	Doubtful consumption/ issuance of medicine	0.157
	4	9	Unjustified drawl of TA/DA	0.127
	5	12	Misclassification of expenditure	0.018
	6	13	Un-authorized payment of previous year liabilities	0.381
	7	16	Un-authorized / invalid expenditure against other formation	0.033
	8	17	Irregular expenditure on repair of vehicles	0.148
	9	18	Overpayment due to payment of higher rates of POL than notified by OGRA	0.020
	10	19	Inauthentic consumption of POL for generator	0.071
	11	20	Unauthorized provision of supplementary grant	79.546
	12	21	Un-justified budget allocation resulted unspent balances	42.775
	MS THQ HOSPITAL KOT SULTAN	13	1	Payment of HSRA in excess of admissible rate
14		2	Loss due to destroying of medicine expired at hospital	0.564
15		8	Unjustified payment of sales tax on government hospital supplies	0.353
16		16	Overpayment on account of health professional allowance and incentive allowance	0.078
17		18	Un-authorized payment of previous year liabilities	2
18		19	Unjustified expenditure on tentage	0.098
MS DHQ HOSPITAL	19	3	Overpayment due to allowing of health sector reform allowance at excessive rate to specialist doctors	0.370
	20	5	Unauthorized utilization of budget on local purchase of medicines	12.684
	21	8	Overpayment due to irregular drawl of ad hoc relief allowance	0.484
	22	9	Payment of Unjustified Allowances	0.464
	23	12	Overpayment due to allowing of excessive rate of health professional allowance paid in excessive rates	0.126
	24	18	Irregular utilization of SDA budget without object wise re-appropriation	19.453
	25	21	Unauthorized payment of risk allowance beyond the category	0.045



Name of Formation	Sr. No.	Para No.	Detail	Amount
	26	22	Unauthorized payment of sales tax on electricity bills	3.319
	27	32	Loss to government due to unjustified consumption of POL	1.443
	28	40	Overpayment of salary due to non-fixation pay at initial stage	0.246
	29	42	Loss to government to non-recovery of 10% house rent allowance	0.327
	30	44	Overpayment due to allowing of house rent allowance at higher rate	0.013
	31	45	Unjustified purchase of plants	0.361
Principal Nursing School	32	1	Misclassification of expenditure	23.977
	33	2	Unauthorized expenditure on repair and maintenance of building	0.248
SMO RHC JAMAN SHAH	34	2	Recovery of unauthorized payment of pay and allowance at higher rates after regularization	0.069
	35	6	Recovery of Unauthorized Payment of Pay And Allowances After resign/left the job	0.103
	36	9	Un-justified Purchase of Medicine on higher rates	0.029
	37	14	Unauthorized double drawl out of Govt. treasury on account of I. Tax	0.050
	38	15	Doubtful consumption/issuance of Medicine Insulin	0.045
	39	16	Un-Authorized Drawl of pay during absent	0.048
	40	17	Recovery of unauthorized payment of Basic pay at higher rates after regularization	0.057
	41	19	Overpayment of Salaries due to higher rate of Basic Pay	0.005
MS THQ HOSPITAL KAROR	42	1	Purchase of medicines through rate contract on higher rate	0.430
	43	4	Overpayment due to non-adjustment of pay allowance during study leave	0.302
	44	6	Withdrawl of salaries after expiry of ad hoc period	0.894
	45	7	Purchase of medicines on higher rates	0.134
	46	8	Over payment on account of pay & allowance due to non-adjustment on reappointment	0.131
	47	10	Recovery of overpayment on account of basic	0.318

Name of Formation	Sr. No.	Para No.	Detail	Amount
			pay	
	48	11	Overpayment due to non-adjustment of ad hoc allowance 2017 after regularization	0.032
	49	12	Overpayment due to grant of annual increment without completing six month service and recovery thereof	0.065
	50	14	Un-justified drawl of health risk allownce	0.070
	51	16	Doubtful withdrawal of cost of POL	0.442
	52	18	Doubtful issuance of medicines due to non-availability of proof of consumption	0.320
	53	19	Loss of house rent due to non-allotment of hospital residences	0.426
	54	22	Unauthorized purchase of medicines as LP in excess of prescribed limit	7.425
	55	27	Non-auction of cycle stand resulting loss	0.403
	56	28	Doubtful consumption of medicines	0.326
	57	29	Payment of salary during the period of leave without pay	0.016
	58	30	Un-authorized payment of previous years liabilities	0.613
	59	31	Overpayment due to payment of higher rates of pol than notified by OGRA	0.028
	60	32	Un-authorized deduction of withholding tax by bank out of health council account	0.066
	61	33	Un-authorized drawl health sector reforms allowance not admissible	0.015
	62	36	Double payment out of health council account against same cheque	0.018
	63	37	Difference of balance between bank statement and cash book of health council	6.080
	64	39	Non-deduction of G. P.fund /B. fund and group insurance from employees salaries	0.127
	65	40	Un-justified expenditure on air conditioners	0.708
MS THQ LEVEL HOSPITAL CHOWK AZAM	66	2	Overpayment of salaries	0.637
	67	3	Overpayment of salaries	0.265
	68	4	Overpayment of salaries	0.455
	69	6	Loss of house rent, 5% and conveyance allowance due to misuse of govt. Residences	1.058
	70	7	Unjustified payment of HSRA	0.322

Name of Formation	Sr. No.	Para No.	Detail	Amount
	71	12	Doubtful payment for purchase of plants	0.133
	72	13	Inauthentic consumption of POL for generator	1.285
	73	14	Overpayment due to payment of higher rates of POL than notified by OGRA	0.020
	74	17	Non-preparation of budget estimates resulting Inauthentic expenditure	12.750
	75	21	Unauthorized retention of specialists share of receipt by M.S	0.613
SMO RHC CHAK NO. 110/TDA	76	1	Expenditure without stock entry	1.010
MS THQ HOSPITAL CHOUBARA	77	2	Misappropriation on account of repair of machinery and equipment's	0.136
	78	8	Non-accountal of stores Chances of misappropriation	1.058
	79	10	Un-authorized drawl of health professional allowance during training period	0.203
	80	11	Un-authorized payment of previous years liabilities	0.306
	81	12	Doubtful expenditure due to non-accountal in stock register of Lab Items and without advertisement	1.450
	82	14	Un-authorized drawl of health professional allowance during training period	0.609
	83	16	Recovery of unauthorized Payments of salaries to retired employees	0.187
	84	17	Un-authorized drawl of pay and allowance after relive from duty	0.324
	85	18	Non-refund of one month salary after termination recovery	0.176
	86	19	Recovery of Unauthorized payment of salary after resignation	0.669
	87	20	Recovery of Payment of HSRA In excess of Admissible Rate	0.012
	88	21	Overpayment on account of Health Risk Allowance	0.031
	89	24	Non-deduction of GST	0.018
	90	29	NON-deduction of 10% maintenance charges from the officials residing in residence as above their entitlement	0.077
	91	33	Loss due to Destroying and issuance/shifting of	0.732

Name of Formation	Sr. No.	Para No.	Detail	Amount
			medicines near to expire	
	92	34	Loss to Govt. due to Unauthorized issuance of medicines for DTL	0.039
	93	35	Doubtful drawl on account of POL for generators and vehicle	0.504
MS THQ LEVEL HOSPITAL FATEH PUR	94	4	Payment of HSRA in excess of admissible rate	0.246
	95	7	Irregular expenditure on repair of machinery and equipment	0.403
	96	9	Unauthorized Payment of annual increment	0.141
	97	15	Unauthorized purchase and doubtful consumption of homeo medicines	0.143
	98	16	Un-authorized clearance of outstanding liabilities	0.777
	99	20	Loss on account of inadmissible allowance	0.173
DO (HEALTH)	100	2	Overpayment of salaries	0.140
	101	8	Un-justified drawl of health risk allownce	0.057
	102	9	Unauthorized payment of salaries	1.349
	103	10	Overpayment of salaries	0.099
	104	11	Overpayment of health sector reforms allowance	0.060
	105	12	Inauthentic payment of salaries	0.497
	106	13	Non-deduction of house rent and 5% maintenance charges against designated residence , loss of	0.118
	107	14	Loss on account of conveyance allowance	0.858
	108	15	Loss on account of conveyance allowance	0.045
	109	19	Overpayment due to payment of higher rates of POL than notified by OGRA	0.033
	110	20	Unjustified expenditurer on repair of ambulance	0.254
	111	21	Misclassification of expenditure	0.098
	112	23	Unjustified payment on account of purchase of POL	1.631
DY. DO (HEALTH) CHOUBARA	113	1	Unjustified consumption of POL	0.350
	114	2	Unjustified drawl of hotel charges , recovery of GST	0.010
	115	3	Unauthorized payment of salaries	0.333
PARA MEDICAL SCHOOL	116	5	Misclassification of expenditure	0.070
	117	7	Payment of salaries without performing duties	0.335
	118	8	Unjustified expenditure on TA/DA	0.028
MS THQ HOSPITAL THAL	119	10	Loss of house rent due to non-allotment of hospital residences	0.185
	120	11	Recovery of HRA and CA from M.S against	0.106

Name of Formation	Sr. No.	Para No.	Detail	Amount
			designated residences	
	121	13	Overpayment due to purchase of medicine on higher rates	0.093
	122	14	Overpayment on purchase tablet	0.089
	123	15	Irregular purchase of CCTV cameras without quotation	0.094
	124	18	Unjustified drawl of fixed pay	2.700
	125	22	Unjustified retention of staff by apex office and drawal of pay of millions by THQ Thal	-
	126	25	Un-authorized deduction of withholding tax by bank out of health council account	0.023
	127	28	Doubtful withdrawal of POL of generator & ambulance	2.708
	128	29	Overpayment due to payment of higher rates of pol than notified by OGRA	0.028
	129	31	Unjustified drawal of TA/DA	0.233
	130	32	Doubtful withdrawal of cost of repair & POL of ambulance	0.099
	131	34	Un-authorized drawl health sector reforms allowance not admissible	0.010
SMO RHC LADHANA	132	6	Unjustified payment of sales tax on government hospital supplies	0.058
	133	8	Non-maintenance of important record chances of misappropriation	-

#### District Health Authority, Muzaffargarh

Formation	Sr. No	Para No.	Para Title	Amount
CEO (Health)	1	5	Misclassification of expenditure	0.918
	2	6	Un-authorized payment of previous year liabilities	0.266
	3	8	Unauthorized incurrence of expenditure on Dock Tracking System	0.382
	4	9	Doubtful payment on account of repair of Computer and Vehicle	0.096
	5	12	Irregular expenditure on advertisement	0.017
	6	16	Overpayment due to payment of higher rates of POL than notified by OGRA	0.015
	7	17	Unauthorized provision of supplementary Grant	79.546

Formation	Sr. No	Para No.	Para Title	Amount
	8	18	Un-justified budget allocation resulted unspent balances	251.705
	9	19	Departmental recruitment of non-gazetted staff without observing the district of domicile and irregular payment of salaries	3.434
SMO RHC Baseera	10	2	Purchase of X-Ray and Medicine on exorbitant rates	0.464
	11	9	Un-authorized payment of previous year liabilities	0.398
	12	12	Unjustified payment of POL after shifting of Ambulance to Rescue	0.197
	14	5	Overpayment of Salaries	0.044
	15	6	Overpayment of Salaries	0.038
	16	7	Overpayment due to payment of higher rates of POL than notified by OGRA	0.028
	17	8	Doubtful consumption of POL due to unjustified entries in the logbook of Ambulance	0.900
	18	10	Unauthorized drawl of Medical Charges	0.060
	19	11	Doubtful Consumption of Syringes	0.024
	20	12	Doubtful transactions of Deposits into DDO Account	1.900
	21	16	Un-authorized expenditure on advertisement	0.079
	22	17	Doubtful payments against Electricity bills	0.334
	23	18	Unjustified expenditure on repair of ambulance	0.372
	24	19	Misclassification Of Expenditure	0.115
Principal Nursing School	25	4	Recovery Of Irregular Payment Of Salaries & Allowance During Study Leave	0.088
	26	11	Loss Of Govt. Due To Misappropriation Of Pol And Extra Usage Of M.Oil	0.148
	27	13	Mis-Use Of Government Vehicles	0.168
	28	14	Misclassification Of Expenditure	0.344
	29	15	Un-Authorized Payment Of Previous Years Liabilities	0.207
	30	16	Un-Authorized Expenditure On TA/DA	0.929
	31	17	Un-Justified Expenditure Against Demand Notice Of 200kv Transformer	0.936

Formation	Sr. No	Para No.	Para Title	Amount
	32	18	Loss To Government Due To Incineration Of Linen	0.620
	33	19	Un-Justified Expenditure On Air Conditioners	0.720
	34	22	Irregular Expenditure On Repair Of Vehicle	0.289
	35	25	Overpayment due to payment of higher rates of POL than notified by OGRA	0.018
District Officer Health M.Garh	36	7	Misappropriation Of Medicines	0.114
	37	10	Withdrawl Pay And Allowances After Superannuation	0.017
	39	16	Un-Authorized / Invalid Expenditure Against Other Formations	0.178
	40	27	Misclassification Of Expenditure	0.561
	41	30	Loss On Account Of Transportation Charges	0.159
	42	31	Unjustified Expenditure On Advertisement	0.661
	43	32	Irregular Payment Of Qualification Allowance Without Verification Of Degrees	0.245
	44	37	Doubtful Payment On Account Of Purchase Of POL	1.005
	45	38	Un-Authorized Purchase Of Bedding Clothinting Without Floating Tenders	0.503
	46	39	Loss to Govt. Due To Misappropriation Of POL And Extra Usage Of M. Oil	0.102
	47	40	Un-Authorized Payment Of Previous Years Liabilities	2.698
	49	42	Loss Of Govt. Due To Pol Expenditure On Heavy Generator	0.426
	50	43	Unauthorized Retention Of Public Money Into Account Of DDO	2.453
	51	44	Overpayment due to payment of higher rates of POL than notified by OGRA	0.160
52	45	Irregular Expenditure On Repair Of Vehicles	0.932	
MS THQ Hospital Kot Addu M.Garh	53	1	Misappropriation due to Unauthorized Payment of Pay and allowances After Termination of Contract/ quit the job	0.247
	54	4	Unauthorized payment of Incentive allowance to Specialists	0.495

Formation	Sr. No	Para No.	Para Title	Amount
	55	7	Recovery of Payment Of HSRA In Excess Of Admissible Rate	0.158
	57	11	Inauthentic Consumption Of Pol For Generators Valuing	0.472
	58	13	Unjustified Payment Of Pay & Allowance Without Verification of Degrees	12.145
	59	16	Irregular Expenditure on Repair of Machinery And Equipment	1.056
	60	18	Doubtful and Wasteful expenditure on repair of Vehicle	0.443
	61	20	Un-authorized incurrence of expenditure on Purchase of stationery	0.422
	62	21	Overpayment on account of Pay & Allowances	0.058
	63	23	Overpayment on account of Nursing Allowance	0.120
	64	26	Unauthorized hiring of tentage without tender advertisement	0.818
	65	27	Unauthorized Purchase And Doubtful Consumption Of Homeo Medicines	0.200
	66	28	Un-authorized clearance of outstanding liabilities	12.545
MS THQ Chok Sarwer Shaheed M.Garh	67	1	Overpayment against salaries due to payment after termination	0.899
	70	5	Overpayment against Basic pay after regularization	0.205
	71	9	Irregular Payment of pay and allowances without posting	0.638
	72	18	Irregular utilization of SDA budget without object wise re-appropriation	16.332
	73	20	Unjustified Expenditure On account of Printing items	0.868
	74	21	Unjustified Expenditure against Repair of Machinery & Equipment	0.954
	75	23	Unjustified consumption of POL	0.992
	76	24	Loss due to shortage of equipment/ stock item	0.075
	77	25	Doubtful Purchase and consumption of Store Items	4.365
	78	32	Non-Refund of advance out of Health Council	0.300
SMO RHC	80	2	Overpayment against Basic pay after regularization	0.122



<b>Formation</b>	<b>Sr. No</b>	<b>Para No.</b>	<b>Para Title</b>	<b>Amount</b>
Rungpur	81	7	Recovery against Absent Period	0.059
	82	10	Irregular Payment of pay and allowances without posting	0.406
	84	12	Likely misappropriation of medicines	0.175
	86	16	Irregular expenditure on repair of vehicles	0.210
	87	17	Loss to government due to non-realization of penal rent	0.403
	88	18	Unjustified and Doubtful Drawl of POL	0.343
	89	24	Expenditure on Repair and Maintenance of Building without Estimate and Measurements.	0.338
SMO RHC Khair Pur	90	5	Unauthorized withdrawing of pay and allowances	0.626
	92	8	Purchase Of Store Items Without Advertisement	5.810
	93	9	Un-Authorized Purchase Of Medicines Through Rate Contract	6.715
	94	13	Doubtful Drawl of POL	0.627
	95	14	Unjustified Drawl of POL	1.470
	97	19	Misappropriation of medicine	0.277
	98	20	Unjustified payment of Transportation charges	0.365
99	23	Wasteful expenditure on Printing	0.550	
SMO RHC Sher Sultan	100	9	Doubtful Drawl of POL	0.499
SMO RHC Seetpur	101	8	Un-authorized withdrawal of Conveyance Allowance and HSRA during leave	0.048
	102	9	Doubtful Drawl of POL	0.499
	103	5	Loss to Government On Account Of HRA & Conveyance Allowance	0.250
	104	7	Payment Of Pay & Allowance Without Verification Of Degree	2.718
MS THQ Hospital Alipur	109	8	Recovery of Payment Of HSRA In Excess Of Admissible Rate	0.180
	110	9	Overpayment of Salaries due to higher rate of Basic Pay	0.088
	111	10	Unauthorized Payment of incentive allowance	0.300
	113	16	Unauthorized Inclusion of Sales Tax In Electricity Bills	0.331

Formation	Sr. No	Para No.	Para Title	Amount
	114	18	Un-authorized drawl of Govt. Money without actual receipt of medicine	0.050
	115	19	Un-justified Purchase of Medicine on higher rates	0.056
	116	20	Unjustified Payment of Pay & Allowance without Verification of Degrees	3.507
	117	24	Un-Authorized Drawl of pay/wages during absent from duty	0.132
	118	25	Doubtful consumption/ issuance of salbutamol inhaler/ medicine	0.050
	121	28	Un-authorized withdrawal of Special Health Sector Reform Allowance by the Specialist Doctors having private practice	0.792
	122	29	Unauthorized payment of Risk allowance beyond the category	0.016
	123	30	Non-recovery of House Rent from the employee residing in residence above entitlement	0.012
	125	32	Recovery of unauthorized payment of pay and allowance at higher rates after regularization	0.093
MS THQ Hospital Jatoi M.Garh	126	2	Unjustified expenditure on account of Repairs of X-Ray Machine chances of Misappropriation	0.334
	127	3	Non-proof of consumption chances of misappropriation of lab items	0.100
	128	4	Recovery due to Drawl of full Salary During the Leave on Half pay	0.480
	129	6	Purchase of x-ray films on higher rates through quotations	0.208
	130	8	Un-authorized payment of previous years liabilities	1.071
	131	9	Recovery of house rent and vacation of hospital residences from un-authorized occupants	0.643
	132	11	Doubtful expenditure due to non-accountal in stock register of shoppers and without advertisement	0.666
	133	12	Unjustified increase in printing charges and uneconomic expenditure on printing	1.653
	134	15	Non-refund of one month salary after termination recovery	0.283

Formation	Sr. No	Para No.	Para Title	Amount
	135	16	Recovery On Account Of Penalty Due To Absent From Duty	0.501
	137	18	Recovery of over payment on account of allowances	0.221
	138	20	Un-authorize drawl of non-practicing allowance	0.440
	139	21	Payment of HSRA in excess of admissible rate	0.188
	140	26	Double Drawl on account of Lab items	0.096
	141	27	Doubtful Expenditure on account of repair of machinery and equipment's	0.974
	142	29	Doubtful Expenditure on account of Store items out of Health Council Budget	2.246
	144	36	Non-deduction of 10% maintenance charges from the officials residing in residence as above their entitlement	0.077
	145	37	Unauthorized payment of withholding tax on transfer of payment	0.043
	146	39	Recovery of overpayment on account of basic pay	0.700
	147	42	Unjustified and Doubtful Expenditure On Entertainment & Tantage	0.580
MS DHQ Hospital M.Garh	148	3	Overpayment against Electricity Chagres owing to wrong calculation	0.811
	149	4	Overpayment due to allowing of excessive rate of incentive allowance	0.885
	150	10	Unjustified payment of previous years liabilities	20.740
	151	13	Loss to Government due to purchase of X-Ray film at higher rate	0.130
	152	15	Unauthorized payment of Risk allowance beyond the category	0.108
	153	17	Overpayment on purchase of examination gloves	0.210
	154	18	Misclassification of Expenditure	0.886
	155	19	Purchases Excess then requirement	1.592
	156	21	Overpayment due to unjustified sanction of dress/uniform and mess allowances	0.310
	157	27	Unjustified expenditure on repair of Machinery & equipment	0.847

Formation	Sr. No	Para No.	Para Title	Amount
	158	29	Unjustified expenditure on POL	0.432
	159	31	Non-recovery of Penal rent	1.679
	160	34	Less recovery of Discount rate on Pathology Lab item	0.045
	161	35	Loss to Government due to unjustified consumption of POL	0.688
SMO RHC Khan Garh	163	5	Un-authorized purchase of medicines through rate contract	1.832
	165	9	Unauthorized utilization of budget on local purchase of medicines	0.383
	166	16	Unjustified expenditure on civil work Rs. 425,158 without specification of work	0.425

### District Health Authority, Rajanpur

Formation	Sr. No	Para No.	Para Title	Amount
CEO (Health)	1	2	Overpayment due to payment of higher rates of pol than notified by OGRA	0.078
	2	6	Unjustified expenditure on repair of transport	0.819
	3	8	Un-justified budget allocation and incurrence of expenditure	27.977
	4	9	Less deduction of income tax	0.132
	5	10	Loss to government due to non-production of proof of sales tax deposit	0.878
	6	13	Non-deposited of GST out of hotel bill claim	0.101
	7	16	Un-authorized payment of POL& TA/DA bills	2.729
District Officer Health	8	7	Unjustified and doubtful consumption of POL	0.487
	9	9	Loss due to non-recovery of provincial sales tax on services	0.032
	10	11	Unjustified incurrence of expenditure on repair of vehicles	0.219
	11	12	Overpayment due to payment of higher rates of pol than notified by OGRA	0.036
	12	13	Loss on account of transportation charges	0.073
	13	14	Doubtful expenditure due non-proof of consumption of POL	0.207
	14	15	Inauthentic payment on account of POL	0.627

Formation	Sr. No	Para No.	Para Title	Amount
	15	16	Non-verification of general sales tax deposit into government treasury	0.045
	16	23	Loss to government due to non-verification of sales tax and income tax	0.398
	17	25	Loss due to non-recovery of withholding tax on services	0.101
MS DHQ Hospital Rajanpur	18			
	19	11	Unauthorized expenditure on different surveys	0.179
	20	12	Unauthorized auction of public assets of millions	-
	21	13	Blockage of funds on purchase of machinery	4.388
	22	14	Misappropriation of Government Fund on account of X-ray films	1.416
	23	18	Unjustified expenditure on tentage	2.110
	24	20	Non-accountal of government receipts on account of cycle stand	-
	25	22	Doubtful withdrawl of cost of POL	1.156
MS THQ Hospital Jampur	26	24	Unauthorized payment of sales tax on electricity bills	0.368
	27	14	Inauthentic consumption of pol for generator	0.431
	28	17	Un-justified purchase of x-rays on higher rates	0.407
	29	18	Doubtful consumption/ issuance of medicine	0.042
	30	19	Doubtful consumption of cannula/syringes	0.954
MS THQ Rojhan	31	22	Non-deduction of income tax	0.106
	32	4	Purchase of medicines without fresh tendering	0.375
	33	6	Un-authorized payment made for supply of medicines without obtaining report of drug testing laboratory	2.774
	34	10	Unauthorized inclusion of sales tax in electricity bills	0.202
	35	12	Purchase of x-ray films on higher rates	0.064
	36	14	Non-obtaining of performance guarantee from suppliers	0.171
	37	18	Loss due to non-recovery of withholding tax on services	0.128
	38	19	Doubtful issuance of medicines due to non-availability of proof of consumption	0.689
	39	20	Loss of house rent due to non-allotment of hospital residences	0.113
	40	24	Unauthorized purchase of medicines as LP in excess of prescribed limit	4.377
	41	27	Loss to government due to non-obtaining of discount against local purchase of medicines	0.167
42	32	Overpayment due to payment of higher rates of POL	0.097	

Formation	Sr. No	Para No.	Para Title	Amount
			than notified by OGRA	
	43	34	Difference of balance between bank statement and cash book of health council account	0.038
	44	35	Less deduction of income tax	0.151
	45	36	Unjustified expenditure on advertisement	0.116
SMO RHC Muhammad Pur	46	5	Unjustified consumption of pol for generator	0.265
	47	8	Unauthorized payment of sales tax on supplies	0.112
SMO RHC Bangla Icha	48	9	Wasteful expenditure on purchase of x-ray machine	4.300
	49	10	Non-depositing of GST/Provincial sales tax on services	0.039
PD DHDC	50	1	Overpayment due to irregular draw of ad hoc relief allowance	0.269
	51	4	Unjustified payment of project allowance	0.030
	52	6	Overpayment of TA/DA	0.033
	53	7	Un-justified hotel claim of rs.67,914 and non-deposited of GST	0.068
	54	8	Unjustified expenditure on repair of transport	0.099
	55	9	Loss to government due to non-deduction of sales tax	0.015
Principal School of Nursing	56	4	Loss of house rent and conveyance allowance due to non-allotment of govt. Residences	0.230
	57	10	Overpayment due to payment of higher rates of pol than notified by OGRA	0.010
SMO Civil Hospital Shah Wali	58	10	Misuse of electricity and non-recovery of residential electricity charges	0.126
	59	14	Un-justified purchase of medicine on higher rates	0.042
	60	16	Non-deposit of g. S. Tax	0.562
	61	17	Doubtful issuance of medicines due to non-availability of proof of consumption	0.033
	62	19	Overpayment due to payment of higher rates of POL than notified by OGRA	0.033
	63	20	Purchase of x-ray films on higher rates	0.091
SMO RHC Harrand	64	10	Misuse of electricity and non-recovery of residential electricity charges	0.312
	65	15	Local purchase of medicines at higher rates, loss due to non-availing discount rate	0.026
	66	18	Non-deduction/ deposit of income tax	0.044
	67	19	Doubtful issuance of medicines due to non-availability of proof of consumption	0.030
SMO RHC Kot	68	10	Loss due to non-deduction of income tax	0.026

Formation	Sr. No	Para No.	Para Title	Amount
Mithan	69	11	Loss to government due to non-deduction of sales tax	0.065
	70	14	Unjustified allowance of health sector reform allowance to the staff working at sub health center	0.084
Blood Transfusion Officer Rajanpur	71	8	Non-surrender of savings	0.660
SMO RHC Fazil Pur	72	9	Non-deduction of income tax	0.082
	73	13	Loss due to non-recovery of withholding tax on services	0.032
SMO RHC Dajal	74	3	Un-authorized payment of pay and allowance after transferred	0.185
	75	6	Mis-use of electricity and non-recovery of residential electricity charges	0.084
	76	14	Non-deduction/ deposit of GST and income tax into govt. Treasury	0.187
	77	15	Irregular payment of pay and allowance without verification of degree	3.006

## FAISALABAD REGION

### Part-I

### Memorandum for Departmental Accounts Committee Paras Pertaining to the Audit Year 2019-20

### District Health Authorities, Faisalabad Region

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
<b>District Health Authority Chiniot</b>				
1	Chief Executive Officer DHA Chiniot	5	Loss to the Government due to procurement at excessive rate	0.150
2		6	Illegal up-gradation of post of contract employees (Midwives)	0.273
3		10	Retention of Strength of vehicles without sanctioned by Administrative Department	-
4		12	Excess drawl of TA/DA/Transfer Grant	0.118
5		16	Irregular expenditure due to irregular / illegal upgradation / promotion of Allied Health Professionals (Paramedics)	-
6		18	Non-maintenance of record of Assets on prescribed	-

Sr. No.	DDOs	Para No.	Subject	Amount
			format	
7	District Headquarters Hospital, Chiniot	3	Excess payment of Daily Allowance	0.300
8		31	Non-payment of DTL fee	0.164
9		50	Unjustified expenditure on labour to arrange medicine	0.064
10	THQ Hospital Lalian	5	Excess drawl of Daily Allowance	0.040
11		15	Procurement at excessive rate	0.087
12		16	Non-maintenance of record of moveable / immoveable property / assets register on prescribed format	-
13		17	Non-auction of canteen	0.180
14		25	Drawl of pay and allowances on joining after cancellation / withdrawal of appointment orders	0.483
15		24	Excess drawl of Pay and Allowances	0.054
16	District Health Officer, Chiniot	11	Unauthentic expenditure on purchase of Stickney Powder	0.695
17	Rural Health Centre, Ahmad Nagar	8	Excess payment of salaries through irregular up-gradations	0.067
18		18	Non-replacement of substandard medicines	0.024
19		20	Wasteful expenditure without service delivery	0.084
20		21	Unauthorized payment of Computer Allowance	0.006
21	Rural Health Centre, Barana	9	Misappropriation of moveable items	-
<b>District Health Authority Faisalabad</b>				
22	DHO IV, FSD	5	Less-recovery of Liquidated Damages for late supply of medicine	0.021
		7	Non-deposit of pension contribution	-
		10	Non-maintenance of record of expenditure and receipts	-
23	DHO (PS) Faisalabad	8	Irregular expenditure on the repair of residences	0.200
		11	Misappropriation of POL	0.054
		14	Non-issuance of bikes returned by officials	0.160
		16	Non-operating of DDO Bank account	-
24	THQ Samundri	2	Doubtful deposit of Sales Tax on Services-Rs 0.127 million	0.127
		4	Irregular award for collection of Parking Fee-Rs 0.791 million	0.791
		5a	a) Non-deposit of Parking Fee by the contractor-Rs 0.252 million	0.252
		5b	b)Non-Deposit of auction money into the	0.150



Sr. No.	DDOs	Para No.	Subject	Amount
			Government Treasury– Rs 0.150 million	
		9	Non-recovery of Liquidated Damages for late supply of medicine – Rs 0.170 million	0.170
		26a	a) Loss due to excess issuance than actual indent, recovery thereof-Rs 10,625/-	0.011
		26b	b) Non disposal/sale of empty water canes– Rs 0.020 million	0.020
		26c	c) Excess payment on account of POL-Rs 4,544/-	0.005
		27	Non-forfeiture of earnest money–Rs 8,000/-	0.008
25	THQ Hospital Chak Jhumra	9	Unauthorized advance payment to FESCO	0.929
		14	Non-deposit of tender fee into Government treasury	0.025
		16	Defective maintenance of accounts of medicines	0.017
26	THQ Hospital, Jaranwala	14	Irregular expenditure on repair of machinery and equipment	0.558
		15	Withdrawal of Incentive Allowance without doing evening round	0.504
		20	Misuse / pilferage of medicine	0.377
27	THQ Hospital, Tandlianwala	11	Irregular expenditure on POL	0.895
		13	Irregular expenditure on the repair of Furniture & Fixture	0.260
		15	Defective maintenance of accounts of medicines and recovery thereof	0.097
		16	Non / less deposit of auction money of cycle stand	0.038
		17	Non-deposit of tender fee into Government treasury	0.031
28	Govt. General Hospital Samnabad	6	Withdrawal of funds through fake billing for repair of Turbines – Rs 565,040	0.565
		7	Withdrawal of funds through fake billing – Rs 349,760	0.359
		10	Double withdrawal of expenditure - Rs 77,560	0.077
		20	Irregular expenditure on installation of fiber sheds – Rs 0.308 million and loss due to charging of excess measurement - Rs 0.102 million	0.308
		23	Unauthorized expenditure without supporting record - Rs 0.767 million	0.767
		26	Irregular award and execution of framework contracts	-
		27	Doubtful consumption of insulin vials without maintenance of record	-
		28	Doubtful / improper maintenance of assets record	-
29	CEO, DHA Faisalabad	13	Non-recovery of LD for late supply of machinery & equipment–Rs 0.061 million	0.061

Sr. No.	DDOs	Para No.	Subject	Amount
<b>District Health Authority Jhang</b>				
30	Rural Health Centre, Bagh	2	Payment of General Sales Tax against suspicious invoices	0.211
		13	Irregular adjustment of employee against post of lower scale	0.559
31	Rural Health Centre, Ghar Maharaja	7	Doubtful payment of General Sales Tax due to non-verification of GST invoices	0.201
32	Tehsil HeadQuarters Hospital, Shorkot	15	Overpayment through wrong calculation	0.011
		24	Non-imposition of penalty for non-completion of works	0.832
		26	Non-recovery of Punjab Sales Tax on Services	0.152
		33	Unauthorized payment of- TA / DA	0.230
33	Chief Executive Officer, District Health Authority, Jhang	11	Unauthentic expenditure on development works	-
		17	Unknown whereabouts of Fixed deposited as TDR and profit earned on investment of pension Fund maintained at erstwhile District Government recovery thereof.	0
		18	Irregular budgeting of receipts and expenditure of Authority	0
34	District Health Officer, (Preventive Services), Jhang	19	Non-verification of deposit of GST	0.198
35	District Headquarters Hospital Jhang	19	Excess payment of civil work recovery thereof-Rs 0.049 million	0.049
		23	Less record entry than Actual expenses	0.020
		25	Unjustified expenditure under head of transportation of goods	0.439
		29	Non-obtaining of additional performance security	0.539
		32	Unauthorized award of work and not imposition of penalty due to non-fulfilment of contractual obligations	0.278
<b>District Health Authority Toba Tek Singh</b>				
36	District Headquarters Hospital, Toba Tek Singh	42	Unjustified expenditure for generator installation material	0.372
		48	Inefficient utilization of resources due to shifting of medicine to other health facilities	-
		29	Misuse of hospital utilities by contractor of civil work	0.093
		49	Non-completion of work under revamping program	

Sr. No.	DDOs	Para No.	Subject	Amount
		50	Non-obtaining of vouched accounts of payments made for civil works –	0.462
		43	Improper maintenance of stock / assets record	-
		47	Non-replacement of substandard medicines	0.795
		28	Non-payment of Stamp Duty by the suppliers	0.025
37	THQ Hospital Kamalia	20	Non-replacement of substandard medicines	0.033
		18	Loss due to expiry of lab kits/ chemical	0.026
		9	Irregular award of contract of Parking & Security	0.795
		11	Non imposition of penalty due to delay in completion of work	0.400
		16	Non-forfeiture of call deposit of defaulting contractors	0.024
		17	Non-payment of Stamp Duty by the suppliers	0.040
38	Eye Cum General Hospital, Gojra	16	Loss to Government due to non-collection of ultrasound charges	0.371
39	District Health Officer, Toba Tek Singh	11	Illegal Occupation of office building and utilization of resources by PHFMC	-
		12	Misuse/non-utilization of designated residences of BHUs	-
40	District Health Officer III, Toba Tek Singh	2	Non production of record by the Punjab Health Facilities Management Company (PHFMC)	-
		3	Loss to Government due to morass of Govt. residences and non-deduction of House Rent and Conveyance Allowance	-
		6	Loss to Government due to non-regularization of services of employees appointed under 17-A	0.747
41	Rural Health Centre, Nia Lahore	8	Irregular expenditure on Local Purchase/Day to Day Purchase of medicine	0.657
		11	Doubtful consumption of medicine and improper maintenance of stock / assets record	-
		12	Non-maintenance of expenditure record	0.728
		13	Non-replacement of substandard medicines	0.011
		14	Irregular retention of Government funds	0.151
42	Rural Health Centre, 394/JB	10	Consumption of Stores without maintenance of proper record	0.628
		12	Irregular Issuance of medicines to sub-health centers	-
		11	Non-replacement of substandard medicines	0.008
43	Rural Health Centre, Rajana	11	Drawl of pay and allowances by Drivers without performing their duties	0.613

**Annexure-A****Part-II**

**Memorandum for Departmental Accounts Committee Paras Pertaining  
to the Audit Year 2018-19  
District Health Authorities, Faisalabad Region**

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
<b>District Health Authority, Chiniot</b>				
1	RHC Ahmed Nagar	6	Loss due to purchase on excessive rates	0.058
2		11	Loss due to non-supply/missing of stock	0.006
3	Deputy DO (Health), Chiniot	1	Excess payment due to irregular up-gradation	0.193
4		8	Unjustified expenditure on Ice for Polio campaign	0.050
5		10	Unjustified reversal of expenditure	0.072
6	District Officer (Health), Chiniot	10	Unauthorized cash withdrawals	0.459
7		12	Loss due to theft of material	0.155
8		14	Procurement on higher rates, recovery thereof	0.016
9	RHC 14 JB	3	Non-verification of GST 80%	0.033
10	Programme Director DHDC, Chiniot	3	Excess payment of TA / DA	0.013
11		4	Doubtful payment of transportation charges	0.030
12		5	Irregular payment of Travelling Allowance	0.090
13	Deputy DO (Health), Lalian	3	Excess payment by unauthorized upgradation of posts of Allied Health Professionals	0.287
14		4	Excess payment of TA / DA	0.076
15		6	Non-recovery of fine due to non-follow up of sanitation challans	0.149
16		7	Unknown outcomes of penalties under Prevention of Misuse Ordinance	0.074
17		8	Non imposition of penalties/fines against Unfit / Failed food samples	-
18		11	Irregular payment of Travelling Allowance	0.056
19		12	Withdrawal of funds without making stock entries	0.011
20	RHC Barana	5	Irregular withdrawal of TA/DA	0.171
21		10	Non-replacement of substandard medicines	0.197
22		18	Non-functioning of logistics of hospital costing	0.759
23	District Headquarters Hospital, Chiniot	16	Unauthorized expenditure on refreshment boarding and lodging	0.424

Sr. No.	DDOs	Para No.	Subject	Amount
24		19	Local purchase of national medicines at higher rates by availing less discount	0.284
25		22	Unauthorized shifting of medicine to other health facilities	0.194
26		23	Procurements without devising annual planning	13.569
27		25	Non-replacement of substandard medicines	0.469
<b>District Health Authority, Faisalabad</b>				
28	Medical Superintendent Govt. General Hospital Samanabad	5	Less/non-deposit of hospital receipts into Government treasury	0.053
29		7	Unrequired supply of medicine without requirement/need	0.977
30		8	Irregular award of framework contracts	48.960
31		14	Non-deposit of tender fee and stamp duty into Government treasury	0.176
32		16	Non-recovery on account of Benevolent Fund, Group Insurance	0.424
33		17	Blockade of public funds due to allocation of budget against vacant posts of Nurses	15.807
34		18	Non-availability of essential CT Scan equipment for life saving in accidental cases	12.000
35	Rural Health Centre, Khurrianwala	3	Less/non-deposit of hospital receipts into Government treasury	0.207
36		7	Stock of medicines at health facility without obtaining DTL Reports	0.434
37		8	Infertuous expenditure on the salaries of Driver without relevant job	0.564
38		9	Non-delivery of better health facilities due to non-functioning of dental unit	0.350
39		10	Medicines declared substandard	0.092
40		11(a)	Non-auction of condemned/unserviceable items	0.008
41		11(b)	Non-auction of trees	0.010
42	Deputy District Officer (H) Jhumra	1	Non imposition of penalties/fines under pure food ordinance	2.440
43		2	Decisions not taken on sanitation challans	1.800
44		6	Doubtful expenditure on the repair of vehicles	0.501

Sr. No.	DDOs	Para No.	Subject	Amount
45	THQ Hospital Samundari	7	Penalties not imposed under prevention of misuse ordinance	0.220
46		9	Suspicious expenditure on the repair of machinery and equipment	0.049
47		16	Non-replacement of substandard medicines	0.791
48		21	Excess withdrawal of TA/DA	0.169
49		22	Irregular withdrawal of TA/DA	0.325
50		27	Non-maintenance of Fixed Assets Register on prescribed format	-
51		29	Non-deposit of receipts in District Authority Fund	0.103
52		31	Non-reconciliation of expenditure	34.550
53		33	Non-issuance of Sales Tax Invoices by the suppliers	-
54		35	Irregular consumption of medicine at OPD without maintenance of proper record	-
55	Chief Executive Officer DHA Faisalabad	13	Non-imposition of penalty on service provider due to non-performance of contractual obligations	-
56	Program Director, District Health Development Centre (DHDC) Faisalabad	2	Consumption of other store items without maintenance of proper record/stock register	0.211
57		9	Poor performance of employees regarding training	-
58		12	Excess withdrawal of Travelling Allowance	0.009
59	Rural Health Centre, Mamunkanjan	10	Consumption of disposable syringes without maintenance of proper record	-
60		11	Expenditure on procurement of store items without proper specifications	0.899
61	Rural Health Centre, 134/GB	5	Excess drawal of funds by showing incurrence of expenditure twice	0.012
62		12	Stock entry of medicine without actual receipt	0.070
63		13	Doubtful consumption of medicine and improper maintenance of stock / assets record	-
64		14	Non-replacement of substandard medicine and Consumption of near to expiry medicine	-
65		15	Irregular payment of salaries without performing duty at RHC	0.208
66	THQ Hospital, Jaranwala	4	Non-maintenance of record of Assets	-
67		19	Unjustified provision of 3rd Generator inspite of existence of 2 No. Generators	-

Sr. No.	DDOs	Para No.	Subject	Amount
68		21	Loss to the Government due to outsourcing of Parking Stand	0.685
69		22	Unauthorized deduction of Withholding Tax	0.035
70		23	Mis-management of procurement of medicines	-
71	District Officer Health (Preventive Services), Faisalabad	8(a)	Excess drawl of POL	0.016
72		8(b)	Excess drawl of POL by charging excess mileage	0.023
73		8(c)	Excess drawl of POL by charging excess mileage	0.017
74		11	Irregular drawl of TA/DA without countersignature of Competent Authority	0.230
75		12	Non-disposal of old/replaced compressors	0.042
76		13	Un-authorized drawl of Allowances	0.019
77		THQ Hospital Chak Jhumra	6	Unjustified shifting of medicine to other health facilities
78	7		Non-recovery of penalty for late supply of medicine	0.171
79	11		Unknown where about of bracket fans	0.098
80	12		Non-disbursement of wages to contingent paid staff	0.159
81	13		Non-reimbursement of expenditure on registration	0.200
82	15		Unjustified shifting of assets	0.246
83	17		Non-auction of unserviceable medical equipment	0.111
84	THQ Hospital Tandlianwala, Faisalabad	3	Non-auction of unserviceable medical equipment	1.000
85		6	Loss of Government Asset due to burnt of ambulance	1.000
86		8	Non-maintenance of Fixed Assets Register and non-conducting of annual physical verification	-
87		9	Non blacklisting of firms due to non-supply of medicine and non-forfeiture of performance security due to non-supply of medicines	0.050
88		10	Double payment against single invoice	0.113
89		12	Non obtaining of Government receipt instead auction of canteen	0.600
90		14	Non re-imburement of Payment made from Health Council Budget	0.100
91		19	Misappropriation of Government revenue	0.008
92		23	Irregular drawl of salaries by shifting of Headquarter	1.290

Sr. No.	DDOs	Para No.	Subject	Amount
93		25	Non recovery of Liquidated Damages charges for late supply of Transformer	0.228
94		27	Misappropriation of Government Fund on Purchase of different items and expenditure on Health week	0.576
95		30	Doubtful expenditure on account of durable goods/store items without maintenance of proper consumption record	-
96		32	Unauthorized drawl of T.A	0.271
97		35	Blockade of Govt. funds and deterioration of Medical equipment	-
98	Rural Health Centre, 469GB Samundari	4	Irregular expenditure on local purchase / day to day medicine	0.471
99		10	Non-replacement of substandard medicines	-
100		11	Irregular consumption of medicine near expiry	-
101		12	Non-surrender of savings	3.054
102	Rural Health Centre, Satiana	6	Non-verification of General Sales Tax	0.220
103		8	Loss due to non-purchase of medicines at risk and cost of original suppliers	0.082
104		9	Non-blacklisting of firms and non-forfeiture of Performance Security and non-obtaining of Stamp Duty	0.005
105		11	Non-recovery of penalty for late supply of medicines	0.031
106		12	Unknown whereabouts of fee and non-deposit of Government share	0.020
<b>District Health Authority, Jhang</b>				
107	Medical Superintendent, DHQ Hospital, Jhang	16	Expenditure from wrong code classification	0.781
107		19	Non-shifting of near expiry ASV and cotton bandage	0.299
109	District Officer Health (LG-II), Jhang	8	Depriving of public from health facilities due to non-functioning of dispensaries	-
110	District Health Officer, Jhang	10	Unauthorized cash withdrawal	0.796
111		14	Unauthorized drawal of pay & allowances	0.254
112	Chief Executive Officer, District Health Authority, Jhang	4	Retention of Strength of vehicles without sanctioned by Administrative Department	-
113		10	Expenditure on four broadband connection in same premises	0.084



Sr. No.	DDOs	Para No.	Subject	Amount
114		16	Expenditure on AC below Grade-20, mobile phones and dinner party	0.888
115	Medical Superintendent, THQ Hospital, 18-Hazari	11	Doubful payment of transportation charges	0.015
116	Medical Superintendent, THQ Hospital, Shorkot	23	Unknown whereabouts of logistics of hospital	-
117	Medical Superintendent, THQ Hospital, Ahmad Pur Sial	16	Irregular expenditure on account of SDA	-
118		6	Non-delivery of services due to non-appointment of doctors and Para Medical Staff	-
119	Deputy District Health Officer, Ahmed Pur Sial	4	Unjustified drawl of TA/DA	0.238
120		5	Expenditure on POL without maintenance of log book	0.204
121		7	Unjustified drawl of TA/DA	0.038
122		8	Expenditure on repair of vehicle without entry in log book	0.028
123	Deputy District Health Officer, Jhang	2	Excess drawl of TA/DA	0.107
124		3	Expenditure on POL without supporting record and payment through cash	-
125		7	Funds were drawn through fake invoices and items were purchased without requisition	0.148
126	Deputy District Health Officer, 18-Hazari	7	Expenditure on personal electricity bills	0.107
127	Director, District Health Development Center, Jhang	9	Drawl of TA without counter signature	0.084
128	Deputy District Health Officer, Shorkot	12	Irregular payment of TA	0.176
129		14	Expenditure on ice for polio campaign	0.457
<b>District Health Authority, Toba Tek Singh</b>				
130	Senior Medical Officer, RHC, 740 GB Kamalia	10	Suspicious expenditure on the repair of machinery and equipment	0.457
131		12	Miscellaneous discrepancies in medicine record	0.048
132		14	Non-auction of trees	0.011
133	Medical Officer, City Hospital Kamalia	9	Suspicious expenditure on the repair of machinery and equipment	0.135

Sr. No.	DDOs	Para No.	Subject	Amount
134	Medical Superintendent, Eye Cum General Hospital Gojra	6	Non-imposition of penalty on service provider due to non-performance of contractual obligations	-
135		7	Withdrawal of inadmissible Health Risk Allowance	0.018
136		9	Excess payment of pay and allowances after regularization of services	0.052
137		13	Non-replacement of substandard medicines	0.219
138		19	Irregular utilization of SDA budget without annual planning and object wise reappropriation	-
139		20	Irregular utilization of SDA and Health Council budget without annual planning	-
140		24	Non-maintenance of Fixed Assets Register on prescribed format	-
141		25	Irregular procurements of medicines in violation of LP policy	-
142		28	Non-issuance of Sales Tax invoices by the suppliers	-
143		31	Irregular consumption of medicine at OPD without maintenance of proper record	-
144		34	Non-auction of old unserviceable material	-
145		35	Unknown whereabouts of logistics of hospital	-
146		District Health Officer (Preventive Services) Toba Tek Singh	11	Non-repair / non-auction of old unserviceable vehicles
147	16		Unjustified cash payments and irrelevant transactions in Bank Account	-
148	Deputy Officer Kamalia District Health	1	Non imposition of penalties / fines under pure food ordinance	-
149		7	Unknown outcomes of penalties under Prevention of Misuse Ordinance	0.190
150		10	Incurrence of expenditure without receipt of IT equipment	0.079
151	Senior Medical Officer, RHC Pir Mahal	8	Doubtful expenditure without recording stock entries	0.389
152		10	Unauthorized drawal of funds for POL against irrelevant vehicle	0.051
153		13	Irregular throw forward of current year liabilities	0.330
154		14	Irregular expenditure on Local Purchase / day to day purchase of medicine	0.305
155		15	Improper maintenance of stock / assets record	-
156		16	Non-replacement of substandard medicine	-
157	Medical Officer, City	3	Delay in deposit of Government revenue	0.410

Sr. No.	DDOs	Para No.	Subject	Amount
158	Hospital Toba Tek Singh	15	Non-maintenance of record of moveable / immoveable property / assets register on prescribed format	-
159		16	Non-forfeiture of Performance Security	0.042
160	Principal General Nursing School, Toba Tek Singh	6	Non-maintenance of record of moveable / immoveable property / assets register on prescribed format	-
161	Medical Superintendent, DHQ Hospital Toba Tek Singh	11	Excess payment due to charging of excess area	0.125
162		12	Excess payment to the service provider	0.111
163		16	Non-deposit of sale proceeds into Government Treasury	0.085
164		17	Non-deposit of MLC fee into Government Treasury	0.055
165		18	Loss due to missing of stock	0.381
166		19	Loss due to theft of Assets	0.657
167		20	Loss due to dismantling of ceiling	0.663
168		21	Wasteful expenditure on public washroom	0.239
169		28	Unauthorized collection of Parking Fee	1.671
170		40	Unauthorized shifting of hospital assets	0.338
171		41	Unknown whereabouts of disposable glasses	0.394
172		43	Unauthorized shifting of Health Council funds to other health facility	0.300
173		45	Non-replacement of DTL failed medicine	0.083
174		48	Unauthorized drawal of House Rent and Conveyance Allowance	0.060
175		49	Non-payment of stamp duty	0.007
176		51	Unjustified expenditure on purchase of Tabs	0.687
177		53	Unjustified expenditure on purchase of cameras	0.099
178		54	Unknown whereabouts of mobile phones	0.098
179	55	Non-completion of work under revamping program	-	
180	59	Unauthorized payment of X-Ray & Lab share	0.063	
181	Principal General Nursing School Gojra	4	Non-recovery of stipend from dropped out student	0.270
182		6	Unauthorized withdrawal and retention of funds	0.253
183		13	Non-maintenance of record of moveable / immoveable property / assets register on prescribed format	-

Sr. No.	DDOs	Para No.	Subject	Amount
184	Medical Superintendent, THQ Hospital Kamalia	6	Non-forfeiture of performance security due to non-supply of medicine	0.026
185		8	Non-delivery of services due to non-installation of machinery & equipment	-
186		9	Non-reimbursement of payment made from Health Council budget	0.300
187		17	Non-maintenance of Fixed Assets Register on prescribed format	-
188		21	Irregular procurements of medicines in violation of local purchase policy	-
189		24	Deterioration of Government assets due to non-allotment of hospital residences	0.417
190	Chief Executive Officer, DHA Toba Tek Singh	13	Non-imposition of penalty on service provider due to non-performance of contractual obligations	-
191		14	Drawl of POL and Travelling Allowance on fictitious journey	-
192		16	Non-recovery of fine imposed during monitoring	0.199
193		17	Misappropriation of Government fund by recording excess travelling of motor vehicles	0.135
194		18	Non-maintenance of fixed assets register and non-conducting of annual physical verification	-
195		19b	Non-recovery of Income Tax	0.173
196		20	Doubtful recruitment of drivers and payment of pay and allowances	0.173
197		Senior Medical Officer, RHC Sindhianwala	2	Irregular expenditure on local purchase / day to day medicine
198	3		Irregular payment of labor charges without maintaining Muster Roll	0.147
199	5		Unjustified expenditure for purchase of LP medicines	0.098
200	6		Unjustified payment of General Sales Tax	0.309
201	7		Unauthorized payment to Accountant	0.339
202	8		Irregular transfer of funds of Health Council	0.100
203	9		Suspected misappropriation due to non-compliance of Government Rules involving expenditure	0.583
204	11		Irregular withdrawal of funds without supporting documents	0.462
205	16		Loss due to expiry of medicines	0.062

Sr. No.	DDOs	Para No.	Subject	Amount
206	Senior Medical Officer, RHC Aroti Kamalia	4	Irregular expenditure on local purchase / day to day medicine	0.491
207		8	Non-verification of General Sales Tax	0.242
208		9	Unknown whereabouts of purchased items	0.094
209		10a	Excess payment of pay & allowances after regularization of services	0.065
210		13	Non-delivery of better health facilities due to non-functioning of X-Ray machine	-

## MULTAN REGION

### Memorandum for Departmental Accounts Committee Paras Pertaining to Current Audit Year 2019-20

(Rupees in million)

Sr. No.	Name of Formations	Para No.	Subject	Amount
<b>District Health Authority, Khanewal</b>				
1	CEO-Khanewal	14	Irregular purchase of medicines/pharmaceuticals through rate contract without obtaining of stamp duty	0.238
2		27	Irregular payments for advertisements	0.040
3		26	Irregular and unjustified up-gradation of employees	-
4		28	Improper maintenance of record of inspection of medical stores/pharmacies/ clinics by the drug inspectors	-
5	DHO-Khanewal	3	Unauthorized payment of Risk Allowances without entitlement	0.203
6		1	Withdrawal of social security benefits after regularization of services	0.179
7		6	Unauthorized excess expenditure over budget allocation	0.147
8		9	Unauthorized withdrawal of allowances recovery thereof	0.120
9		13	Irregular expenditure on transportation of good	0.106

Sr. No.	Name of Formations	Para No.	Subject	Amount
10		11	Non obtaining deposit proof of GST	0.073
11		7	Unauthorized payment of pay and allowances despite superannuation retirement of employee	0.045
12		12	Misappropriation on account of postage fund	0.030
13	DHQ-Khanewal	39	Irregular expenditure by extension of previous year agreement	0.781
14		20	Non-deposit of auction price of canteen	0.763
15		29	Loss due to shortage of linen items	0.233
16		24	Doubtful payment for repair of building through deposit work	0.223
17		21	Non-deposit of income tax on auction price of canteen	0.203
18		19	Unjustified local purchase of medicine despite availability of item	0.200
19		14	Unauthorized payment of salaries during extra ordinary leave	0.180
20		36	Non-deposit of income tax and price of parking fee	0.162
21		27	Unjustified withdrawal of Special Allowance	0.132
22		8	Doubtful withdrawal of funds on fake quotation process	0.100
23		4	Excess payment of incentive allowance on excess rate	0.095
24		2	Unauthorized payment of Risk Allowances without entitlement	0.090
25		35	Non-forfeiture of earnest money of defaulter contractor of parking fee	0.066
26		28	Withdrawal of social security benefits after regularization of services	0.044
27		37	Excess payment of pay and allowances	0.036
28	THQ Jahania	14	Overpayment due to non-deduction of income tax and PST	0.779
29		15	Non deduction of maintenance charges amounting	0.762

Sr. No.	Name of Formations	Para No.	Subject	Amount	
30		17	Blockage of Government funds	0.477	
31		20	Unauthorized grant of pay and allowances recovery there	0.152	
32		21	Irregular drawls of personal allowance by charge nurses	0.114	
33		22	Unauthorized excess withdrawal of pay and allowance after regularization	0.112	
34		23	Unauthorized grant of casual leaves than entitlement recovery thereof	0.100	
35		24	Recovery of un-authorized withdrawal of conveyance and house rent Allowanc	0.080	
36		25	Local purchase of X-Rays at excess rates	0.074	
37		26	Non deduction of water charges from the residents of quarters	0.032	
38		27	Withdrawal of social security benefits after regularization of services	0.023	
39		28	Loss to Govt. due to non deduction of liquidity damages for late supplies of medicines”	0.020	
40		29	Unauthorized grant of annual increment recovery thereof	0.009	
41		30	Non-compliance of observations issued in previous year Audit	-	
42		THQ Mianchannu	31	Non-realization of income of parking and security fee from successful bidder	0.742
43			20	Loss due to purchase of medicines at higher rates	0.388
44	2		Irregular withdrawal of pay and allowances recovery thereof	0.205	
45	17		Excess payment of pay and allowances despite resignation / transfer	0.145	
46	13		Irregular expenditure of Risk Allowances by misclassification	0.124	
47	27		Non-reconciliation of departmental figure with FI Data	0.103	

Sr. No.	Name of Formations	Para No.	Subject	Amount
48		32	Irregular excess withdrawal of travelling allowance	0.077
49		4	Overpayment to suppliers due to payment of excess rates	0.076
50		11	Non-deposit of tender fee / bid document fee recovery thereof	0.053
<b>District Health Authority, Lodhran</b>				
1	DHQ-Lodhran	4	Unauthorized withdrawal of HSRA	0.417
2		5	Irregular payment of qualification allowance	0.166
3		11	Unjustified issuance of medicine to other health facilities	-
4		25	Non auction / shifting of furniture items	-
5		27	Irregular non-auction of canteen and cycle stand	0.595
6		30	Recovery of excess payment Health Professional Allowance	0.335
7		32	Unauthorized withdrawal of conveyance allowance despite residing in official residence	0.308
8		33	Unauthorized expenditure on internet services	0.586
9		35	Non recovery of one month pay from Doctors who resigned from service without serving one month notice	0.787
10		36	Non-recovery of penal rent due to unauthorized occupation of government residence	0.276
11	CEO Lodhran	5	Double withdrawal of funds recovery thereof	0.031
12		7	Unauthorized withdrawal of pay and allowances during EOL/Leave without pay	0.353
13		8	Unjustified payment of salaries of security guards hired by RHCs	0.488
14		10	Non-deduction of Liquidated Damages	0.117
15		11	Irregular expenditure on repair of vehicles -	0.304
16		13	Doubtful expenditure on account of POL	0.116
17		14	Irregular withdrawal of Conveyance Allowance and HSRA during Leave	0.408
18		28	Irregular appointment of married daughter on death Quota	0.577
19		36	Loss due to purchase of medicines at higher rates	0.215
20	THQ	1	Double withdrawal of funds recovery thereof	0.223



Sr. No.	Name of Formations	Para No.	Subject	Amount
21	Kehrorpacca	6	Non recovery of auction amount of Cycle Stand and Canteen	0.493
22		11	Withdrawal of pay and allowances by doctors who left their services	0.069
23		12	Non recovery of one month pay from Doctors who resigned from service without serving one month notice	0.103
24		15	Recovery of Pay and Allowances	0.097
25		17	Loss to Government due to supply of sub standard medicines	0.270
26		19	Non-Deposit of Government MLC fee	0.085
27		20	Loss due to purchase of medicines at higher rates	0.530
28		21	Double payment on account of PST on Civil work	0.238
29		23	Unjustified /Irregular payment on hiring of Security Guard	0.266
30		THQ Dunyapur	9	Irregular withdrawal of pay and allowances recovery thereof
31	14		Overpayment due to payment of excess rates in purchase of medicine Recovery Thereof	0.357
32	15		Double payment on account of GST to the Suppliers	0.329
33	20		Doubtful consumption of POL	0.699
34	22		Use of Medicine prior to receipt of Satisfactory DTL Report Inquiry thereof	0.092
<b>District Health Authority, Multan</b>				
1	CEO Multan	19	Unauthorized Retention of POL Budget under the control of CEO (Health) office	0.935
2		17	Drawl of POL in un-designated/allotted vehicles needs vehicle-wise justification/recovery thereof	0.585
3		20	Unauthorized Payment of TA/DA To Allah Ditta (Health & Nutrition Supervisor)	0.585
4		22	Non payment Of Sales Tax Of	0.499
5		11	Unauthorized Payment of Conveyance Allowance To the Vaccinators of	0.263
6		23	Non Availably of deposit proof of GST from Suppliers	0.229
7		24	Irregular drawl of Transportation of Medicines Bills by Fake Billing	0.2
8		25	Irregular expenditure on high Rate of wall Pilling work	0.177

Sr. No.	Name of Formations	Para No.	Subject	Amount
9		4	Unjustified Running of Vehicles during Gazzated Holiday (Eid-UL-Fitar, Eid-UL- Azha, Ashora etc) Excess payment of POL	0.143
10		9	Irregular withdrawal of Inadmissible allowance and recovery thereof	0.131
11		10	Un-authorized withdrawal of conveyance allowance and recovery thereof	0.113
12		8	Intentionally Concealment of Various Record	0
13		30	Irregular assigning of drawing and disbursing officer powers	0
14		26	Irregular up-gradation of Homeo Dispenser In BS-16 under 4- Tier	0
		32	Unauthorized Grant of Extension of Ex Pakistan Leave	0
		33	Irregular re-instatement of Ume-Kalsoom (LHV)	0
15	DHO-II Multan	1	Irregular Expenditure on Account of Building Rent and recovery of income tax	0.645
16		8	Un-authorized payment of SSB after regularization	0.606
17		18	Unauthorized payment in cash instead of cross cheque	0.547
18		5	Excess withdrawal of house rent allowance due to wrong calculation and recovery thereof	0.516
19		15	Irregular repair of vehicle	0.448
20		7	Excess drawal of basic pay and other allowances and recovery thereof	0.338
21		9	Excess payment of house rent allowance and recovery thereof	0.235
22		6	Excess drawal of pay and allowances due to wrong pay fixation and recovery thereof	0.21
23		11	Excess payment of health sector reform allowance	0.201
24		19	Irregular withdrawal of POL	0.056
25	DHO-PS Multan	21	Non pursuance of the case of irregular promotion / Up gradation of DSV /CSV of BPS-14 to Technologist in BPS-17 and payment of pay and allowances	0.83
26		22	Irregular purchase out of cost of other store and other head	0.616
27		23	Unauthorized booking of expenditures might result in fraudulent drawls of expenditures	0.524
28		24	Doubtful drawl of expenditures under the object head transportation of medicines	0.519

Sr. No.	Name of Formations	Para No.	Subject	Amount
29		25	Irregular repair of building by splitting up the value of indents out of object head other	0.431
30		26	Loss to government due to payment of conveyance despite having vehicles and recovery thereof	0.3
31		27	Recovery of Unjustified drawl of Non-Practicing Allowance	0.288
32		28	Clearance of pending liability of more than three years without the sanction of Finance Department	0.25
33		29	Acceptance of rejected medicines by the District Officer Health Multan	0.142
34		30	Unauthorized drawl of Local Purchase of Medicines without availing discount	0.095
35		31	Irregular clearance of pending bill for the year 2013-14 under the object head printing and excess payment	0.085
36		32	Unauthorized booking of expenditures under the object of head Honraria	0.076
37		33	Non deposit of liquidity damages	0.07
38		DHQ-MTN	16	Unauthorized acceptance of medicine in excess of demand and non- deduction of LD charges
39	11		Irregular expenditure on purchase of plant & machinery, It equipments and furniure	0.687
40	14		Irregular expenditure on Miscellaneous repair	0.622
41	8		Irregular drawl of pay and allowances due to irregular shifting of Headquarter	0.547
42	9		Irregular payment of qualification allowance and Health Risk Allowance	0.47
43	27		Irregular payment of personal allowance	0.261
44	12		Misprocurement of Lab items - Rs 2.364 million and non recovery of LD charges of	0.166
45	3		Irregular payment of PCA , HSRA and recovery thereof	0.11
46	24		Less charging of test fee resulted in less deposit of Government share	0.093
47	15		Loss due to purchase of medicines at higher rat	0.067
48	THQ Shujabad	13	Irregular withdrawal of pay and allowance of higher scale and recovery thereof	0.657
49		28	Irregular expenditure on food and hotel charges Rs 328,800 and recovery	0.329
51		19	Non deposit of liquidated damages	0.199

Sr. No.	Name of Formations	Para No.	Subject	Amount
52		16	Irregular issuance of supply order without obtaining performance guarantee	0.193
53		20	Loss to government due to non-availing of discount on account of local purchase of medicines-	0.127
54		5	Excess payment of Health Sector Reform Allowance without the entitlement	0.083
55		25	Payment of allowances during leaves	0.072
56		30	Non availability of laboratory receipts purchees and misappropriation of government fe	0
57		4	Unjustified withdrawal of pay without date of joining	0.942
<b>District Health Authority, Pakpattan</b>				
1	CEO Pakpattan	9	Recovery of over payment on account of purchase of medicine through rate contract	0.099
2		21	Non-reconciliation of Budget Figures between DHA record and SAP R/3 record	0.825
3		17	Unjustified withdrawal of POL without approved tour programmes on monthly basis	0.722
4		18	Unjustified contract appointment of staff against the rule of 17-A and withdrawal of SSB 30%	0.562
5		27	Non verification of deposit of Sales Tax on purchases	0.337
6		23	Doubtful payment of pay and allowances through adjustments	0.912
7		16	Unauthorized handing over of Government vehicle to DC office and withdrawal of POL from budget grant of DHA	0.249
8		20	Withdrawal of social security benefits after regularization of services	0.05
9	DHQ Pakpattan	22	Loss to the government due to mismanagement of highly qualified management	0.75
10		11	Costly purchase of machinery and equipments	0.425
11		14	Non deduction of liquidated damages	0.366
12		10	Costly purchase of IT Equipments	0.364
13		30	Unathorized purchase by hospital required to be supplied by the Janitorial company	0.299
14		24	Non recovery of overpaid salary	0.056
15	RHC Bunga Hayat	2	Non deduction of maintenance charges	0.427
16		5	Withdrawal of funds without preparation of Annual Plan and pre-audit	0.373

Sr. No.	Name of Formations	Para No.	Subject	Amount
17		14	Irregular payment of non practicing allowance (NPA)	0.075
18		15	Irregular drawl of arrears of pay & allowances without allocation / release & availability of vouched	0.062
19		16	Non-collection of proof of deposit of Sales Tax	0.044
20		10	Overpayment due to non-deduction of income tax	0.027
21		11	Excess payment of Sales Tax	0.027
22		12	Unauthorized grant of pay and allowances between gap period of two adhoc recovery thereof	0.026
23		17	Non-compliance of observations issued in previous year Audi	0
24		RHC Malka Hans	12	Non-verification of Government Receipts
25	4		Irregular expenditure of risk allowances by misclassification	0.3
26	10		Withdrawal of funds without pre-audit	0.3
27	11		Excess payment of Taxes from Health Council Funds	0.06
28	9		Overpayment due to non-deduction of income tax	0.035
29	7		Unauthorized payment of inadmissible allowances	0.03
30	THQ Arifwala		18	Loss due to less availing of Discount on Local purchase of medicine
31		5	Overpayment due to non-deduction of income tax on income	0.277
32		9	Unjustified charging of GST recovery thereof	0.866
33		21	Non-deposit of sales proceeds of Bicarbonate Canes	0.196
34		25	Non-recovery of Conveyance Allowance & House Rent Allowance	0.065
35		14	Recovery of Over Payment on Account of Purchase of Medicine through Rate Contract	0.062
36		8	Defective method of procurement of LP medicine	0
37		23	Blockage of the Government funds and deterioration of asset	0
38		24	Non Condemnation / Auction of the unserviceable Articles	0
39		28	Non-compliance of observations issued in previous year Audit	0

Sr. No.	Name of Formations	Para No.	Subject	Amount	
<b>District Health Authority, Sahiwal</b>					
1	CEO-Sahiwal	1	Unjustified Lavish Expenditure on Repair of Vehicle under use of Provincial Government Office / Officer	0.893	
2		5	Non-black listing of the firm and Non-forfeiture of performance guarantee	0.206	
3	DHO-Sahiwal	21	Loss to Government Due to Theft of Motor Cycles & Non Return of Motorcycle after Retirement	0.375	
4		26	Irregular Excess drawl of TA/DA	0.103	
5		10	Misappropriation of Insecticides due to Absent of Stock Entry & consumption Record in books of Dengue Squad Thereof	0.1	
6		5	Irregular withdrawal of Personal allowance arrear and arrear of Pay & allonace of	0.09	
7		12	Excess Payment of Health Risk Allowance to the employes above than scale four	0.074	
8		25	Excess withdrawal of honorarium	0.03	
9		6	Irregular up-gradation of Midwives In BS-14 & BS-16 Instead Not Eligible As paramedics under 4- Tier and payment of pay & allowances as arrears of	0	
10		9	Unauthorized / Irregular up-gradation / promotions of employees resulted in excess payment of arrears of pay and allowances of	0	
11		RHC 45/12L	4	Irregular Excess Payment to the Absconder Doctor Without Work.	0.329
12			7	Unauthorized Payment on Account of HSRA, Instead of General Dut	0.101
13	16		Less Collection of Receipts of Laboratory Than Government Notified Rate	0.075	
14	3		Loss To Government Due To Misappropriation Of Ultrasound Fee of	0.045	
15	11		Excess Payment of Health Risk Allowance	0.03	
16	15		Doubtful Deposit of Govt. Receipts In The Absence of Verification of Challans From District Accounts Office & Non Deposit of Income tax.	0.024	
17	17		Irregular Tests of Labs without Purchasing / Donation of Materia	0	
18	RHC Kassowal	11	Doubtful Deposit of Govt. Receipts In The Absence of Verification of Challans From District Accounts Office.	0.831	
19		2	Loss To Government Due To Misappropriation Of	0.136	

Sr. No.	Name of Formations	Para No.	Subject	Amount
			Ultrasound Fee	
20		7	Doubtful Excess Drawl of Arrear of Health Risk Allowance By the Employees other Than paramedics (BS-1 to BS-4)	0.05
21		8	Unjustified Excess Payment of HSR Allowance Due to Excess Fixation	0.042
22		9	Non Deposit of Govt. Receipts due to non-deposit in Govt. Treasury	0.014
23	THQ Chichawatni	12	Irregular expenditure of minor civil work without fulfillment of codal formalities	0.686
24		25	Unauthorized use of air conditioners by various employees recovery thereof	0.6
25		11	Loss to Government due to non-payment of income tax, intrest on late deposit	0.223
26		9	Non-forfeiture of performance guarantee	0.206
27		3	Unauthorized and excess withdrawal of HSRA	0.096
28		16	Misprocuremnt of Security and Parking Services and non-collection of Income Tax Inquiry Thereof – Rs 720,000 Recovery thereof	0.072
29		36	Loss to Government due to shortage of test devices from Labortory recovery thereof	0.047
30		37	Non-deposit of tender fee / bid document fee recovery thereof	0.046
<b>District Health Authority, Vehari</b>				
17	CEO-Vehari	22	Non-deposit of tender fee / bid document fee recovery thereof	0.173
38		24	Non maintenance of Reconciled Expenditure Statement	0
39		28	Non provision of compliance of Audit paras relating to Previous Years	0
6	DHO-PS Vehari	9	Doubtful payment of Punjab Sales Tax and Income Tax on services	0.426
7		7	Doubtful expenditure on account of repair of Government vehicle	0.361
8		24	Unjustified expenditure on construction /repair and maintenance of BHUs buildings from Health Councils funds-	0.36

Sr. No.	Name of Formations	Para No.	Subject	Amount	
13		27	Doubtful payment /non deposit of GST inquiry thereof	0.216	
15		28	Irregular purchase of medicines/pharmaceuticals through rate contract without obtaining of performance guarantees	0.192	
16		25	Non-imposition / payment of Punjab Sales Tax and Income Tax on services	0.176	
18		22	Non-deductions of Taxes on the purchases made / services hired	0.164	
21		15	Withdrawal of inadmissible fixed TA/DA recovery thereof	0.143	
30		31	Irregular expenditure of Risk Allowances by misclassification	0.035	
31		26	Irregular/overpayment payment of sales tax on paint and construction material by Health Council's	0.034	
33		32	Unauthorized payment of Risk Allowances without entitlement	0.026	
36		29	Irregular purchase of medicines/pharmaceuticals through rate contract without obtaining of stamp duty	0.01	
37		11	Unjustified expenditure on account of POL without achievement of targets/progres	0	
4		DHQ Vehari	23	Irregular payment of fixed TA.DA	0.45
5			31	Non collection of electricity bills from Pakistan Kidney and Liver Centre Contractor	0.44
11	30		Overpayment due to non-deduction of income tax on income	0.294	
20	34		Irregular/unjustified expenditure on Photostat	0.145	
25	24		Doubtful expenditure on account of transportation of goods	0.089	
26	32		Unauthorized payment of inadmissible Allowances without entitlement	0.065	
12	THQ Burewala	9	Unjustified expenditure on POL of Generator	0.249	
14		8	Overpayment due to non-deduction of income tax on incom	0.21	
23		16	Non Recovery of liquidated damages	0.123	
24		15	Doubtful drawl of funds on account of purchase of medicine	0.1	
27		19	Unauthorized payment of conveyance allowance during LPR periods	0.06	
29		2	Unauthorized and excess withdrawal of HSRA	0.04	



Sr. No.	Name of Formations	Para No.	Subject	Amount
32		22	Excess payment of pay and allowances despite resignation	0.032
1	THQ Mailsi	11	Unjustified charging of GST on electricity charges recovery thereof	0.8
2		12	Doubtful consumption of POL, defective maintenance of log book and payment of excess rates than OGRA rates	0.607
3		22	Non-Imposition of Penalty on Late Completion of Works	0.499
9		25	Overpayment to Supplier without deduction of LD charges as per Supply order	0.318
10		24	Overpayment to Supplier by payment of excess rates than label price	0.305
19		19	Less deposit of X-Ray Charges – Rs 103,376 and misappropriation of X-Ray films inquiry thereof	0.159
22		32	Non-deposit of Government Receipts	0.142
28		14	Non-deposit of tender fee / bid document fee recovery thereof	0.052
34		26	Non-recovery of echocardiography charges recovery thereof	0.025
35		2	Unauthorized payment of Risk Allowances without entitlement	0.013

## Part-II

### District Health Authority, Khanewal

Sr. No.	Name of Formations	Para No.	Subject	Amount
1	Dy. DO (Health) Mian Channu	3	Non-compliance of previous Audit Paras	-
2		4	Unauthorized Drawl of Allowances in the Period of Absence/Leave Recovery Thereof	0.279
3		5	Overpayment made to suppliers by costly purchase of items without obtaining special prior permission from CEO, DHA	0.409
4		9	Weak Supervision and Un-authorized Running of Clinics by Quacks/Unqualified Practitioners under the Jurisdiction of Dy. District Health Officer MianChannu	-
5		10	Irregular up-gradation of posts of sanitary inspector	-

Sr. No.	Name of Formations	Para No.	Subject	Amount
			from BS-10 to BS-16 and provision of multiple time benefits inquiry thereof	
6	DO (Health) Khanewal	4	Unjustified Drawl of Conveyance Instead of Having Designated Vehicle & Payment Of Monthly POL Charges	0.181
7		5	Unjustified Payment of Social Security Benefits after Regularization of Jobs	0.057
8		8	Unjustified heavy expenditure on account of POL	0.789
9	MS THQ Hospital Mian Channu	1	Unauthorized payment of pay and allowances despite superannuation retirement of employees	0.062
10		4	Non-compliance of previous Audit Paras	-
11		6	Unjustified payment of electricity bill	0.891
12		11	Unauthorized transfer posting against the conditions of posting and drawl of pay and allowances	0.196
13		12	Excess drawl without stock entry recovery thereof	0.063
14		14	Improper stock entries for purchase of surgical instruments sets and non-conducting of annual stock taking	1.005
15	MS THQ Hospital Jahanian	1	Unjustified drawl of Heath Sector Reform Allowance and recovery thereof	0.480
16		4	Non Deposit of Income Tax @ 10% on auction	0.001
17		5	Irregular Drawl of Pay and Allowances for Employees in the absence of Service books	4.760
18		7	Unjustified payment of General Sales Tax to MEPCO and Recovery Thereof	0.280
19		12	Non-Collection of Proof of Deposit of Sales Tax	0.338
20		16	Non-compliance of observations issued in previous year Audit	-
21	MS THQ Hospital Kabirwala	1	Mis-procurement of Drugs and Medicines out of Budget Allocation of District Government	0.625
22		3	Irregular Drawl of Adhoc Relief Allowance (2010) 50% and Recovery thereof	0.236
23		4	Non-Deposit of Hospital Receipt In Government Treasury	0.144
24		5	Recovery on Account of Conveyance Allowance, House Rent Allowance and 5% House Maintenance Charges	0.207
25		7	Unjustified payment of General Sales Tax to MEPCO and Recovery Thereof	0.041
26		8	Non-recovery of conveyance allowance during leave period	0.030
27		9	Misappropriation of X-Ray Fixing & Developing Solution	0.077
28		11	Uneconomical purchases of medical gases through splitting	0.265

Sr. No.	Name of Formations	Para No.	Subject	Amount
29		12	Non-supply of medicines and non-forfeiture of performance guarantee of defaulters	0.095
30		13	Unauthorized acceptance of medicines without date of manufacturing and date of expiry	0.123
31		15	Non-Reimbursement of Registration Fee to Health Council	0.200
32		16	Uneconomical Purchases of Anti Rabies Vaccines through Splitting	0.899
33		18	Loss to Government due to Non-deduction of Income Tax	0.053
34		20	Irregular expenditure on account of TA/DA	0.099
35	Dy. DO (Health) Khanewal	2	Non submission of minute of meeting to CEO for expenditure	5.188
36		6	Non-deduction of sales Tax	0.677
37		7	Irregular payment PCA	0.623
38		8	Irregular payment of conveyance allowance during leave period	0.191
39		9	Loss to Government due charging of high Rate	0.187
40		10	Illegal addition of Income Tax in invoice	0.146
41		11	Over payment of pay and allowances during EOL	0.062
42		12	Non-compliance of observations issued in previous year Audit	-
43	EDO (Health)/ CEO (DHA)	1	Unjustified purchase of medical equipment	17.371
44		3	Non-compliance of observations issued in previous year Audit	8.662
45		4	Unauthorized Up gradation of Posts	-
46		5	Difference between cash book & bank statement	1.714
47		6	Unjustified payment of health incentive	1.685
48		7	Unjustified payment of adhoc relief allowance	0.643
49		8	Unjustified payment on purchase of less quantity excess payment	0.638
50		9	Non supply of medicine and non- forfeiture of security deposit	0.472
51		10	Less collection of performance guarantee	0.450
52		11	Unjustified expenditure on Photostat	0.177
53		13	Expenditure in over & above the budget allocation	0.083
54		14	Loss to Government due to non-execution of agreement on Judicial Paper	0.023
55		16	Non/Less deduction of LD Charges	0.796
56	General Nursing School Khanewal	1	Recovery on account of Conveyance Allowance and House Rent	0.065
57		3	Unjustified Payment of Social Security Benefits after Regularization of Jobs	0.038
58		4	Non Surrender of Savings	8.322
59		5	Non-vacation of the Government residence	-

Sr. No.	Name of Formations	Para No.	Subject	Amount
60		6	Non-compliance of observations issued in previous year Audit	-
61	MS DHQ Hospital Khanewal	1	Non recovery of auction amount of Cycle Stand – Rs 904,000	0.904
62		2	Non reimbursement of Payment made from Health Council Budget – Rs 300,000	0.300
63		3	Misappropriation of Hospital receipts – Rs 79,537	0.080
64		4	Less Recovery of auction amount of Canteen – Rs 496,166	0.496
65		5	Non-production of Vouched Account of POL – Rs 299,564	0.300
66		8	Non deduction of Income Tax –Rs 452,899	0.453
67		11	Unauthorized payment of washing charges despite availability of three dhobi on the payroll of the hospital Rs 1.526 million	1.526
68		14	Loss to Government due to purchase of Cell Pack at higher rates – Rs 322,992	0.323
69		16	Loss to Government due to award of washing cloth contract on higher rate – Rs 205,094	0.205
70		17	Unjustified/Doubtful expenditure on replacement of Generator Rs 493,250	0.493
71		18	Non-regularization of the services of staff despite direction of the Government and unauthorized drawal of 30% social security benefits -Rs 267,507	0.268
72		19	Doubtful purchase and consumption of Store items-Rs 734,266	0.734
73		21	Non / less imposition of penalty on late supply of medicines –Rs 113,430	0.113
74		24	Loss to Government due to purchase of X-Ray films at higher rates –Rs 32,380	0.032
75		SMO RHC MakhdoomPur	1	Irregular repair of building and purchase of electric material from Health Council Budget –Rs 652,966
76	2		Non-regularization of the services of staff despite direction of the Government and unauthorized drawal of 30% social security benefits -Rs 524,160	0.524
77	3		Misappropriation of Medicines valuing Rs 98,702	0.099
78	4		Irregular Drawl of Pay and Allowances during General Duty Beyond the Prescribe Period– Rs 520,235	0.520
79	5		Loss to Government due to not-collection of the discount on local purchase – Rs 110,209	0.110
80	6		Non deduction of Income Tax / Sales Tax – Rs 45,400 and non-verification of GST Paid to firms –Rs 61,695	0.107
81	7		Unjustified payment of electricity bill of Rs 178,958 and adjustment /recovery thereof	0.179
82	8		Unauthorized payment on account of HSRA instead of	0.045

Sr. No.	Name of Formations	Para No.	Subject	Amount
			general duty – Rs 44,640	
83		9	Recovery of Unjustified drawl of Non Practicing Allowance Rs 40,000	0.040
84		10	Irregular drawal allowance during leave periods – Rs 223,678	0.224
85		11	Loss to Government due to purchase of D/syringes at higher rates – Rs 16,400	0.016
86		12	Recovery on 5% House Maintenance Charges Rs 65,011	0.065
87		13	Non-compliance of observations issued in previous year Audit	-

### District Health Authority, Lodhran

Sr. No.	Name of Formation	AIR Para No.	Subject	Amount
1	CEO Health	6	Irregular Purchases of Furniture Of Hospitals Having the difference in specification as per Bid Documents & as per Supply orders of Purchase	0.86
2		7	Non Transparent Purchase of Furniture On High Price From Specific Supplier Resulted Into Loss to Government	0.786
3		8	Unjustified Paper Physical Verification Of Operation Table With X-Ray Facility By The Physical Inspection Committee	3.3
4		12	Non Monitoring of Budget Which Resulted into Irregular Payment of Adhoc Allowances	0.03
5		15	Irregular Excess drawl of TA/DA	0.169
6		16	Unjustified Drawl of POL Due To Fake Travelling / Maintenance Of Log Book	0.617
7		17	Doubtful Expenditure On Transportation of Goods	0.109
8		18	Purchase of POL on Higher Rates , Resulted into Excess Payment Of	0.032
9		19	Irregular payment of expenditure relating to other offices –Rs 452,915	0.452
10		20	Doubtful expenditure on account of Payment of RHCs Claims From CEO SDA Account	0.45
11		21	Unjustified Purchase of LP Medicines Instead of Same Medicines Available in Punjab Central Rate Contract	0.05
12		22	Non Black listing of Firms Due to Non Supply of medicines and non-Forfeiture of security.	0.056

Sr. No.	Name of Formation	AIR Para No.	Subject	Amount	
13		23	Non deduction of sales tax & Non Providing of Sales tax Depositing Proof	0.037	
14		24	Doubtful High Expenditure on Repair of Vehicle	0.162	
15		25	Non-functional of District Health Authority	0	
16	DO (Health)	1	Irregular drawl of huge amount of arrears of Pay & Allowances during the Four Payment Months of Health Authority Without allocation / release & availability of vouched Account	5.662	
17		2	Unjustified Drawl of HSRA & NPA Allowances Instead Not Staying In Designated Residences & Not Performing Duties For Twenty Four Hours	0.888	
18		7	Unjustified Drawl of Inadmissible Allowance	0.13	
19		8	Unjustified Excess Payment of HSR Allowance Due to Excess Fixation & Drawn of NPA instead of PCA At BHUs Level	0.072	
20		10	Unjustified Drawl of Pay & Conveyance Allowance & HSRA During Leave Period	0.069	
21		11	Unauthorized expenditure over and above the budget allocation	0.164	
22		12	Non Production of Health Council Record of BHUS of Value	0.662	
23		13	Irregular Repeated Purchase of UPS & Battaries By the BHU's Health Council Funds Instead of already supplied of UPS From the MNRCH	0.069	
24		14	Irregular Purchase of Medicines From the Health Councils Funds	0.311	
25		16	Irregular Paying Payment To General Order Supplier Against the Labour of Civil work & Paint of BHU Buildings	0.139	
26		17	Non Providing of Sales tax Depositing Proof amounting	0.919	
27		18	Irregular Payment of Sales Tax On Purchase of Tiles & Paints	0.088	
28		RHC Gogran	1	Irregular /Uneconomic Expenditure on Account of Purchase of Durable Goods– Rs 0.727 million	0.727
29			2	Unauthorized Purchase of Medicines From Local Market	0.547
30	3		Recovery of Un-Authorized Withdrawal of Conveyance and House Rent Allowance	0.43	

Sr. No.	Name of Formation	AIR Para No.	Subject	Amount
31		4	Unauthorized Purchase of X-Ray Films by Splitting of Expenditure	0.314
32		5	Non-Collection of Proof of Deposit of Sales Tax	0.23
33		6	Misappropriation of X-Ray Fixing & Developing Solution	0.164
34		7	Doubtful Expenditure on Account of Repair of Ambulance / Machinery & Equipment / Furniture and Fixture	0.126
35		8	Unauthorized Payment of Sales Tax on Account of Purchase of Tablets, Paints, Distemper etc.	0.075
36		9	Unauthorized / Overpayment on account of Various Allowances During Leave	0.04
37		10	Lapse of Budget Allocation Due to Non-Surrender of Savings	28.248
38		12	Non Compliance of Paras Issued in Previous Year Audit	0
39		RHC MakhdoomAali	1	Recovery of Un-Authorized Withdrawal of Conveyance and House Rent Allowance Rs 0.615 million
40	2		Non-Deduction of 5% house Maintenance Charges Amounting – Rs 0.210 million	0.21
41	3		Unauthorized / Overpayment on account of Various Allowances During Leave – Rs 0.0614 million	0.0614
42	4		Irregular Expenditure on Account of POL Charges Through Ambulances – Rs 0.331million	0.331
43	5		Doubtful Expenditure on Account of Repair of Ambulance / Machinery & Equipment / Furniture and Fixture Rs 0.161 million	0.161
44	7		Non-Collection of Proof of Deposit of Sales Tax – Rs 0.115 million	0.115
45	8		Lapse of Budget Allocation Due to Non-Surrender of Savings – Rs 19.986 million	19.986
46	9		Unauthorized Expenditure in Excess of Budget Allocation – Rs 0.763 million	0.763
47	10		Establishment of Trama Centre Without Appointment of Doctors and Allied Technical Staff	0
48	11		Non Compliance of Paras Issued in Previous Year Audit	0
49	Nursing School		1	Non Recovery of amount of stipend from the students who left the School
50		3	Irregular payment of HSRP / Mess / Dress allowance	0.102

Sr. No.	Name of Formation	AIR Para No.	Subject	Amount
			during leave period	
51		4	Unjustified drawl of pay and allowance	0.25
52		5	Unjustified payment of Conveyance Allowance and House Rent	0.0467
53		6	Non-vacation of the Government residence resulted in annual loss	0.033
54		7	Non verification of GST into the Government treasury	0.103
55		8	Non Surrender of Savings	7.66
56		10	Non payment of stipend due to wrong appropriation of funds	2.00
57		1	Unauthorized Payment of Conveyance Allowance for Employees Availing the Government Vehicles	0.155
58		2	Non submission of minute of meeting to CEO for expenditure	7.036
59	Dy. DO Health Duniapur	4	Non- Deposit of General Sales Tax and Income Tax – Rs.739,429 /-	0.739
60		5	Non Surrender of Savings	6.532
61		6	Overpayment due to non-recovery of conveyance allowance during long leaves	0.298
62		2	Irregular payment of pending liabilities	0.817
63		3	Unauthorized drawl of Non Practicing Allowance	0.144
64		6	Unjustified Payment of Social Security Benefits, Non Recovery	0.285
65		7	Unjustified Payment of inadmissible allowances	0.03
66		9	Unauthorized expenditure of Health Council Funds without appropriation of Fund	5.5
67		11	Non -deposit of Government Fee Recovery Thereof	0.082
68	THQ Duniapur	12	Misappropriation of Lab items/kits recovery thereof	0.127
69		13	Non Deposit of Auction fee and Income Tax @ 10% on auction.	0.067
70		15	Unjustified payment of General Sales Tax to MEPCO and Recovery	0.209
71		16	Overpayment due to non-recovery of conveyance allowance during long leaves amounting	0.045
72		19	Non-Collection of Proof of Deposit of Sales Tax	0.412
73		21	Doubtful consumption of medicine in emergency	0.281



Sr. No.	Name of Formation	AIR Para No.	Subject	Amount
74		22	Non provision of compliance of Audit paras relating to Financial Year 2015-16	
75	Dy. DHO Dunyapur	1	Unauthorized Payment of Conveyance Allowance for Employees Availing the Government Vehicles	0.115
76		4	Non- Deposit of General Sales Tax and Income Tax	0.739
77		5	Non Surrender of Savings	6.532
78		6	Overpayment due to non-recovery of conveyance allowance during long leaves	0.298
79	THQ Kehror Pacca	1	Unauthorized payment of Adhoc Relief Allowance (2010) 50% and Recovery	0.351
80		2	Unauthorized payment of inadmissible allowances to staff and recovery	0.109
81		3	Unauthorized sanction of leave without leave at credit and recovery	0.153
82		4	Loss to government due to payment conveyance allowance during leaves and recovery	0.08
83		12	Irregular clearance of pending liabilities without allocation of funds	1.811
84		14	Unauthorized advance payment of electricity bill	0.112
85		15	Loss to government due to non deduction of Sales Tax	0.222
86		16	Non-Verification of Deposit Proof of General Sales Tax	0.913
87		17	Non-Deposit of Hospital Receipt In Government Treasury	0.322
88	DHQ Hospital Lodhran	7	Costly purchase of X-Ray Films on Quotation instead of tender recovery	0.386
89		9	Fraudulent withdrawal on fake bills recovery thereof	0.153
90		10	Loss to Government due to costly purchase of Steel Bench recovery thereof	0.186
91		11	Doubtful supply of medicine in Government Hospitals with excessive shelf life to avoid repercussions of expiry in future Inquiry Thereof	0.224
92		12	Loss to Govt due to expiry of medicine inquiry/recovery	0.507
93		13	Overpayment to suppliers due to non-deduction of liquidity damages on late supply of medicine recovery	0.137

Sr. No.	Name of Formation	AIR Para No.	Subject	Amount
94		14	Irregular withdrawal of pay and allowances by Doctors despite resignation from services Recovery thereof	0.998
95		15	Un-authorized Withdrawal of Allowances in the Period of Absence/Leave	0.556
96		17	Irregular withdrawal of conveyance and house rent allowances recovery thereof – Rs 431,952	0.431
97		18	Irregular excess payment of health sector reforms allowance	0.472
98		19	Loss to the Government due to Irregular payment of Health Sector Reforms allowance	0.081
99		22	Irregular withdrawal of pay & allowances recovery	4.419
100		25	Non reimbursement of Payment made from Health Council Budget –	0.3
101		30	Loss to Government due to excess charge of rate than label retail price of items actually purchased in store	0.116

#### **District Health Authority, Multan**

Sr. No	Name of Formation	AIR Para No.	Subject of Para	Amount
1	Executive District Officer (Health) Multan	4	Irregular withdrawal of Project Allowance without budgetrecovery thereof	0.428
2		5	Misappropriation of POL in un-designated/allotted vehicles needs vehicle-wise justification/recovery thereof	0.137
3		8	Likely misappropriation of funds by incurring expenditure in excess of budget allocation and subsequently drawn from SDA Account	1.666
4		11	Unjustified expenditure incurred on training of staff	0.542
5		12	Irregular expenditure on construction of fiber Shed and fall ceiling & other building repairs	0.579

<b>Sr. No</b>	<b>Name of Formation</b>	<b>AIR Para No.</b>	<b>Subject of Para</b>	<b>Amount</b>	
6		16	Unjustified/irregular expenditure on printing and publication from SDA	0.536	
7		18	Unauthorized payment on account of HSRA instead of general duty	0.445	
8		22	Doubtful expenditure on account of purchase of stationery	0.457	
9		23	Irregular purchase of Dengue Kit in excess of requirement	0.625	
10		24	Doubtful purchase of Mobile Phone, loss to Government due to purchase of mobile phones at higher rates	0.361	
11		25	Misappropriation of POL in un-designated/allotted vehicles needs vehicle-wise justification/recovery thereof	0.201	
12		26	Non Supply of medicines and non-forfeiture of security	0.295	
13		27	Irregular payment of expenditure relating to other offices	0.152	
14		28	Non / less imposition of penalty on late supply of medicines	0.037	
15		30	Non-compliance of observations issued in previous year Audit	-	
16		31	Irregular Promotion from the post of Stenographer to the post of Superintendent and irregular decision of appeal	-	
17		32	Irregular Promotion from Junior Mechenic to Foreman non-compliance of Audit Para regarding inquiry in the matter	-	
18		33	Non-functional of District Health Authority	-	
19		DHO-II Multan	4	Unauthorized splitting and uneconomical expenditure to avoid the open competition	0.198
20			5	Unjustified / doubtful expenditure of rent of office building	0.062

<b>Sr. No</b>	<b>Name of Formation</b>	<b>AIR Para No.</b>	<b>Subject of Para</b>	<b>Amount</b>
21		6	Non pursuance of court cases resulted in forced regularization of employees and payment of pay and allowances	0.179
22		7	Irregular/unjustified expenditure on photostat	0.107
23		9	Unjustified cash payment instead of cheque	0.655
24		10	Irregular expenditure by splitting to avoid the tendering process	0.503
25		11	Non pursuance of court cases resulted in forced regularization of employees and payment of pay and allowances	0.154
26		12	Irregular /doubtful expenditure on repair of furniture	0.119
27		13	Unjustified/ doubtful expenditure of rent of office building	0.104
28	MMSS General Hospital Multan	4	Misappropriation of X-Ray films, fixer and developer material and non-auction of fixer developer solution recovery thereof	0.113
29		5	Defective record maintenance of OPD fee to misappropriate the income Inquiry thereof	0.211
30		12	Misappropriation of laboratory test devices and recording bogus tests recovery thereof	0.547
31		13	Loss to the Government due to excess charge of rate than label retail price of items actually purchased in store	0.134
32		23	Non-verification of deposit of income from treasury, non-payment of income tax on income share received by staff and late deposit of Government share Inquiry thereof	4.300
33		24	Excess withdrawal of anesthesia allowance without having sanctioned post	0.060
34		25	Double withdrawal of medical charges on photocopies of same bill inquiry thereof	0.156

<b>Sr. No</b>	<b>Name of Formation</b>	<b>AIR Para No.</b>	<b>Subject of Para</b>	<b>Amount</b>
35		26	Overpayment of excess rates than award rate as well as market rates recovery thereof	0.225
36		27	Irregular withdrawal of NPA despite private practice recovery thereof	0.100
37		28	Irregular withdrawal of Health Sector Reforms Allowance by Consultants recovery thereof	0.253
38		31	Overcharging from poor patients for diagnostic services inquiry thereof	4.299
39		32	Non-provision of valid registration with PMDC, PFC and PNC inquiry thereof Non-provision of valid registration with inquiry thereof	-
40	RHC MatotliShujabad Multan	2	Unauthorized withdrawal of pca and recovery thereof	0.060
41		3	Irregular withdrawal allowance during leave	0.083
42		4	Non-collection of proof of deposit of Sales Tax	0.146
43		5	Loss to the Government due to not-collection of the discount on local purchase	0.033
44	THQ Hospital Shujabad	1	Irregular drawl of Adhoc Relief Allowance (2010) 50% and recovery thereof	0.692
45		3	Unauthorized drawl of pay and allowance recovery	0.235
46		5	Loss due to non allotment of the Government residences	0.511
47		6	Unauthorized occupancy of medical officer residences without deduction of House Rent Allowance	0.549
48		7	Unjustified payment of General Sales Tax to MEPCO and recovery thereof	0.248
49		9	Unauthorized withdrawal of pay and allowances of post not sectioned	0.501
50		12	Overpayment to supplier of POL due to payment of excess rates of POL recovery thereof	0.015
51		14	Bogus consumption of diesel and non provision of log book of generator	0.701

<b>Sr. No</b>	<b>Name of Formation</b>	<b>AIR Para No.</b>	<b>Subject of Para</b>	<b>Amount</b>
52		15	Unauthorized extension in contract for supply of medicine and irregular purchases thereof	0.799
53		16	Non-deposit of Income Tax @ 10% on auction recovery thereof	0.067
54		18	Irregular expenditure on printing	0.824
55		19	Irregular purchase of store items	0.675
56		23	Non provision of compliance of Audit paras relating to financial year	-
57	THQ Hospital JalpurPirwala	3	Non- maintenance of dead stock register	1.396
58		6	Fake consumption of POL in generator	0.679
59		7	Unjustified expenditure on dry clean	0.599
60		8	Unjustified payment of pay and allowances without duty	0.533
61		9	Unjustified expenditures on repair of machinery equipment	0.427
62		10	Non-collection of cycle stand and canteen contract amount and Income Tax	0.364
63		11	Irregular expenditure on repair of vehicle	0.227
64		12	Unjustified payment of 30% SSB to the employees	0.139
65		13	Doubtful payment	0.104
66		14	Loss to the Government due to shortage of stores	0.092
67		15	Non- collection / deposit of MLC charges	0.059
68		16	Unjustified payment of House Rent Allowance to the officials residing in the Government residences	0.230
69		17	Non-compliance of observations issued in previous year Audit	-
70		18	Unjustified excess payment without receiving supplies	0.017
71		19	Non-collection / deposit of purchee fee	0.014
72		20	Non / less stock entry of store items	0.009

<b>Sr. No</b>	<b>Name of Formation</b>	<b>AIR Para No.</b>	<b>Subject of Para</b>	<b>Amount</b>
73	Govt. Fatima Jinnah Women Hospital	2	Unauthorized withdrawal of 30% Social Security Benefits to regular employees recovery thereof	0.109
74		3	Unauthorized withdrawal of Prison Allowance recovery thereof	0.009
75		4	Unauthorized withdrawal of pay and allowances for leave period recovery thereof	0.309
76		6	Excess withdrawal of basic pay and over payment of Adhoc Relief Allowance	0.053
77		8	Uneconomical purchases of medical gases through splitting	0.100
78		9	Doubtful expenditure on different items	0.131
79		10	Irregular withdrawal of Adhoc Relief Allowance (2010) recovery thereof	0.014
80		11	Non-supply of medicines and non-forfeiture of performance guarantee of defaulters	0.086
81		12	Acceptance of medicine in commercial packing	0.547
82		14	Uneconomical purchases of medical gases through splitting	0.170
83		16	Irregular expenditure on printing through splitting	0.511
84		17	Irregular heavy expenditure on repair of machinery and equipment at the close of financial year	0.435
85		19	Irregular and advance withdrawal of funds for repair of machinery and equipment	0.198
86		20	Unjustified expenditure without stock entry	0.028
87	SMO RHC Makhdoom Rasheed Multan	1	Irregular expenditure on the account of rent of building	0.313
88		2	Irregular expenditure on account of electricity items	0.356
89		3	Unauthorized absence from duty and doubtful maintenance of attendance register	-
90		5	Un-authorized withdrawal of PCA and recovery thereof	0.084
91		8	Non-collection of proof of deposit of Sales Tax	0.208

<b>Sr. No</b>	<b>Name of Formation</b>	<b>AIR Para No.</b>	<b>Subject of Para</b>	<b>Amount</b>
92		9	Unauthorized payment of 50% Adhoc Allowance 2010	0.330
93		10	Non-regularization of the services of staff despite direction of the Government and unauthorized withdrawal of 30% Social Security Benefits	0.500
94		12	Unauthorized acceptance of medicine without date of manufacturing and date of expiry	2.236
95		13	Unjustified expenditure on purchase of medicines in excess of budget allocation	2.180
96		14	Doubtful expenditure on the accounts of stationery, printing, COS, uniform, others and purchase of furniture and fixture	1.228
97		16	Irregular expenditure on accounts of POL	0.814
98		17	Non auction of old vehicles	1.125
99		DHO-I Multan	1	Non-compliance of observations issued in previous year Audit
100	10		Non deduction/ less deduction of Income Tax	0.337
101	11		Unjustified payment of AdhocRelief Allowance	0.336
102	12		Non-transparent/un-economical expenditure on account of refreshment of measles campaign	0.319
103	13		Unjustified expenditure on POL and maintenance of the Government vehicle	0.190
104	14		Irregular expenditure on repair of transport	0.160
105	15		Unjustified payment of conveyance allowance to the officials residing within duty premises	0.135
106	16		Irregular payment of Conveyance Allowance during leave	0.134
107	17		Misclassification of expenditure	0.550
108	18		Un-economical expenditure on account of purchase of stationery	0.244
109	19		Over payment of pay and allowances during EOL	0.221
110	20		Un-economical expenditure on account of purchase of	0.205



Sr. No	Name of Formation	AIR Para No.	Subject of Para	Amount
			stores	
111		21	Unjustified payment of GST	0.087
112		22	Non- collection / deposit of purchee fee	0.058

### District Health Authority, Pakpattan

Sr. No.	Name of Formation	AIR Para No.	Subject	Amount
1	Chief Executive Officer (Health)	1	<b>Irregular/unjustified issuance of medicines to PRSP</b>	3.472
2		6	Doubtful expenditure on POL and payment in cash	0.217
3				
4		7	Loss due to non-obtaining of rent of building and recovery thereof	4.8
5		9	Irregular drawl of Health Sector Reform Allowance	0.015
6		13	Non-Provision of compliance of previous Audit Paras	0
7		14	Doubtful expenditure on POL and non payment of registration Fee	0.353
8		16	Unjustified expenditures and recovery thereof	0.158
9	MS DHQ Hospital Pakpattan	2	Unjustified Payment of Social Security Benefits	0.22
10		3	Unauthorized withdrawal of Health Sector Reforms Allowance	0.073
11		4	Unauthorized drawl of Non Practicing Allowance	0.349
12		5	Unauthorized Payment of Pay and Allowances to Absent Doctor	0.072
13		6	Non-recovery of Conveyance Allowance during leave Period	0.217
14		8	Unauthorized drawl of Non Practicing Allowance	0.214

15		10	Unjustified Payment of Social Security Benefits	0.114
16		11	Unauthorized withdrawal of Health Sector Reforms Allowance	0.018
17		14	Overpayment of General Sales Tax to MEPCO	0.918
18		15	Non-deposit of ECG Charges And X-Ray Charges	0.061
19		18	Unauthorized Opening of Tender by Incomplete Tender Board	7.28
20		21	Overpayment to Suppliers of medicine and General Store Items	0.65
21		22	Loss to Govt. by Unjustified Fuel Consumption in Generator, Recovery of Misappropriated POL	0.853
22		23	Irregular expenditure of Steri Gauge and non-availability of proof of consumption	0.134
23		28	Irregular expenditure on repair of building	0.2
24		30	Unauthorized expenditure of Health Council Funds without appropriation of Fund - Rs 15.764 million	15.764
25		32	Non-compliance of previous audit report	0
26	DO (Health)	1	Irregular transferred of funds to the PRPSP after expiry of agreement	50.340
27		2	Irregular transferred of funds to the PRPSP after expiry of agreement –Rs 14.476 million	14.476
28		6	Unauthorized Excess Payment of HSR Allowance Recovery Thereof	0.203
29		7	Un-Justified Payment in Cash Instead of Cheque of	0.888
30		8	Doubtful Deposit of Government Receipts in the Absence of Verification of Challans from District Accounts Office & Non Written of Challans in Cash Book	0.656
31		11	Overpayment on Account 30% Social Security Benefit	0.03
32		12	Non-Regularization of the Services of Staff Despite Direction of the Government and Unauthorized Withdrawal of 30% Social Security Benefits	0.26

33		13	Unauthorized Payment on Account of Adhoc Relief Allowances 2013 & 2014	0.015
34		14	Unauthorized Payment on Account of House Rent Allowance	0.284
35		15	Irregular Expenditure on <b>Repair Without Quotation Poces</b>	0.276
36		16	Unauthorized Payment on Account of Integrated Allowance	0.124
37		17	Non-Collection of Proof of Deposit of Sales Tax	0.074
38	MS THQ Hospital Arifwala	8	Unjustified Payment of Social Security Benefits	0.495
39		12	Purchase of Inferior Quality Gas Cylinders Without Test	0.15
40		13	Loss to Government Due to Less collection of Discount on L.P Medicines Without mentioning the name of company on invoices	0.193
41		16	Un authorized residing in the office recovery thereof	0.199
42		17	Unjustified Drawl of Pay & Conveyance Allowance During Leave & Absent Period Of	0.092
43		19	Loss to government due to charging higher rates and recovery thereof	0.489
44		20	Non compliance of previous audit Paras	0
45		21	Unauthorized expenditure of Health Council Funds without appropriation of Fund	5.797
46		22	Fake maintenance of record Just to draw the funds recovery thereof	0.431
47		SMO RHC 93/D Noor Pur	1	Irregular drawl of pay and allowance
48	2		Unauthorized drawl of Non Practicing Allowance	0.036
49	3		Irregular drawl of practice compensatory allowance	0.037
50	5		Doubtful and Irregular Purchase of LP Medicine and non obtaining of discount	0.794
51	9		Unjustified /Irregular repair of vehicle	0.579
52	11		Irregular expenditure on repair of building	0.298
53	12		Non availability of standard/basic facilities at RHC and lapse of budget for Machinery	16.218

			Rs.16.218 million	
54		16	Irregular Payment of Conveyance Allowance and HSRA	0.088
55		18	Unjustified /Irregular repair of vehicle	0.32
56		19	Doubtful expenditure on repair of machinery	0.28
57		1	Irregular withdrawal allowance during leave	0.059
58		2	Non-Collection of Proof of Deposit of Sales Tax	0.114
59		6	Un-authorized Withdrawal of PCA and Recovery Thereof	0.03
60	SMO RHC Bunga Hayat	7	Doubtful Expenditure on Account of POL of Ambulance	0.388
61		8	Unauthorized drawl of Non-practicing Allowance	0.048
62		9	Irregular drawl of Social Security Benefit	0.057
63		10	Loss to Government due to not-collection of the discount on local purchase	0.024
64		1	Irregular expenditure by splitting up the vouchers	0.704
65		2	Irregular purchase of medicines of DHA period without quotations and from wrong head of account	0.25
66		3	Recovery due to purchases on excessive rates	0.032
67		4	Recovery of excess drawal of POL by reducing average on fake certificate	0.227
68		5	Unjustified payment of house rent and conveyance allowance	0.091
69	SMO RHC Qaboola	6	Irregular repair of building without tendering process and not through Building department	0.195
70		7	Irregular purchase of medicines without quotations and from wrong head of account	0.182
71		8	Uneconomical purchase of X-ray films without tendering	0.15
72		9	Non-availability of deposit proof of GST and non/ less deduction of Income Tax/ GST from unregister suppliers	0.183
73		10	Non-Provision of compliance of previous Audit Paras	0
74	SMO RHC 163/EB	7	Recovery of Overpayment of HSRA / Conveyance Allowance and Regularization	0.938

			of Unauthorized Payment of Pay and Allowances	
75		8	Unauthorized withdrawals of Arrears of Pay and Allowances Without Budget Allocation and Sanction of the Competent Authority	0.3
76		9	Irregular Expenditure on Account of Purchase of Bedding Clothing	0.926
77		10	Unauthorized Acceptance of Medicine Without Date of Manufacturing and Date of Expiry	0.552
78		11	Non-Collection of Proof of Deposit of Sales Tax	0.394
79		12	Unauthorized Payment on Account of Pay and Allowances to the Staff for Absent Period from Duty	0.276
80		13	Unauthorized Excess Payment of HSR Allowance Recovery Thereof	0.083
81		14	Non-Recovery of Liquidated Damages	0.014
82		16	Non-Recovery of HSRA and Conveyance Allowance During Leave Period	0.027
83	SMO RHC Malka Hans	1	Non-provision of compliance of previous audit Paras	0
84		2	Doubtful expenditure on account of Utilization of Health Council Fund	0.776
85		3	Irregular Payment of House Rent and Conveyance Allowance	2.04
86		4	Irregular/doubtful with drawl on the account of X-RAYS	0
87		5	Irregular/doubtful with drawl on the account of services rendered	0.43
88		6	Doubtful expenditure on accounts of POL	3.577
89		7	Non-Collection of Proof of Deposit of Sales Tax	0.893
90		8	Irregular/doubtful with drawl on the account of MSD (Allopathic)	0
91		9	Irregular/doubtful with drawl on the account of purchase of furniture & fixture	0.05
92		10	Non-regularization of the services of staff	0.139

			despite direction of the Government and unauthorized withdrawal of 30% social security benefits	
93		11	Irregular/doubtful with drawl on the account of HVC KITS	0
94		12	Irregular/doubtful with drawl on the account of Bedding & Clothing	0
95		13	Irregular/doubtful with drawl on the account of advertisement	0.048
96		14	Irregular/doubtful with drawl on the account of Hardware	0.038
97		15	Irregular/doubtful deposit of receipts on different heads	1.299
98		17	Recovery of inadmissible allowances	0.026
99		18	Irregular expenditure on account of Hot & Cold weather charges	0.045
100		19	Irregular/doubtful with drawl on the account of MSD (Homeo)	0
101		20	Doubtful expenditures on the accounts of purchase of plant & machinery	0.872
102	General Nursing School Pakpattan	2	Recovery on account of Conveyance Allowance and House Rent	0.015
103		4	Heavy Expenditure on Account of POL	0.367
104		5	Non-Collection of Proof of Deposit of Sales Tax	0.154
105		6	Non compliance of observations issued in previous year Audit	1.668

### District Health Authority, Sahiwal

Sr. No.	Name of Formation	Para No.	Subject	Amount
1	PD DHDC Sahiwal	3	Irregular expenditure	0.197
2		4	Irregular mode of payments	0.766
3		5	Non-availability of proof of deposit of general sales tax	0.091
4		6	Un-authorized conversion of hostel building into medicines stores and shifting of hostel furniture to EDO Health Residence, Director Health Services Residences, DHO & MS DHQ residences costing in Million without charging rent	0.500
5		7	Non recovery of penalty amount from the accused	0.117

6		8	Non compliance of previous audit report involved recovery	0.247
7	SMO RHC Kassowal	2	Irregular payment of pending liabilities	0.118
8		3	Irregular expenditure repair of building without any authority	0.165
9		5	Unauthorized expenditure in excess of budget allocation	0.172
10		7	Unauthorized expenditure in excess of budget allocation	0.111
11		8	Unauthorized acceptance of medicine in excess of demand	0.793
12		9	Unjustified demand in excess of previous year demand of medicine	3.530
13		10	Non-obtaining of performance guarantee	0.201
14		11	Non-supply of required medicine despite demand	2.372
15		12	Non-deduction of Government Taxes	0.125
16		14	Misappropriation of medicine	0.007
17	SMO RHC Noor Shah	2	Unauthorized acceptance of medicine without date of manufacturing and date of expiry	0.337
18		3	Irregular purchase without requirement	0.050
19		4	Unauthorized expenditure in excess of budget allocation	2.148
20		7	Doubtful payment of pay and allowances without any record	0.192
21		10	Doubtful withdrawal of funds for payment of rates and taxes	0.107
22		11	Non-production of record of expenditure	0.431
23		12	Non-recovery of penal rent due to occupying illegal residence	0.079
24		14	Doubtful advance withdrawal without demand and requirement of bed sheets	0.049
25		15	Unauthorized purchase of medicines from local market	0.097
26	SMO RHC 55/5-L	1	Unjustified drawl of pay & conveyance allowance during leave & absent period	0.156
27		2	Unauthorized payment on account of HSRA, instead of general duty	0.109
28		3	Unjustified payment of 30% Social Security Benefits after regularization and excess fixation of pay after regularization recovery thereof	0.062
29		4	Irregular drawl of inadmissible allowances,	0.028

			recovery thereof	
30		5	Unjustified payment of electricity bill and adjustment /recovery thereof	0.220
31		6	Non-black listing of Firms due to non-supply of medicine	0.419
32		7	Non compliance of observations issued in previous year Audit	-
33	MS THQ Chechawatni	4	Unauthorized Payment on Account of Un-admissible Allowance	0.055
34		5	Unjustified Payment of Social Security Benefits , Non Recovery	0.673
35		6	Unjustified drawl of pay & conveyance allowance during leave & absent period	0.195
36		7	Unjustified expenditure on LP medicines of Dr. BadarMunir	0.026
37		8	Unjustified payment of personal car/ rented car usage allowance, recovery	0.156
38		9	Unauthorized payment of food , rest house expenses & rent of TMA hall, recovery	0.050
39		11	Non payment of Income tax & Liquidated Damages on purchase of X-ray films & purchase of X-Ray films agaist bogus purchase order	0.103
40		12	Unjustified payment of General Sales Tax to MEPCO and recovery thereof	0.440
41		13	Uneconomical Purchase of medical gasses on higher rates & without advertisement & rate contract	0.273
42		15	Misappropriation of cycle stand fee and non deposited the departmental collection of cycle stand fee	0.972
43		16	Shortage of LP medicines which resulted into misappropriation	0.390
44		17	Fake expense of medicines from the Main Medicine Store	0.378
45		19	Unjustified payment of medicines without deduction of less shelf life panality	0.431
46		20	Unjustified purchase of medicines instead of same medicines available in Punjab central rate contract, recovery	0.789
47		24	Fake excess consumption of POL due to high consumption of POL of generator due to high	0.841



			MPG of generators	
48		25	Loss to Govt. due to non payment of income tax on Govt. share	0.179
49		26	Misappropriation of Govt. Receipts due to non-deposit in Govt. Treasury	0.286
50		28	Noncompliance of observations issued in previous year Audit	-
51	SMO RHC 185/9-L Sahiwal	2	Uneconomical purchase of Ultrasound Machine without tendering process	0.895
52		4	Unauthorized use of Non-Schedule porcelain tiles and glazed tiles by the building department without approval and recovery of excess payment	0.405
53		5	Unjustified drawl of pay and allowances during absent period and conveyance allowance during leave period	0.699
54		7	Irregular payment of pending liabilities	0.286
55		8	Unjustified payment of heavy bill of electricity	0.109
56		9	Mis-use of advance withdrawal against budget allocation	0.100
57		10	Non-availability of deposit proof of GST and Income Tax	0.095
58		11	Irregular expenditure on repair without quotations	0.034
59		12	Non-Provision of compliance of previous Audit Paras	-
60		EDO (Health) / CEO (DHA) Sahiwal	8	Loss to Government due purchase on higher rates and non-utilization of old fowler beds
61	11		Non-Provision of compliance of previous Audit Paras	-
62	DO (Health) Sahiwal	4	Unjustified Payment of Social Security Benefits after regularization of Jobs	0.119
63		6	Recovery of overpayment of Pay & Allowance	0.394
64		7	Recovery on account of Conveyance Allowance	0.025

### District Health Authority, Vehari

Sr. No.	DDO	Para No.	Subject	Amount
1	RHC Jalla Jeem	2	Loss to Government Due to Less collection of Discount on L.P Medicines Without mentioning the name of company on invoices	0.114
2		5	Non-Collection of Proof of Deposit of Sales Tax	0.154

3	RHC Sahooka	6	Doubtful billing for the different purchases	0.156
4		9	Unjustified payment of 30% Social Security Benefits after regularization and Excess Fixation of Pay after Regularization recovery thereof	0.085
5		10	Recovery due to purchases on excessive rates	0.078
6		11	Recovery due to wrong payment against double claim of the supplier	0.044
7		12	Non verification of sales tax	0.155
8		15	Non-availability of deposit proof of GST by the supplier and non-deposit of deducted GST, Income Tax and PST by the Health Council	0.120
9	THQ Hospital Burewala	9	Recovery of excess rate paid for the purchase of lead apron for X-Ray department	0.268
10		10	Bogus expenditure on the repair of Acs	0.255
11		11	Recovery due to purchases on excessive rates	0.179
12		12	Recovery due to purchase of multimedia projector and orient LEDs on excess rate	0.054
13		13	Unjustified purchases of dental unit without approval of demand	0.283
14		15	Substandard purchase of nebulizers heavy duty and recovery of one out of order nebulizer in warranty period	0.436
15		17	Irregular advance drawl prior to DTL reports	1.380
16		20	Non-recovery of income tax on Doctors and staff share from hospital fee	0.113
17		21	Unjustified payment of sales tax on electricity bills, recovery	0.895
18	22	Misappropriation of Govt. Receipts due to non-deposit in Govt. Treasury	0.027	
19	RHC 56/WB	6	Doubtful Expenditure on Account of Repair of Ambulance / Machinery & Equipment / Furniture and fixture	0.966
20		7	Unjustified Expenditure on Account of POL Charges	0.786
21		10	Non-Collection of Proof of Deposit of Sales Tax	0.873
22		11	Non-Recovery of Liquidated Damages	0.009
23	EDO (Health) CEO (DHA)	4	Overpayment to Suppliers of medicine Recovery Thereof	0.045
24		5	Non deposit of Income Tax	0.193
25		7	Non-collection of proof of deposit of sales tax	0.198
26		11	Irregular Expenditure on account of repair of Transport	0.146
27		12	Non-Provision of compliance of previous Audit Paras	-
28		13	Irregular expenditure on account of POL of the vehicle	0.432
29	DO (Health)	2	Unjustified Payment of Social Security Benefits	0.181
30		4	Overpayment to Suppliers of medicine Recovery Thereof	0.219
31		8	Non-collection of proof of deposit of sales tax	0.131
32		10	Unjustified Payment of Social Security Benefits	0.275

33		13	Non-collection of proof of deposit of sales tax	0.140
34		14	Unjustified drawl of POL	0.272
35		15	Unjustified drawl of POL and recovery thereof	0.040
36		19	Non-Provision of compliance of previous Audit Paras	-
37		4	Irregular payment of electricity bill and adjustment thereof	0.109
38	RHC Ghara Mor Vehari	10	Non-maintenance / improper maintenance of Stock Register of Medicine	-
39		11	Unauthorized Drawl of Pay and Allowances without Performance of Duties	0.630
40		12	Non production of compliance of observations issued in previous year Audit	-
41		2	Unjustified payment of 30% Social Security Benefits and Recovery thereof	0.365
42		3	Irregular drawl of Pay & Allowances at Erratic Posting and recovery of HSRA	1.001
43		5	Loss due to non-deduction of R&M charges at the rate of 5% and Water Charges and recovery	0.248
44	RHC Ludden	6	Un-authorized drawl of pay and allowance of absent period recovery	0.723
45		10	Unjustified payment of electricity bill and adjustment /recovery thereof against the theft	1.084
46		13	Unjustified /Irregular repair of vehicle	0.657
47		17	Unjustified payment of electricity bill and adjustment /recovery thereof against the theft	0.150
48		19	Unjustified /Irregular repair of vehicle	0.222
49		5	Non vacation of residencies by illegal occupant and loss due to non-allotment to concerned. Recovery	0.533
50		7	Unjustified payment of 30% Social Security Benefits and Recovery thereof	0.062
51		8	Unjustified payment to MEPCO and Health Care Commission without approval of Health council	0.740
52	THQ Hospital Mailsi	10	Non- maintenance of dead stock register	-
53		12	Irregular payment of electricity under wrong tariff and recover of General Sales Tax Thereon	3.735
54		17	Irregular expenditure on repair of building by misclassification of expenditure	0.369
55		23	Irregular purchase of X. Ray films recovery thereof	0.192
56		26	Non provision of compliance of Audit paras relating to Financial Year 2015-16	-
57	DHQ Hospital	4	Non auction of parking stand due to illegal term and conditions	13.000
58	Vehari	14	Overpayment on account of purchase of POL for generators	0.160

			and ambulances	
59		15	Defective maintenance of cash book	0.787
60		16	Loss to government due to less deduction of income tax	0.656
61		18	Unjustified payment of General Sales Tax to MEPCO and recovery thereof	0.718
62		23	Doubtful purchase of laboratory items without mentioning quantity	0.897
63		25	Non-deduction of Income Tax	0.236
64	RHC 188/EB	4	Irregular payment of electricity bill and adjustment thereof	0.101
65		7	Irregular purchase of machinery	0.100
66		8	Unjustified payment of 30% Social Security Benefits and Recovery thereof	0.086
67		9	Un-authorized drawl of pay and allowance after resignation and recovery thereof	0.145
68		11	Non availability of standard/basic facilities at RHC	-

## Annexure-B

### Detail of Expenditure

(Rupees in million)

Sr. No.	District of DHA	Budget	Expenditure	Savings
1	Bahawalnagar	5,188.554	2,972.752	2,215.801
2	Bahawalpur	3,057.155	2,285.906	771.248
3	Rahim Yar Khan	4,345.655	2,214.386	2,131.269
4	Dera Ghazi Khan	1,694.84	1,614.85	(79.990)
5	Layyah	3,365.953	2,233.197	(1,132.756)
6	Muzaffargarh	3,515.283	3,270.812	(244.471)
7	Rajanpur	1,509.941	1,427.42	(82.521)
8	Chiniot	1,763.646	1,023.088	740.560
9	Faisalabad	4,233.639	3,528.122	705.52
10	Jhang	3,246.286	2,694.918	551.37
11	Toba Tek Singh	2,214.169	1,884.233	329.94
12	Khanewal	2,380.109	2,221.171	(158.938)
13	Lodhran	2,032.527	1,379.060	(653.467)
14	Multan	3,944.848	2,799.038	(1,145.810)
15	Pakpattan	2,035.574	1,273.374	(762.200)
16	Sahiwal	1,854.440	1,325.912	(528.528)
17	Vehari	2,929.657	2,098.600	(831.057)
<b>Total</b>		<b>49,312.276</b>	<b>36,246.839</b>	<b>(1,752.61)</b>

**Annexure-C/DHA BWN**

[Para 1.2.5.3.7]

**Award of contract without receiving of samples – Rs 33.314 million**

(Amount in rupees)

Sr. No.	DDOs	EXPENDITURE	
		X-Ray Films	Lab Items
1	MS DHQ hospital Bahawalnagar	8,824,857	-
2	MS THQ hospital Haroonabad	262,291	96,000
3	MS THQ hospital Chishtian	800,000	215,511
4	MS THQ hospital Fortabbas	81,125	-
7	SMO RHC Madrissa	207,611	-
8	SMO RHC Mandi Sadiq Gunj	98,234	-
11	SMO RHC Dahrnwala	177,685	-
12	SMO RHC Khichiwala	178,800	88,274
13	SMO RHC Maroot	344,388	-
14	SMO RHC Shaher Fareed	182,456	-
	<b>G-Total</b>	<b>11,157,447</b>	<b>399,785</b>
	<b>Name of Item</b>	<b>Quantity</b>	<b>Amount</b>
1	Inj. Ceftriaxone (I-ML) Fynk Pharma	182279 (@49.85)	9,086,608
2	Blood Bag (Sial Traders)	18100 (700)	12,670,000
<b>Aggregate Total (11,157,447 +399,785 +9,086,608 +12,670,000)</b>			<b>33,313,840</b>

**Annexure-D/DHA BWN**

**[Para 1.2.5.3.8]**

**Irregular release of budget – Rs 28.378 million**

**(Rupees in million)**

<b>Release order No</b>	<b>Vendor Name</b>	<b>Object Code &amp; Classification</b>	<b>Amount</b>
1333-35	M/S Balaj Traders	A03942-Cost of Other Store	0.940
		A03970-Others	2.700
		A13201-Repair Furniture & Fixture	0.738
	<b>Sub Total (1)</b>		<b>4.377</b>
	AL-Noor Traders	A03970-Others	0.523
		<b>Sub Total (2)</b>	<b>0.523</b>
	M/S Zaigham Traders	A03942-Cost of Other store	0.275
		A03970-Other	0.330
		A13201-Repair of Furniture & Fixture	0.028
		A03901-Stationary	0.385
		A03902-Printing	0.079
	<b>Sub Total (3)</b>		<b>1.096</b>
	Medicone Enterprises	A03942-Cost of Other store	0.162
		A03970-Others	0.806
		<b>Sub Total (4)</b>	<b>0.968</b>
	Khursheed Traders	A03970-Others	0.092
		A03901-Stationary	0.489
		A03902-Printing	0.636
		A03942-Cost of Other Store	0.017
	<b>Sub Total (5)</b>		<b>1.234</b>
	M/S MMM Baig Enterprises	A09701-Purchase of Furniture & Fixture	0.089
A03942-Cost of Other Store		0.038	
A03902-Printing		0.118	
A03970-others		2.270	
<b>Sub Total (6)</b>		<b>2.515</b>	
<b>Total-1 (Sub Total 1+2+3+4+5+6)</b>		<b>10.714</b>	
1330-32	Bahawalnagar Flex Printer	A03902-PRINTING	2.031
	Jalil Petroleum	A03807-POL	0.106
	<b>Total-2</b>		<b>2.137</b>

Release order No	Vendor Name	Object Code & Classification	Amount
1336-38	M/S MMM Baig Enterprises	A03942-Cost of Other Store	0.069
		A03970-Others	0.514
	<b>Total-3</b>		<b>0.583</b>
1339-41	M/S Zaigham Traders	A03942-Cost of Other Store	0.344
		A03970-Others	3.070
<b>Total-4</b>		<b>3.413</b>	
1095-97	M/S Hasnain Builders	A09601-Purchase of Machinery	0.048
		A03970-Others	0.147
	<b>Sub Total (1)</b>		<b>0.195</b>
	M/S Haseeb & Company	A03927-Medicines	0.425
		A03970-Others	0.699
	<b>Sub Total (2)</b>		<b>1.124</b>
	M/S Haseeb & Company	A03942-Cost of Other Store	0.326
		A03927-Medicines	2.639
		A03902-Printing	0.452
		A03970-Others	0.100
		A03901-Stationery	0.027
		A03972-Diet Charges	0.042
	A03807-POL	0.041	
	<b>Sub Total (3)</b>		<b>3.627</b>
	M/S Haseeb & Company	A03927-Medicines	2.351
A03902-Printing		0.039	
A03970-Others		0.708	
A13101-Repair of Machinery & Equipment		0.004	
<b>Sub Total (4)</b>		<b>3.103</b>	
<b>Total-5 (Sub Total 1+2+3+4)</b>		<b>8.049</b>	
1206-08	M/S Haseeb & Company	A0970-Others	0.789
		<b>Total-6</b>	
1203-05	M/S MMM Baig Enterprises	A03942-Cost of Other Store	1.656
		A03970-Others	1.037
	<b>Total-7</b>		<b>2.693</b>
<b>Grand Total (Total 1+2+3+4+5+6+7)</b>			<b>28.378</b>



**Annexure-E/DHA BWN**

**[Para 1.2.5.3.23]**

**Expenditure without proper sanction – Rs 3.232 million**

**(Amount in rupees)**

<b>Sr. No.</b>	<b>Item description</b>	<b>Name of supplier</b>	<b>Invoice No</b>	<b>Date of bill</b>	<b>Amount</b>
1	Wire 34/64 four core	Medicon Enterprises	2536	Nil	528,000
2	Wire 37/83 four core		2534	Nil	332,500
3	changeover 33-A		2532	Nil	119,475
4	wire 37/64 single core		2542	Nil	103,500
5	changeover 55-A		2529	Nil	124,000
6	changeover 800-A		2527	Nil	88,000
7	Wire 19/83 four core		2538	Nil	490,000
8	Wire 27/84 single core	Medicon Enterprises	2540	Nil	154,000
9	Motor rewinding 15/HP Copper wire	Fast Enterprises	Nil	01.08.2018	41,000
10	Labour		Nil	12.08.2018	49,500
11	Saria 4 sutr Cement		Nil	25.07.2018	48,000
12	Bricks, cement		Nil	02.08.2018	49,750
13	RCC Pipe		Nil	28.07.2018	40,000
14	various items for office		157	10.11.2018	349,960
15	various items for office		151	16.11.2018	349,714
16	Sercut Braker	Medicon Enterprises	2439	Nil	43,750
17	sercut Braker Taiwan		2441	Nil	85,000
18	sercut Braker Taiwan		2443	Nil	28,500
19	Thermal 35mm		2444	Nil	42,500
20	Thermal 50,15mm		2446	Nil	53,000
21	thermal 20 mm		2448	Nil	32,000
22	thermal 70,120,150 & 240mm		2450	Nil	80,800
<b>Total</b>					<b>3,232,949</b>

**Annexure-F/DHA BWN****[Para 1.2.5.3.24]****Unjustified issuance of items after outsourcing – Rs 3.231 million****(Amount in rupees)**

<b>Sr. No</b>	<b>Bill no.</b>	<b>Date</b>	<b>Amount</b>	<b>Firm Name</b>	<b>Item Name</b>
1	5542	12/9/2018	97,500	M/S Malik Brothers Enterprises Bwn	Yellow Dust Bin With Pedal
2	1183	29.09.2018	99,900	M/S Hayat Enterprises Bwn	Yellow Dustbin
3	5604	12.10.2018	99,000	M/S Malik Brothers Enterprises Bwn	Yellow Dustbin 24 Ltr Without Pedal
4	1523	15.11.2018	99,000	M/S Hayat Enterprises Bwn	Dustbin With Pedal Yellow 24 Ltr
5	1388	27.10.2018	99,000	M/S Hayat Enterprises Bwn	Dustbin With Pedal Yellow 24 Ltr
6	1190	30.09.2018	99,000	M/S Hayat Enterprises Bwn	Dustbin With Pedal Yellow 24 Ltr
7	1266	11.10.2018	99,000	M/S Hayat Enterprises Bwn	Dustbin With Pedal Yellow 24 Ltr
8	8092	30.11.2018	67,500	M/S Malik Brothers Enterprises Bwn	Dustbin With Pedal&Two Sticker Size 60 Ltr
9	7815	24.05.2018	90,000	Shah-E-Jamat Traders Bwn	Waste Collection Dustbin With Press Moveable Cape,25ltr
10	7885	05.05.2018	90,000	Shah-E-Jamat Traders Bwn	Waste Collection Dustbin With Press Moveable Cape,25ltr
11	7840	08.05.2018	96,000	Shah-E-Jamat Traders Bwn	Waste Collection Dustbin With Press Moveable Cape,25ltr
12	7947	13.05.2018	84,000	Shah-E-Jamat Traders Bwn	Waste Collection Dustbin With Press Moveable Cape,25ltr
13	9851	10.08.2018	37,500	Chaudry Trading Comp	Plastic Drum With Cover&Wheel 260ltr
14	9866	11.08.2018	47,200	Chaudry Trading Comp	Plastic Drum With Cover&Wheel 260ltr
15	5582	26.09.2018	80,000	M/S Malik Brothers Enterprises Bwn	Plastic Drum Large Size
16	8017	25.11.2018	80,000	M/S Malik Brothers Enterprises Bwn	Plastic Drum Blue Color Large Size
17	8327	24.12.2018	80,000	M/S Malik Brothers	Plastic Drum 250 Kg Blue Color

Sr. No	Bill no.	Date	Amount	Firm Name	Item Name
				Enterprises Bwn	
18	8216	05.12.2018	48,000	M/S Malik Brothers Enterprises Bwn	Hand Sanitizer
19	8310	19.12.2018	96,000	M/S Malik Brothers Enterprises Bwn	Hand Sanitizer
20	1505	12.11.2018	82,500	M/S Hayat Enterprises Bwn	Sanitizer Hand Pump
21	1400	30.10.2018	82,500	M/S Hayat Enterprises Bwn	Sanitizer Hand Pump
22	1292	15.10.2018	82,500	M/S Hayat Enterprises Bwn	Sanitizer Hand Pump
23	2017/1 951	27.12.17	99,600	Balaaj Traders	Hand Sanitizer Liquide Pack Of 4 Liter
24	BT/20 18/201 5	02.01.2018	49,800	Balaaj Traders	Hand Sanitizer
25	9835	09.08.2018	48,100	Chaudry Trading Comp	Syring Cutter Box Imported
26	9866	11.08.2018	-	Chaudry Trading Comp	Syring Cutter Box Imported
27	9886	13.08.2018	29,600	Chaudry Trading Comp	Syring Cutter Box Imported
28	9852	10.08.2018	48,100	Chaudry Trading Comp	Syring Cutter Box Imported
29	1289	15.10.2018	90,000	M/S Hayat Enterprises Bwn	Syringe Cutter Steel Box Type
30	1503	12.11.2018	90,000	M/S Hayat Enterprises Bwn	Syringe Cutter Steel Box Type
31	1399	30.10.2018	90,000	M/S Hayat Enterprises Bwn	Syringe Cutter Steel Box Type
32	2017/1 970	12/29/2017	98,400	Balaaj Traders	Syringe Cutter
33	BT/20 18/201 6	02.01.2018	98,400	Balaaj Traders	Syringe Cutter
34	9850	10.08.2018	48,000	Chaudry Trading Comp	Sharp Box
35	9836	09.08.2018	49,500	Chaudry Trading Comp	Sharp Box
36	10162	10.09.2018	49,500	Chaudry Trading Comp	Sharp Box
37	10211	13.09.2018	49,500	Chaudry Trading Comp	Sharp Box
38	10260	17.09.2018	33,000	Chaudry Trading Comp	Sharp Box
39	10196	12.09.2018	49,500	Chaudry Trading Comp	Sharp Box
40	10179	11.09.2018	49,500	Chaudry Trading Comp	Sharp Box
41	10242	15.09.2018	49,500	Chaudry Trading Comp	Sharp Box

<b>Sr. No</b>	<b>Bill no.</b>	<b>Date</b>	<b>Amount</b>	<b>Firm Name</b>	<b>Item Name</b>
42	10227	14.09.2018	49,500	Chaudry Trading Comp	Sharp Box
43	9854	10.08.2018	49,000	Chaudry Trading Comp	Bleaching Powder
44	5812	2/11/2018	75,000	M/S Malik Brothers Enterprises Bwn	Bleaching Powder
45	8397	31.12.2018	75,000	M/S Malik Brothers Enterprises Bwn	Bleaching Powder
46	BT/20 17/196 1	28.12.2017	27,000	Balaaj Traders	Bleaching Powder
<b>Total</b>			<b>3,231,600</b>		

## Annexure-G/DHA BWN

[Para 1.2.5.3.26]

### Doubtful expenditure on unlawful sanction – Rs 2.235 million

(Amount in rupees)

Sr. No.	Head	Bill No.	Date	Sanction No.	Date	Name of Firm	G. Amount	Remarks
1	Printing-A03902	136	22.02.2019	11483-84	19.02.2019	Choudhary Traders	6,000	Sanction before bill
2	Printing-A03902	57	07.01.2019	11815-16	06.04.2019	Choudhary Traders	49,350	After Relinquishing the Charge
3	Printing-A03902	77	09.01.2019	11439-40	16.02.2019	Choudhary Traders	99,170	Before Assuming the Charge
4	Printing-A03902	101	11.02.2019	11441-42	16.02.2019	Choudhary Traders	99,170	Before Assuming the Charge
5	Printing-A03902	141	04.03.2019	11443-44	16.02.2019	Choudhary Traders	99,170	Sanction before bill
6	Printing-A03902	7311	23.01.2019	11130-31	22.01.2019	Hassan Traders	48,500	Sanction before bill
7	Other-A03970	221	02.05.2019	11255-56	17.04.2019	Rehman Traders	38,478	Sanction before bill
8	Other-A03970	7339	04.02.2019	11268-69	26.01.2019	Hassan Traders	49,608	Sanction before bill
9	Other-A03970	7338	04.02.2019	11278-79	26.01.2019	Hassan Traders	49,690	Sanction before bill
10	Other-A03970	7482	07.03.2019	11463-64	18.02.2019	Hassan Traders	99,450	Sanction before bill
11	Other-A03970	7328	26.01.2019	11237-38	25.01.2019	Hassan Traders	49,000	Sanction before bill
12	Other-A03970	6242	09.03.2018	5366-67	10.03.2018	Hassan Traders	49,500	Sanction before bill
13	Stationary-A03901	87	26.01.2019	12187-88	16.04.2019	Choudhary Traders	49,795	After Relinquishing the Charge
14	Stationary-A03901	91	30.01.2019	12197-98	16.04.2019	Choudhary Traders	49,795	After Relinquishing the Charge
15	Stationary-	97	07.02.2019	12193-94	16.04.2019	Choudhary	48,965	After

Sr. No.	Head	Bill No.	Date	Sanction No.	Date	Name of Firm	G. Amount	Remarks
	A03901					Traders		Relinquishing the Charge
16	Stationary-A03901	90	30.01.2019	12185-86	16.04.2019	Choudhary Traders	49,433	After Relinquishing the Charge
17	Stationary-A03901	79	17.01.2019	12195-96	16.04.2019	Choudhary Traders	49,433	After Relinquishing the Charge
18	Stationary-A03901	65	08.01.2019	12189-90	16.04.2019	Choudhary Traders	49,842	After Relinquishing the Charge
19	Stationary-A03901	85	25.01.2019	12183-84	16.04.2019	Choudhary Traders	49,784	After Relinquishing the Charge
20	Stationary-A03901	51	05.01.2019	12179-80	16.04.2019	Choudhary Traders	48,672	After Relinquishing the Charge
21	Stationary-A03901	86	25.01.2019	12181-82	16.04.2019	Choudhary Traders	49,140	After Relinquishing the Charge
22	Stationary-A03901	94	02.02.2019	12191-92	16.04.2019	Choudhary Traders	49,889	After Relinquishing the Charge
23	Stationary-A03901	214	13.04.2019	12199-200	16.04.2019	Choudhary Traders	29,484	After Relinquishing the Charge
24	COS-A03942	69	18.02.2019	356-57	12.02.2019	Choudhary Traders	49,668	Sanction before bill
25	COS-A03942	37	04.02.2019	11233-34	25.01.2019	Choudhary Traders	49,608	Sanction before bill
26	COS-A03942	67	18.02.2019	354-55	12.02.2019	Choudhary Traders	49,935	After Relinquishing the Charge
27	COS-A03942	36	01.02.2019	11163-64	23.01.2019	Choudhary Traders	49,690	Sanction before bill
28	COS-A03942	33	30.01.2019	11165-66	23.01.2019	Choudhary Traders	49,936	Sanction before bill
29	COS-A03942	32	30.01.2019	11167-68	23.01.2019	Choudhary Traders	49,608	Sanction before bill
30	COS-A03942	70	18.02.2019	358-59	12.02.2019	Choudhary Traders	49,303	Sanction before bill

Sr. No.	Head	Bill No.	Date	Sanction No.	Date	Name of Firm	G. Amount	Remarks
31	COS-A03942	38	04.02.2019	11097-98	21.01.2019	Choudhary Traders	49,690	Sanction before bill
32	COS-A03942	71	19.02.2019	348-49	12.02.2019	Choudhary Traders	49,690	Sanction before bill
33	COS-A03942	66	16.02.2019	350-51	12.02.2019	Choudhary Traders	49,690	Sanction before bill
34	COS-A03942	68	18.02.2019	354-55	12.02.2019	Choudhary Traders	49,935	After Relinquishing the Charge
35	COS-A03942	21	23.01.2019	11064-65	18.01.2019	Choudhary Traders	49,935	Sanction before bill
36	COS-A03942	20	23.01.2019	11060-61	19.01.2019	Choudhary Traders	49,303	Sanction before bill
37	COS-A03942	171	30.03.2019	11752-53	01.02.2019	Choudhary Traders	83,070	Before Assuming the Charge
38	COS-A03942	7295	23.01.2019	11093-94	21.01.2019	Hassan Traders	49,690	Sanction before bill
39	COS-A03942	7297	23.01.2019	11095-96	21.01.2019	Hassan Traders	49,140	Sanction before bill
40	COS-A03942	7173	23.11.2018	9945-46	26.10.2018	Hassan Traders	44,520	Sanction before bill
41	COS-A03942	6267	26.03.2018	11573-74	07.03.2018	Hassan Traders	16,000	Sanction before bill
42	COS-A03942	6253	21.03.2018	11551-52	06.03.2018	Hassan Traders	22,230	Before Assuming the Charge
43	ROT-A13001	305	15.06.2019	Nil	Nil	Choudhary Traders	44,460	no No. was allotted to sanction
44	ROT-A13001	6511	04.05.2018	11575-76	07.03.2019	Hassan Traders	18,251	Sanction before bill
<b>Total</b>							<b>2,234,670</b>	

## Annexure-H/DHA BWN

[Para 1.2.5.3.28]

### Purchase of medicines at excess rates from the same company Rs 1.491 million

(Amount in rupees)

Sr. No.	TE No.	Firm Name	Generic Name	Unit Cost [PKR]	BWP Rate	RYK Rate	Total QTY	Rate Diff.	Amount
1	74	Hirines	Azithromycin Capsules/Tab 250mg	9.02		8.5	100000	0.52	52,000
2	88	Hirines	Fluconazole Capsules 150mg	49.25		46.45	5000	2.8	14,000
3	94	Novo Nordisk	Insulin NPH Injection 100 IU/ml	219	218.6		4200	0.4	1,680
4	95	Novo Nordisk	Insulin Regular Injection 100 IU/ml	219	216	219	500	3	1,500
5	224	Silver Surgical	I.V Canula Sterile Packs 20G	36.89	33.84	33.84	115000	3.05	350,750
6	225	Silver Surgical	I.V Cannula Sterile Packs 22G	36.89	33.84	33.84	90000	3.05	274,500
7	226	Silver Surgical	I.V Cannula Sterile Packs 24G	39.89	33.89	33.89	62000	6	372,000
8	228	Surgical Fiber	Absorbent Cotton Wool BPC Pack 500gm	176	168	174	50900	8	407,200
9	255	Sind Medical Store	Disposable Insulin Syringe 1ml with needle - 1 ml – Piece	7.9		7.5	28000	0.4	11,200
10	260	Sind Medical Store	Disposable Syringe 20ml with needle. (Blister pack), - 20 ml – Piece	11.55		11	12000	0.55	6,600
<b>Total</b>									<b>1,491,430</b>



## Annexure-I/DHA BWN

[Para 1.2.5.4.3]

### Doubtful expenditure on procurement of goods – Rs 12.969 million

(Amount in rupees)

Sr. No.	Name of firm	Bill No.	Bill date	Amount	Account head used
1	Shabir Medical Store	5	05.01.2019	5,000	Medicine
2	Shabir Medical Store	6	05.01.2019	85,080	Medicine
3	Shabir Medical Store	7	05.01.2019	250,000	Medicine
4	Shabir Medical Store	8	05.01.2019	55,000	Medicine
5	Shabir Medical Store	9	07.01.2019	12,500	Medicine
6	Shabir Medical Store	11	12.01.2019	15,600	Medicine
7	Shabir Medical Store	13	14.01.2019	208,000	Medicine
8	Shabir Medical Store	14	14.01.2019	150,000	Medicine
9	Shabir Medical Store	15	17.01.2019	3,116	Medicine
10	Shabir Medical Store	16	17.01.2019	42,500	Medicine
11	Shabir Medical Store	19	18.01.2019	2,350	Medicine
12	Shabir Medical Store	20	18.01.2019	2,580	Medicine
13	Shabir Medical Store	21	18.01.2019	34,860	Medicine
14	Shabir Medical Store	22	18.01.2019	4,500	Medicine
15	Shabir Medical Store	23	18.11.2019	45,000	Medicine
16	Shabir Medical Store	24	18.01.2019	18,960	Medicine
17	Shabir Medical Store	25	18.01.2019	155,190	Medicine
18	Shabir Medical Store	27	19.01.2019	2,673	Medicine
19	Shabir Medical Store	29	19.01.2019	4,800	Medicine
20	Shabir Medical Store	30	19.01.2019	35,790	Medicine
21	Shabir Medical Store	31	19.01.2019	2,188	Medicine
22	Shabir Medical Store	32	19.01.2019	492	Medicine
23	Shabir Medical Store	34	19.01.2019	67,320	Medicine
24	Shabir Medical Store	35	19.01.2019	19,350	Medicine
25	Shabir Medical Store	38	21.01.2019	8,900	Medicine
26	Shabir Medical Store	39	22.01.2019	5,670	Medicine
27	Shabir Medical Store	40	22.01.2019	1,200	Medicine
28	Shabir Medical Store	41	23.01.2019	75,000	Medicine
29	Shabir Medical Store	48	28.01.2019	120,000	Medicine
30	Shabir Medical Store	49	02.02.2019	41,000	Medicine

<b>Sr. No.</b>	<b>Name of firm</b>	<b>Bill No.</b>	<b>Bill date</b>	<b>Amount</b>	<b>Account head used</b>
31	Shabir Medical Store	51	04.02.2019	11,500	Medicine
32	Shabir Medical Store	55	09.02.2019	67,320	Medicine
33	Shabir Medical Store	55	09.02.2019	67,320	Medicine
34	Shabir Medical Store	56	09.02.2019	18,960	Medicine
35	Shabir Medical Store	57	09.02.2019	15,264	Medicine
36	Shabir Medical Store	58	11.02.2019	19,350	Medicine
37	Shabir Medical Store	63	22.02.2019	75,000	Medicine
38	Shabir Medical Store	64	23.02.2019	9,000	Medicine
39	Shabir Medical Store	67	25.02.2019	62,500	Medicine
40	Shabir Medical Store	71	07.03.2019	4,080	Medicine
41	Shabir Medical Store	72	07.03.2019	11,930	Medicine
42	Shabir Medical Store	74	12.03.2019	8,740	Medicine
43	Shabir Medical Store	80	18.03.2019	17,500	Medicine
44	Shabir Medical Store	81	18.03.2019	12,480	Medicine
45	Shabir Medical Store	82	18.03.2019	70,200	Medicine
46	Shabir Medical Store	83	18.03.2019	8,775	Medicine
47	Shabir Medical Store	84	18.03.2019	65,000	Medicine
48	Shabir Medical Store	87	21.03.2019	60,000	Medicine
49	Shabir Medical Store	89	28.03.2019	31,000	Medicine
50	Shabir Medical Store	90	05.04.2019	36,000	Medicine
51	Shabir Medical Store	93	16.04.2019	65,000	Medicine
52	Shabir Medical Store	94	19.04.2019	75,000	Medicine
53	Shabir Medical Store	97	06.05.2019	150,000	Medicine
54	Shabir Medical Store	98	08.05.2019	165,600	Medicine
55	Shabir Medical Store	99	14.05.2019	4,250	Medicine
56	Shabir Medical Store	103	31.05.2019	300,000	Medicine
57	Shabir Medical Store	104	31.05.2019	87,880	Medicine
58	Shabir Medical Store	106	01.06.2019	24,000	Medicine
59	Shabir Medical Store			75,000	Medicine
<b>Sub Total</b>				<b>3,093,267</b>	
1	Medicon Enterprises	2174	08.05.2018	4,500	Medicine
2	Medicon Enterprises	2175	08.05.2018	50,000	Others
3	Medicon Enterprises	2177	10.05.2018	52,500	Others
4	Medicon Enterprises	2178	10.05.2018	47,500	Others
5	Medicon Enterprises	2179	10.05.2018	63,000	Others
6	Medicon Enterprises	2182	11.05.2018	9,100	Medicine

<b>Sr. No.</b>	<b>Name of firm</b>	<b>Bill No.</b>	<b>Bill date</b>	<b>Amount</b>	<b>Account head used</b>
7	Medicon Enterprises	2194	14.05.2018	47,500	Others
8	Medicon Enterprises	2195	14.05.2018	52,500	Others
9	Medicon Enterprises	2196	14.05.2018	63,000	Others
10	Medicon Enterprises	2199	14.05.2018	18,500	Others
11	Medicon Enterprises	2200	15.05.2018	46,000	Others
12	Medicon Enterprises	2201	15.05.2018	35,000	Medicine
13	Medicon Enterprises	2202	15.05.2018	7,000	Medicine
14	Medicon Enterprises	2241	28.05.2018	942	Medicine
15	Medicon Enterprises	2244	21.05.2018	49,000	Others
16	Medicon Enterprises	2245	28.05.2018	19,200	Medicine
17	Medicon Enterprises	2246	29.05.2018	105,000	Others
18	Medicon Enterprises	2247	29.05.2018	95,000	Medicine
19	Medicon Enterprises	2248	29.05.2018	28,500	Others
20	Medicon Enterprises	2259	03.06.2018	96,000	Others
21	Medicon Enterprises	2260	03.06.2018	100,000	Others
22	Medicon Enterprises	2264	04.06.2018	99,000	Others
23	Medicon Enterprises	2266	04.06.2018	30,000	Medicine
24	Medicon Enterprises	2335	11.06.2018	100,000	Others
25	Medicon Enterprises	2336	11.06.2018	16,500	Others
26	Medicon Enterprises	2337	11.06.2018	18,500	Others
27	Medicon Enterprises	2372	28.06.2018	21,000	Medicine
28	Medicon Enterprises	2373	28.06.2018	47,500	Medicine
29	Medicon Enterprises	2382	02.07.2018	27,120	Medicine
30	Medicon Enterprises	2383	02.07.2018	99,750	Others
31	Medicon Enterprises	2384		99,640	Medicine
32	Medicon Enterprises	2385	02.07.2018	30,000	Medicine
33	Medicon Enterprises	2386	02.07.2018	37,500	Medicine
34	Medicon Enterprises	2387	04.07.2018	50,000	Others
35	Medicon Enterprises	2390	14.07.2018	50,000	Others
36	Medicon Enterprises	2401	09.07.2018	82,500	Others
37	Medicon Enterprises	2402	09.07.2019	47,500	Others
38	Medicon Enterprises	2404	09.07.2019	28,750	Others
39	Medicon Enterprises	2405	09.07.2018	72,500	Others
40	Medicon Enterprises	2406	09.07.2018	37,500	Others
41	Medicon Enterprises	2407	09.07.2018	42,800	Others
42	Medicon Enterprises	2408	09.07.2018	23,400	Others

<b>Sr. No.</b>	<b>Name of firm</b>	<b>Bill No.</b>	<b>Bill date</b>	<b>Amount</b>	<b>Account head used</b>
43	Medicon Enterprises	2409	10.07.2018	38,000	Medicine
44	Medicon Enterprises	2410	11.07.2018	30,000	Medicine
45	Medicon Enterprises	2411	12.07.2018	52,500	Medicine
46	Medicon Enterprises	2412	12.07.2018	47,500	Others
47	Medicon Enterprises	2414	12.07.2018	30,000	Medicine
48	Medicon Enterprises	2415	12.07.2018	75,000	Medicine
49	Medicon Enterprises	2417	12.07.2018	525	Medicine
50	Medicon Enterprises	2418	12.07.2018	46,000	Medicine
51	Medicon Enterprises	2419	12.07.2018	22,800	Medicine
52	Medicon Enterprises	2421	12.07.2018	73,600	Medicine
53	Medicon Enterprises	2422	24.07.2018	50,000	Others
54	Medicon Enterprises	2449	18.07.2019	33,000	Others
55	Medicon Enterprises	2451	21.07.2018	1,280	Medicine
56	Medicon Enterprises	2460	30.07.2018	49,500	Medicine
57	Medicon Enterprises	2461	30.07.2018	49,500	Others
58	Medicon Enterprises	2462	30.07.2018	30,000	Others
59	Medicon Enterprises	2463	03.08.2018	50,000	Others
60	Medicon Enterprises	2465	01.08.2018	33,000	Others
61	Medicon Enterprises	2466	01.08.2018	38,000	Medicine
62	Medicon Enterprises	2469	01.08.2018	52,500	Medicine
63	Medicon Enterprises	2473	09.08.2018	39,520	Medicine
64	Medicon Enterprises	2474	09.08.2018	41,340	Others
65	Medicon Enterprises	2475	09.08.2018	13,900	Others
66	Medicon Enterprises	2490	13.08.2018	50,000	Others
67	Medicon Enterprises	2493	21.08.2018	40,000	Others
68	Medicon Enterprises	2495	21.08.2018	8,750	ROF
69	Medicon Enterprises	2496	22.08.2018	20,000	Others
70	Medicon Enterprises	2502	17.08.2018	52,500	Medicine
71	Medicon Enterprises	2503	17.08.2018	22,000	Medicine
72	Medicon Enterprises	2551	02.07.2018	48,000	Others
73	Medicon Enterprises	2552	02.07.2018	45,000	Others
74	Medicon Enterprises	2555	02.07.2018	48,000	Others
75	Medicon Enterprises	2556	02.07.2018	15,500	Others
76	Medicon Enterprises	2558	04.07.2018	10,000	Others
77	Medicon Enterprises	2559	04.07.2018	35,000	Others
78	Medicon Enterprises	2561	04.07.2018	42,500	Others

<b>Sr. No.</b>	<b>Name of firm</b>	<b>Bill No.</b>	<b>Bill date</b>	<b>Amount</b>	<b>Account head used</b>
79	Medicon Enterprises	2564	01.09.2018	40,000	Others
80	Medicon Enterprises	2565	16.07.2018	4,320	Others
81	Medicon Enterprises	2567	04.08.2018	48,750	Others
82	Medicon Enterprises	2568	04.08.2018	32,500	Others
83	Medicon Enterprises	2569	17.09.2018	48,000	Others
84	Medicon Enterprises	2570	04.08.2018	32,500	Others
85	Medicon Enterprises	2571	04.08.2018	32,500	Others
86	Medicon Enterprises	2574	15.08.2018	10,000	Others
87	Medicon Enterprises	2576	06.09.2018	36,000	Others
88	Medicon Enterprises	2577	01.10.2018	48,000	Others
89	Medicon Enterprises	2579	06.09.2018	49,700	Others
90	Medicon Enterprises	2580	07.09.2018	35,000	Others
91	Medicon Enterprises	2583	12.09.2018	42,500	Others
92	Medicon Enterprises	2586	05.10.2018	12,400	Others
93	Medicon Enterprises	2588	13.10.2018	45,000	Others
94	Medicon Enterprises	2589	13.10.2018	32,000	Others
95	Medicon Enterprises	2592	16.10.2018	40,000	Others
96	Medicon Enterprises	2634	31.10.2018	48,000	Others
97	Medicon Enterprises	2642	09.11.2018	65,200	Medicine
98	Medicon Enterprises	2643	09.11.2018	79,200	Medicine
99	Medicon Enterprises	2644	09.11.2018	32,500	Medicine
100	Medicon Enterprises	2646	10.11.2018	58,000	Medicine
101	Medicon Enterprises	2648	10.11.2018	49,000	Medicine
102	Medicon Enterprises	2649	12.11.2018	28,000	Medicine
103	Medicon Enterprises	2650	12.11.2018	50,000	Medicine
104	Medicon Enterprises	2654	14.11.2018	75,000	Medicine
105	Medicon Enterprises	2655	14.11.2018	49,400	Others
106	Medicon Enterprises	2661	15.11.2018	67,600	Medicine
107	Medicon Enterprises	2664	16.11.2018	73,200	Medicine
108	Medicon Enterprises	2665	16.11.2018	48,000	Others
109	Medicon Enterprises	2667	10.11.2018	54,000	Medicine
110	Medicon Enterprises	2671	22.11.2018	12,400	Others
111	Medicon Enterprises	2674	24.11.2015	72,500	Others
112	Medicon Enterprises	2675	24.11.2018	62,500	Others
113	Medicon Enterprises	2676	24.11.2018	23,400	Others
114	Medicon Enterprises	2689	01.12.2018	48,000	Others

Sr. No.	Name of firm	Bill No.	Bill date	Amount	Account head used
115	Medicon Enterprises	2696	07.12.2018	4,320	Others
116	Medicon Enterprises	2696	07.12.2019	4,320	Others
117	Medicon Enterprises	2703	03.12.2018	50,000	Others
118	Medicon Enterprises	2705	05.12.2018	49,920	Others
119	Medicon Enterprises	2714	20.12.2018	49,000	Others
120	Medicon Enterprises	2715	20.12.2018	2,000	Others
121	Medicon Enterprises	2719	01.01.2019	19,500	Others
122	Medicon Enterprises	2720	02.01.2019	42,500	Others
123	Medicon Enterprises	2723	04.01.2019	18,500	Others
124	Medicon Enterprises	2724	04.01.2019	47,500	Others
125	Medicon Enterprises	2726	05.01.2019	43,500	COS
126	Medicon Enterprises	2727	05.01.2019	29,280	Others
127	Medicon Enterprises	2730	07.01.2019	49,220	Others
128	Medicon Enterprises	2731	08.01.2019	49,500	COS
129	Medicon Enterprises	2734	08.01.2019	32,500	Others
130	Medicon Enterprises	2735	08.01.2019	16,880	Others
131	Medicon Enterprises	2736	08.01.2019	82,320	Others
132	Medicon Enterprises	2737	08.01.2019	38,137	Others
133	Medicon Enterprises	2740	09.01.2019	38,137	Others
134	Medicon Enterprises	2743	09.01.2019	41,500	Others
135	Medicon Enterprises	2744	09.01.2019	48,610	Others
136	Medicon Enterprises	2745	09.01.2019	48,610	Others
137	Medicon Enterprises	2748	11.01.2018	487,500	Others
138	Medicon Enterprises	2749	11.01.2019	97,500	Others
139	Medicon Enterprises	2751	12.01.2019	49,800	COS
140	Medicon Enterprises	2753	12.01.2019	25,000	Printing
141	Medicon Enterprises	2754	14.01.2019	48,000	COS
142	Medicon Enterprises	2755	14.01.2019	38,000	COS
143	Medicon Enterprises	2757	15.01.2019	48,875	COS
144	Medicon Enterprises	2758	15.01.2019	49,000	COS
145	Medicon Enterprises	2759	17.01.2019	11,000	Others
146	Medicon Enterprises	2766	21.01.2019	49,300	COS
147	Medicon Enterprises	2768	21.01.2019	5,000	COS
<b>Sub Total</b>				<b>6,685,716</b>	
1	Sial Traders	1	6.11.2017	48,600	Medicine
2	Sial Traders	2	6.11.2017	37,400	Medicine

Sr. No.	Name of firm	Bill No.	Bill date	Amount	Account head used
3	Sial Traders	4	6.11.2017	14,900	Medicine
4	Sial Traders	5	8.11.2017	48,700	Medicine
5	Sial Traders	6	8.11.2018	37,400	Medicine
6	Sial Traders	8	8.11.2017	14,900	Medicine
7	Sial Traders	9	22.11.2017	39,750	Medicine
8	Sial Traders	10	24.11.2017	39,750	Medicine
<b>Sub Total</b>				<b>281,400</b>	
1	Vital Communication	1	850	42,500	COS
2	Vital Communication	4	1,650	49,500	Others
3	Vital Communication	6	1,000	50,000	ROM
4	Vital Communication	9	14,000	14,000	COS
5	Vital Communication	10	420	42,000	COS
6	Vital Communication	17	9,500	47,500	Others
7	Vital Communication	18	6,000	36,000	Others
8	Vital Communication	24	35	7,000	Others
9	Vital Communication	27	1,000	50,000	ROM
10	Vital Communication	28	4,000	40,000	ROM
11	Vital Communication	29	2,000	30,000	ROM
12	Vital Communication	30	360	45,000	COS
13	Vital Communication	31	360	45,000	Others
14	Vital Communication	32	360	45,000	COS
15	Vital Communication	34	1,500	15,000	Others
16	Vital Communication	35	250	12,500	COS
17	Vital Communication	36	1,000	50,000	Dialysis Medicine
18	Vital Communication	37	1,000	50,000	Others
19	Vital Communication	49	1,650	19,800	Others
20	Vital Communication	78	1,250	25,000	Printing
21	Vital Communication	81	250	50,000	Others
22	Vital Communication	82	39	39,000	Others
23	Vital Communication	86	400	50,000	ROF
24	Vital Communication	90	125	25,000	Printing
25	Vital Communication	94	850	8,500	Printing
26	Vital Communication	101	700	49,000	Stationery
27	Vital Communication	103	8,500	42,500	Stationery
28	Vital Communication	104	75	22,500	Stationery
29	Vital Communication	105	350	35,000	Stationery

<b>Sr. No.</b>	<b>Name of firm</b>	<b>Bill No.</b>	<b>Bill date</b>	<b>Amount</b>	<b>Account head used</b>
30	Vital Communication	106	250	50,000	Stationery
31	Vital Communication	108	500	30,000	Stationery
32	Vital Communication	110	80	16,000	Stationery
33	Vital Communication	111	20	4,000	Stationery
34	Vital Communication	119	425	42,500	Others
35	Vital Communication	120	450	22,500	Others
36	Vital Communication	121	2	49,430	Others
37	Vital Communication	122	800	48,000	COS
38	Vital Communication	123	250	25,000	Others
39	Vital Communication	126	14,000	168,000	Others
40	Vital Communication	128	300	30,000	ROF
41	Vital Communication	130	15,500	31,000	COS
42	Vital Communication	131	2,000	20,000	Others
43	Vital Communication	132	1,500	10,500	Others
44	Vital Communication	133	2	49,260	Others
45	Vital Communication	134	250	25,000	Printing
46	Vital Communication	136	5,000	15,000	Others
47	Vital Communication	137	250	25,000	Printing
48	Vital Communication	138	80	24,000	Others
49	Vital Communication	139	14,000	28,000	COS
50	Vital Communication	140	750	37,500	Stationery
51	Vital Communication	141	200	20,000	Printing
52	Vital Communication	142	450	45,000	Others
53	Vital Communication	146	2,400	24,000	Others
54	Vital Communication	147	28,000	28,000	Others
55	Vital Communication	148	850	17,000	Others
56	Vital Communication	202	50	5,000	Others
57	Vital Communication	205	2,000	40,000	Others
58	Vital Communication	211	2,400	24,000	ROF
59	Vital Communication	212	350	35,000	COS
60	Vital Communication	214	500	15,000	Others
61	Vital Communication	224	5,500	22,000	Others
62	Vital Communication	225	5,000	50,000	M & E
63	Vital Communication	227	25,000	400,000	M & E
64	Vital Communication	228	5,000	25,000	M & E
65	Vital Communication	229	1,500	82,500	M & E



<b>Sr. No.</b>	<b>Name of firm</b>	<b>Bill No.</b>	<b>Bill date</b>	<b>Amount</b>	<b>Account head used</b>
66	Vital Communication	230	360	36,000	COS
67	Vital Communication	231	360	36,000	COS
68	Vital Communication	232	480	48,000	Others
69	Vital Communication	233	150	30,000	Others
70	Vital Communication	234	360	36,000	COS
71	Vital Communication	235	280	28,000	COS
72	Vital Communication	245	400	19,200	ROF
73	Vital Communication	247	1,220	42,700	Others
74	Vital Communication	249	1,500	12,000	Others
<b>Sub Total</b>				<b>2,908,390</b>	
<b>Grand Total</b>				<b>12,968,773</b>	

## Annexure-C/DHA BWP

[Para 2.2.5.2.3]

### Irregular payment due to Bogus / irregular recruitment of Sanitary Workers – Rs 27.80 million

(Rupees in million)

Sr. No.	Name of official	08/2007 to 12/2007 (05) Months	December 08	December 09	December 10	December 11	December 12	December 13	December 14	December 15	December 16	December 17	December 18	01/19 to 06/19	2007 & 2019	Total Pay December 2008 to 19	Total Recovery
1	Mr. Tahir Rahim Sanitary worker	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
2	Mr. Muhammad Akmal S/O Muhammad Bilal	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
3	Mr. Sajjad Hussain S/O Abdul Ghafoor	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
4	Mr. Muhammad Sajid Saeed S/O Seraj	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986

Sr. No.	Name of official	08/2007 to 12/2007 (05) Months	December 08	December 09	December 10	December 11	December 12	December 13	December 14	December 15	December 16	December 17	December 18	01/19 to 06/19	2007 & 2019	Total Pay December 2008 to 19	Total Recovery
	Ahmed																
5	Mr. Muhammad Ali Mujahid S/O MujahidZafar	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
6	Mr. HashimJameel S/O JameelMesih	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
7	Mr Allah WasayaS/O Abdul Karim	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
8	Mr. JafarLal S/O Abdul Razzaq	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
9	Mr. TanveerHussain S/O Islam Din	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
10	Mr. MibisharNadeem S/O Maqsood	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986

Sr. No.	Name of official	08/2007 to 12/2007 (05) Months	December 08	December 09	December 10	December 11	December 12	December 13	December 14	December 15	December 16	December 17	December 18	01/19 to 06/19	2007 & 2019	Total Pay December 2008 to 19	Total Recovery
	Ahmed																
11	Mr. Dilshad Saleem S/O Muhammad Haji	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
12	Mr. Shahezad S/O Allah Wasaya	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
13	Mr. Shakeel Ahmed S/O Muhammad Akram	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
14	Mr. Muhammad Rafiq S/O Haji Allah Dewaya	5,240	6,246	7,106	9,154	11,211	14,961	13,981	17,026	17,870	19,554	18,620	20,695	20,695	108,715	156,424	1.986
															<b>Total</b>		<b>27.801</b>

## Annexure-D/DHA BWP

[Para 2.2.5.2.12]

**Irregular payment of Pay & allowances due to payment of posts than sanctioned in budget book - Rs 2.521 million**

(Rupees in million)

Sr. No.	DDO codes	Cost center description	No. of Seats of MO/WMOs as per budget book	Actual working as per HR data	Excess no.
1	BT9018	DISTRICT HEALTH OFFICER BWP	1	3	2
2	BT9019	D D H O BWP	1	3	2
3	BT9004	D H O (OTHER HOSPITAL & DISPENSIRIES)	11	14	3
4	BT9006	SR MED OFFR RHC KH SHARIF	2	8	6
5	BT9007	SR MED OFFR RHC MUBARAK PUR(SAP)	2	6	4
6	BT9008	SR MED OFFR RHC U SHARIF(SAP)	2	6	4
7	BT9009	SR MED OFF RHC CH GOTH APE(SAP)	2	4	2
8	BT9010	SR MED OFFR RHC H RAJKAN(SAP)	2	6	4
9	BT9011	SR MED OFFR RHC KHUTRI BANG(SAP)	2	4	2
10	BT9013	SR MED OFFR RHC QAIM PUR	2	8	6
11	BT9014	SR MED OFFR RHC L SOHANRA	2	7	5
12	BT9015	SR MED OFFR RHC D BAKHA	2	7	5
13	BT9016	SMO THQ HOSP KPT(SAP)	12	19	7
14	BT9017	SR.MED OFFR RHC KUDWALW	2	6	4
15	BT9026	D H O (B H U) BWP	75	99	24
16	BT9031	MS THQ HOSPITAL APE(SAP)	50	47	3
<b>Total</b>			<b>170</b>	<b>247</b>	<b>83</b>
<b>Initial Basic Pay (pay scale 01.07.17)</b>					<b>30,370</b>
<b>Amount</b>					<b>2.521*</b>

\*Audit made calculations of initial basic pay only of payscalesw.e.f 01.07.2017 and audit desired to make total calculations at departmental level.



## Annexure-E/DHA BWP

[Para 2.2.5.3.3]

### Doubtful purchase and consumption of medicines – Rs 1.312 million

(Rupees in million)

Sr. No.	Item Description	Firm's name	Date	Amount	Checq date	Checq no.	Remarks
1	Three items	Hassan Surgicals	13.01.14	0.132	26.06.14	2520971	
2	Two items	Hassan Surgicals	07.02.14	0.010	26.06.14	2520965	
3	Two items	Mediwise pharma	Nil	0.034	26.06.14	2520965	
4	Inj Ampicilin	Saad Traders	01.03.14	0.040	26.06.14	2520965	
5	Cintocine	Novarits	27.12.13	0.004	26.06.14	2520965	
6	Zylokine	Barret	16.1.14	0.007	26.06.14	2520965	
7	Cap Amoxiciline	Pioneer	Nil	0.018	26.06.14	2520965	
8	Three items	Mega pharm	13.02.14	0.035	26.06.14	2520965	No pay order at all
9		SanofiAvent	Nil	0.029	26.06.14	2520970	No invoice at all jut bill
10	Two items	E Pharma	06.02.14	0.010	26.06.14	2520970	
11	Silver wing type	Silver Surgical	Nil	0.049	26.06.14	2520972	No pay order, no sign at all at face. Dateless invoice
12	Verorab	SanofiAvents	06.01.14	0.048	26.06.14	2520972	
13	Amikacine	Munawarpharma	Nil	0.007	26.06.14	2520972	
14	Disposable syring	Saad Traders	17.01.14	0.080	26.06.14	2521002	
15	Cotton bandage	Surgical fiber	Nil	0.037	26.06.14	2521002	No pay order, no sign at all at face. Dateless invoice
16	Syp CPM	Albro	05.04.14	0.019	26.06.14	2521002	No pay order, no sign at all at face. Dateless invoice
17	Cap Xylin	Valor	15.04.14	0.079	26.06.14	2521002	No pay order, no sign at all at face. Dateless

Sr. No.	Item Description	Firm's name	Date	Amount	Checq date	Checq no.	Remarks
							invoice
18	Septamolsusp	Saphient	31.01.14	0.016	26.06.14	2521002	No pay order, no sign at all at face. Dateless invoice
19	Two items	Helix phar	20.02.14	0.026	26.06.14	2521002	No pay order, no sign at all at face. Dateless invoice
20	Three items	Karachi pharm	05.03.14	0.023	26.06.14	2520976 0	
21	Eight items	Pharmawise labs	Nil	0.139	26.06.14	2520979	No pay order, no sign at all at face. Dateless invoice
22	Ringer	Saad Traders	17.01.14	0.150	26.06.14	2520981	No pay order, no sign at all at face. Dateless invoice
23	six items	Jawapharma	30.01.14	0.213	26.06.14	2520978	
24	four items	Fynk	27.02.14	0.107	26.06.14	2520977	
<b>Total</b>				<b>1.312</b>			



## Annexure-F/DHA BWP

[Para 2.2.5.4.9]

### Non recovery of repair and maintenance charges due to allotment over and above than entitlement – Rs 1.680 million

(Rupees in million)

Sr. No.	Name of Person to whom Residence Allotted	Residence Meant For	Designation of Person Residing	Residing Pers on BPS	Pers on Residing Since	Maximum of Scale	10% per month	Months	Recovery	Period of recovery
1	HirraSattar	16	Midwife	4	15.03 .17	64,510	6,451	27	0.174	March 17 to June 19
2	FehmidaNah eed	16	LHV	14	15.07 .05	64,510	6,451	72	0.464	2013-19
3	GhazalaYas meen	16	Midwife	4	01.07 .15	64,510	6,451	28	0.181	01.07.15 to 31.10.18
4	NaziaPerveen	16	LHV	14	05.04 .15	64,510	6,451	51	0.329	April 15 to June 19
5	ShafqatMasi h	9	S/W	1	07.05 .19	33,670	3,367	2	0.007	May to June 19
6	AyubMasih	9	S/W	1	14.05 .19	33,670	3,367	2	0.007	May to June 19
7	IjazDanial	9	S/W	1	01.09 .18	33,670	3,367	10	0.034	01.9.18 to 30.06.19
8	M Azhar	9	NaibQasi d	4	01.03 .09	33,670	3,367	72	0.242	2013-19
9	GhulamQadi r	9	Chowkid ar	4	04.06 .05	33,670	3,367	72	0.242	2013-19
<b>Total</b>									<b>1.680</b>	

## Annexure-C/DHA RYK

[Para 3.2.5.3.5]

### Doubtful expenditure due to non consumption / distribution of stock – Rs 1.535 million

(Amount in rupees)

Sr. No.	Cheque No.	Date	Acc Head	Name of Supplier	Bill No.	Date	Item	Qty	Rate	Amount	GS T	Gross Amount
1	3191 262	04.1 1.17	Stationery	M/S Union Traders Rahimyarkhan	488 0	08.09. 17	White Paper	68	620	42,160	7,1 67	49,327
2	3191 262	04.1 1.17	Computer Stationery	M/S Union Traders Rahimyarkhan	488 6	08.09. 17	Printer Cartridge	3	7,500	22,500	7,2 25	49,725
							Computer Paper 70g	50	400	20,000		
3	3191 262	04.1 1.17	Stationery	M/S Union Traders Rahimyarkhan	487 6	06.09. 17	Ball Point	60	95	5,700	7,2 64	49,994
							File Cover	100 0	25	25,000		
							Pointer	40	120	4,800		
							Register	12	520	6,240		
							Led Pencil	11	90	990		
4	3230 563	12.0 4.18	Stationery	M/S Union Traders Rahimyarkhan	225 4	26.03. 18	White Paper 80g	20	560	11,200	7,2 34	49,787
								30	465	13,950		
								30	90	2,700		
								50	150	7,500		
								20	260	5,200		
								50	40	2,000		
5	3230 563	12.0 4.18	Computer Stationery	M/S Union Traders Rahimyarkhan	225 7	26.03. 18	Computer Paper 80g	20	560	11,200	7,0 42	48,467
							Computer Paper 70g	65	465	30,225		
6	3230 698	27.0 6.18	Stationery	M/S Union Trades	500 3	04.05. 18	White Paper	25	610	15,250	7,2 37	49,807

Sr. No.	Cheque No.	Date	Acc Head	Name of Supplier	Bill No.	Date	Item	Qty	Rate	Amount	GS T	Gross Amount
							80g White Paper	28	590	16,520		
							70g Ball Point	30	110	3,300		
							Pointer	50	150	7,500		
7	3230 698	27.0 6.18	Computer Stationery	M/S Union Trades	500 7	06.05. 18	Computer Paper 80g	50	610	30,500	7,0 91	48,801
							Computer Paper 70g	19	590	11,210		
8	0014 821	22.0 1.19	Computer Stationery	M/S Mian Associate Rahimyarkhan	285 9	21.09. 18	Computer Paper	60	700	42,000	7,1 40	49,140
9	0014 821	22.0 1.19	Stationery	M/S Mian Associate Rahimyarkhan	283 5	11.08. 18	White Paper A4	61	695	42,395	7,2 07	49,602
10	0014 821	22.0 1.19	Stationery	M/S Mian Associate Rahimyarkhan	286 3	03.11. 18	White Paper 68g	85	500	42,500	7,2 25	49,725
11	0014 821	22.0 1.19	Stationery	M/S Mian Associate Rahimyarkhan	286 1	03.10. 18	White Paper	38	695	26,410	7,2 64	49,994
							Ball Points	50	110	5,500		
							Pointer	68	150	10,200		
							File Box	2	310	620		
12	0014 970	13.0 3.19	Computer Stationery	M/S Mian Associate Rahimyarkhan	286 5	09.01. 19	Printer Cartridge	6	6,300	37,800	7,1 91	49,491
							White Paper 68g	9	500	4,500		
13	0014 985	20.0 3.19	Computer Station	M/S Mian Associate Rahimyarkhan	285 5	21.08. 18	White Paper Legal	50	700	35,000	7,2 50	49,895

Sr. No.	Cheque No.	Date	Acc Head	Name of Supplier	Bill No.	Date	Item	Qty	Rate	Amount	GS T	Gross Amount
			ery	an			Size					
								11	695	7,645		
14	0014970	13.03.19	Stationery	M/S Mian Associate Rahimyarkhan	2869	12.02.19	Computer Paper Legal Size	61	700	42,700	7,259	49,959
15	0014821	22.01.19	Cost of Other Stores	M/S Mian Associate Rahimyarkhan	2843	21.09.18	Table Glass	12	3,550	42,600	7,242	49,842
16	0014985	20.03.19	Cost of Other Stores	M/S Mian Associate Rahimyarkhan	2845	27.07.18	Bright Cleaner	44	959	42,196	7,173	49,369
				M/S Mian Associate Rahimyarkhan	2856	21.08.18	Curtons	5	8,532	42,660	7,252	49,912
17	0032305	24.06.19	Cost of Other Stores	M/S Union Traders	1647	30.05.19	Lock	8	750	6,000	7,264	49,994
						30.05.19	Dust Bin	12	550	6,600		
						30.05.19	Table Glass	2	5,500	11,000		
						30.05.19	Calculators	5	3,826	19,130		
18	3191262	04.11.17	Others	M/S Union Traders Rahimyarkhan	4892	14.09.17	Phenyle	120	250	30,000	7,259	49,959
							Tezab	100	120	12,000		
							Viper	1	700	700		
19	3191262	04.11.17	Others	M/S Union Traders Rahimyarkhan	4889	08.09.17	Brighto Cleaner	60	700	42,000	7,140	49,140
20	3191288	16.11.17	Others	M/S Union Traders Rahimyarkhan	4849	14.09.17	Table Glass	5	2,550	12,750	7,064	48,614
							Table Cloth	24	1,200	28,800		
21	3191288	16.11.17	Others	M/S Union Traders	5006	25.09.17	Currtains	12	3,550	42,600	7,242	49,842

Sr. No.	Cheque No.	Date	Acc Head	Name of Supplier	Bill No.	Date	Item	Qty	Rate	Amount	GS T	Gross Amount
				Rahimyarkhan								
22	3191289	16.11.17	Others	M/S Union Trades	5010	25.09.17	Wall Clock	5	1,500	7,500	7,259	49,959
							Water Set	2	2,000	4,000		
							Table Glass	8	2,550	20,400		
							Table Cloth	9	1,200	10,800		
23	3191263	04.11.17	Others	M/S Union Trades	4896	06.09.17	Finis Oil Spray	100	426	42,600	7,242	49,842
24	3230698	27.06.18	Others	M/S Union Trades	5089	09.05.18	Phenyle Liquid	45	250	11,250	7,230	49,760
							Tezab	50	150	7,500		
							Tat Pocha	58	410	23,780		
25	0014821	22.01.19	Others	M/S Mian Associate Rahimyarkhan	2867	12.11.18	Bright Cleaner	43	959	41,237	7,010	48,247
26	0014903	09.02.19	Others	M/S Mian Associate Rahimyarkhan	2871	02.12.18	Wiper	5	750	3,750	7,250	49,895
							Vimbar	15	45	675		
							Surf	8	340	2,720		
							Jahroo	142	250	35,500		
27	0014985	20.03.19	Others	M/S Mian Associate Rahimyarkhan	2858	28.08.18	Phenyle Liquid	170	250	42,500	7,225	49,725
				M/S Mian Associate Rahimyarkhan	2873	30.12.18	Copex Powder	140	250	35,000	7,225	49,725
							Bans Jharoo	140	250	35,000		
28	0032305	24.06.19	Others	M/S Union Traders	1644	30.05.19	Bright Cleaner	30	950	28,500	7,259	49,959
							Phenyle Liquid	56	250	14,000		
							Vim	4	50	200		
29	0014821	22.01.19	Purchase of	M/S Mian Associate	2837	11.08.18	Office Chair	9	4,500	40,500	6,885	47,385

<b>Sr. No .</b>	<b>Che que No.</b>	<b>Date</b>	<b>Acc Head</b>	<b>Name of Supplier</b>	<b>Bill No.</b>	<b>Date</b>	<b>Item</b>	<b>Qty</b>	<b>Rate</b>	<b>Amount</b>	<b>GS T</b>	<b>Gross Amount</b>
			Furniture and Fixture	Rahimyarkhan								
<b>Total</b>											<b>1,534,883</b>	

## Annexure-D/DHA RYK

[Para 3.2.5.3.6]

### Unjustified expenditure on various items – Rs 1.526 million

(Amount in rupees)

Sr. No .	FY	Date	Bill No.	Supplier	Detail	Amount	Reasons
1	2014-15	09.06.2015		Rana Motor & auto world	Denting pending etc	40,000	Log book not available.
2	2015-16	26.01.2016	2135	A-REHMAN ENT	Repair of Transport	38,610	Log book showed that the Vehicle not move to RYK for repairing.
3	2014-15	01.04.2015		A-REHMAN ENT	Generator Repair	26,793	POL was purchased for Generator during out of order period illogically. Requisition was also bogus. Log book was not maintained.
4	2015-16	26.01.2016		A-REHMAN ENT	Phynile etc	49,936	Duplication of bill was made in respect of stock entries, quantities, rates and amounts.
5	2015-16	27.01.2016		A-REHMAN ENT	Phynile etc	49,936	
6	2015-16	06.04.2016		A-REHMAN ENT	repair of X Ray Machine	25,300	X- Ray machine remained in working condition during out of order period.
7	2012-13	06.05.2013		Muhammadia	Phynile etc	24,998	Concerned senior clerk admitted through written statement that requisitions are bogus because he did not sign. Most bills were claimed without signed requisitions of concerned senior clerk.
8	2013-14	12.03.2014	629	A-REHMAN ENT	Phynile etc	92,418	
9	2013-14	12.03.2014	630	A-REHMAN ENT	Acid, vim surf etc	59,799	
10	2013-14	12.03.2014	619	A-REHMAN ENT	Pillo cover and green cloth etc	44,109	
11	2013-14	26.05.2014	834	A-REHMAN ENT	Stationery	56,388	
12	2013-14	17.06.2014	934	A-REHMAN ENT	Parda, Green cloth	99,918	

Sr. No .	FY	Date	Bill No.	Supplier	Detail	Amount	Reasons
13	2014-15	16.08.2014	1005	A-REHMAN ENT	Phynile etc	87,440	
14	2014-15	16.08.2014	1007	A-REHMAN ENT	vim surf etc	56,380	
15	2014-15	13.10.2014	1166	A-REHMAN ENT	Parda, Green cloth	49,950	
16	2014-15	13.10.2014			Phynile etc	86,837	
17	2014-15	12.01.2015	1544	Muhammadia	Parda, Green cloth	49,883	
18	2014-15	06.04.2015			Phynile etc	88,130	
19	2014-15	01.04.2015	1595	A-REHMAN ENT	Surf etc	49,977	
20	2014-15	09.05.2015	1560	A-REHMAN ENT	Phynile etc	99,918	
21	2014-15	09.05.2015	1768	Muhammadia	Pillo cover and green cloth etc	49,918	
22	2014-15	9.5.2015		A-REHMAN ENT	R & M of Machinery and Equipment	49,725	
23	2015-16	08.08.2015		A-REHMAN ENT	Phynile etc	49,947	
24	2015-16	08.08.2015		A-REHMAN ENT	Parda, Green cloth	49,889	
25	2015-16	05.10.2015	1938	A-REHMAN ENT	Others	49,936	
26	2015-16	28.01.2016		A-REHMAN ENT	Table cloth etc	49,912	
27	2015-16	26.01.2016		A-REHMAN ENT	Phynile etc	49,965	
<b>Total</b>						<b>1,526,012</b>	



**Annexure-C/DGK****[4.2.5.2.3]****Overpayment on account of house rent allowance, maintenance charges  
and conveyance allowance - Rs 15.835 million**

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of allowance</b>	<b>Amount</b>
1	District Officer (Health)	HRA	3.178
2		CA	5.349
3		CA	0.586
4		Maintenance Charges	2.452
5	SMO RHC Shadan Lound	Maintenance Charges	0.076
6		HRA	0.061
7		CA	0.058
8	SMO RHC Sarwar Wali	HRA	0.022
9		Maintenance Charges	0.113
10		HRA	0.751
11	MS THQ Hospital Taunsa	HRA	0.022
12		Maintenance Charges	0.307
13		CA	0.065
14	SMO RHC Choti	Maintenance Charges	0.074
15		HRA, CA, Maintenance	1.220
16	MS THQ Hospital Kot Chutta	Maintenance Charges	0.017
17		HRA	0.204
18	SMO RHC Shah Sadar Din	CA	0.066
19		Penal Rent	0.229
20		HRA, CA	0.985
<b>Total</b>			<b>15.835</b>

**Annexure-D/DGK****[4.2.5.2.4]****Payment of inadmissible allowances - Rs 6.364 million****(Rupees in million)**

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of Allowance</b>	<b>Amount</b>
1	CEO DHA	Health Risk Allowance	0.009
2		HSRA to employees of BHU/RHC	0.006
3	DO (Health)	HRA on higher rate	0.022
4		HSRA to employees working at dispensaries.	0.815
5		Adhoc 2010, Adj. Ration, Judicial Allowance	0.025
6		Risk Allowance	0.054
7		HSRA	0.152
8		SSB	0.154
9		Integrated Allowance	0.011
10		PCA	0.035
11		Hill Allowance	0.430
12		CA, HSRA	0.085
13		SMO RHC Shadan Lound	HSRA during leave
14	MS THQ Hospital Taunsa	Adj. Hard area, Adj. substantive pay	0.268
15		HSRA	0.557
16		HRA	0.022
17		HSRA, HPA, SHCA	0.339
18		HSRA	0.010
19		CA, HSRA	0.046
20		Mess, Dress, Nursing	0.226
21		HSRA	0.096
22	SMO RHC Choti	HSRA	0.075
23		CA, HSRA	0.117
24		CA OTHERS, FIX TA/DA, Medical Allow exempt.	0.084

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of Allowance</b>	<b>Amount</b>
25		CA, HSRA during LPR	0.062
26		PCA	0.087
27		Uniform, Mess allowance	0.020
28	SMO THQ Hospital Kot Chutta	HSRA on higher rates	1.596
29		PCA	0.106
30		HSRA	0.297
31		CA, HSRA	0.206
32		Health Risk	0.030
33	SMO RHC Shah Sadar Din	CA, HSRA during LPR	0.051
34		Uniform, Mess allowance	0.060
35		HSRA	0.061
36		Pay and allowances	0.066
37		HSRA	0.018
<b>Total</b>			<b>6.364</b>

**Annexure-C/LY**

**[5.2.5.2.3]**

**Payment of inadmissible pay and allowances – Rs 22.038 million**

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of Allowance</b>	<b>Amount</b>
1	CEO DHA	HSRA	0.017
2		Training charges lump sum	0.360
3	DO (Health)	Prison Allowance 2016, Hill, Adj. fixed daily allow	0.016
4		Project Allow	0.096
5		PCA	0.772
6		HSRA	0.131
		HSRA	0.243
7		CA	0.348
8		Health Risk Allow	0.143
9		HSRA	0.014
10		MS DHQ Hospital	QA
11	Excess increment		0.691
12	Basic Pay		0.460
13	HSRA		0.269
14	Incentive allow		1.155
15	HPA		0.178
16	Incentive allow		0.705
17	Basic Pay		0.342
18	Nursing Allowance		0.384
19	Mess, Uniform Allow.		0.309
20	SSB		0.113
21	Basic Pay		0.104
22	Personal Allow		0.108
23	HSRA		0.244
24	Adj Incentive Allowance, Health Risk Allow		0.244
25	PCA		0.148
26	Mess, Uniform Allow.		1.210
27	CA, HSRA, Incentive	0.552	

Sr. No.	DDOs	Nature of Allowance	Amount
28		CA	0.666
29		Basic Pay	0.193
30		NPA	0.571
31		NPA	0.214
32		HSRA	0.042
33		Presidency Allowance / P, PCA	0.061
34		NPA	0.145
35		HPA, Special Healthcare Allow	1.163
36	MS THQ Hospital Karor	HSRA, CA, Mess, Dress Allow	0.381
37		HSRA	0.009
38		Pay during LWP	0.240
39		HSRA	0.048
40		Incentive Allowance	2.570
41		PCA	0.176
42		HSRA	0.043
43		HSRA	0.310
44	MS THQ Hospital Chowk Azam	SSB	0.057
45		NPA	0.702
46		Mess, Dress, Nursing Allow.	0.416
47		CA	0.057
48		HPA, HSRA, SHC Allow.	0.461
49		SSB	0.143
50		Basic Pay	0.130
51	MS THQ Hospital Choubara	HPA, SHCA	0.587
52		Basic Pay	0.119
53		Fixed pay	0.063
54		CA, Mess, Uniform Allow.	0.129
55		HSRA	0.069
56		HSRA	0.008
57		Pay	0.115
58	MS THQ Hospital Kot Sultan	Health Risk Allow	0.030
59		SSB	0.147
60		CA	0.146
61		Mess, Uniform Allow.	0.318

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of Allowance</b>	<b>Amount</b>
62	MS Thal Hospital Layyah	HSRA	0.025
63		Pay	0.040
64		Increment	0.044
65		QA	0.132
66		Pay during EOL	0.072
67		CA	0.178
68		HSRA	0.116
69		Mess, Uniform Allow.	0.216
<b>Total</b>			<b>22.038</b>

## Annexure-C/MGH

[6.2.5.2.4]

**Inadmissible grant of house rent allowance, maintenance charges and conveyance allowance – Rs 25.226 million**

(Rupees in million)

Sr. No.	DDOs	Nature of allowance	Amount
1	District Officer (Health)	HRA	6.797
2		CA	11.776
3		CA	2.383
4	MS DHQ Hospital	CA, HRA	0.119
5		Maintenance Charges	0.715
6		Maintenance Charges	0.238
7		HRA	0.076
8	MS THQ Hospital Alipur	Penal rent	0.640
9		HRA	0.155
10		Maintenance Charges	0.306
11		CA	0.111
12		HRA	0.081
13	MS THQ Hospital Kot Addu	HRA	0.134
14		HRA	0.064
15		CA	0.099
16		Maintenance Charges	0.252
17		Penal rent	0.362
18	MS THQ Hospital Jatoi	CA	0.081
19		HRA	0.085
20		Maintenance Charges	0.105
21		Penal rent	0.525
22	MS THQ Level Hospital CSS	HRA, CA, Maintenance	0.122
<b>Total</b>			<b>25.226</b>

**Annexure-D/MGH**

**[6.2.5.2.6]**

**Payment of inadmissible pay and allowances - Rs 15.579 million**

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of Allowance</b>	<b>Amount</b>
1	DO (Health)	HSRA	0.144
2		PCA	1.855
3		Adj. staff pay etc. to officials	2.184
		CA during LWP	0.956
4		NPA	0.387
5		Pay and allowances	0.039
6		Health Risk	0.297
7	MS DHQ Hospital	HSRA	0.126
8		Pay and allowances	0.920
9		Pay and allowances	0.600
10	MS THQ Hospital Alipur	CA, HSRA, Incentive Allowance	0.984
11		Uniform, Mess Allowance	0.223
12		CA	0.053
13		Pay and allowances during LHP	0.382
14		PCA	0.069
15		HSRA	0.062
16		Adj. anesthesia, Adj. dress	0.097
17		HPA, HSRA	0.065
18		HSRA	0.112
19	MS THQ Hospital Kot Addu	Incentive	0.845
20		HSRA	0.138
21		Risk Allowance	0.032
22		Uniform, Mess, Nursing Allowance	0.508
23		CA	0.112
24		HPA, HSRA, SHA	0.400
25		NPA	0.116
26	MS THQ Hospital Jatoi	HSRA	0.092
27		Nursing allowance	0.066
28		HSRA	1.325
29		HSRA, Incentive allowance	0.512



<b>Sr. No.</b>	<b>DDOs</b>	<b>Nature of Allowance</b>	<b>Amount</b>
30		Uniform, mess	0.081
31		PCA	0.353
32		Incentive allowance	0.032
33		HSRA	0.125
34		Basic pay	0.127
35	MS THQ Level Hospital	HSRA	0.302
36	CSS	CA, HSRA, Mess, Dress allowance	0.227
37		HPA, SHC, HSRA	0.564
38		Adhoc 2016,2017,2018	0.067
<b>Total</b>			<b>15.579</b>

**Unauthorized payment of inadmissible pay and allowances – Rs 12.012 million**

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	District Officer Health	HSRA	0.228
2		Conveyance allowance	0.240
3		Integrated allowances	0.085
4		HSRA & CA	0.195
5		HSRA working at other places	0.859
6		NPA	0.494
7		Conveyance allowance	0.129
8		Hill area allowance	0.098
9	MS THQ Hospital Jampur	CA,HSRA	1.565
10		NPA	0.143
11		Inadmissible allowances	0.443
12		CA/HSRA during LPR	0.079
13		HSRA	0.070
14		Pay & allowances during EOL	0.927
15		Uniform, Mess allowance	0.574
16	MS THQ Hospital Rojhan	Increment without completing six month	0.224
17		HPA during training	0.520
18		Adhoc allowances	0.018
19		HSRA	0.067
20		HSRA,CA, Incentive allowance during leave	0.263
21		Uniform & Mess allowance	0.038
22		CA during leave	0.035
23		PCA	0.022
24	NPA	0.032	
25	SMO RHC Fazilpur	Pay during EOL	0.212
26		Pay without performing duties	0.268
27		HSRA	0.033

<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
28		HSRA,CA	0.028
29	SMO RHC Fazilpur	HSRA,CA	0.057
30	SMO RHC Kotmithan	PCA	0.057
31	SMO RHC Muhammad pur	HSRA	0.062
32		HSRA/CA	0.116
33		PCA	0.060
34		Integrated allowance	0.054
35		Uniform, Mess allowance	0.212
36		MS DHQ Hospital Rajanpur	Uniform, Mess allowance
37	CA,HSA		1.341
38	HPA,HSRA		0.522
39	SSB		0.028
40	Conveyance aallowance		0.072
41	PCA		0.085
42	HSRA		0.208
<b>Total</b>			<b>12.012</b>

## Annexure-D/RP

[7.2.5.2.18]

**Loss to the Government due to purchase of medicines at higher rates -Rs  
1.164 million**

(Amount in rupees)

Dosage	Brand	Rate to be applied	Rate applied	Quantity	Rate	Quantity
Injection	2SUM 2GM	332	350	971	18	17,478
Injection	Indirab-India/HSS	710	755	449	45	20,205
		710	868	220	158	34,760
		710	884	60	174	10,440
Pack	Absorbent cotton wool-Kohinor	99	115	499	16	7,984
Infusion	Medisol-Medipak	60	88	18	28	504
		60	90	26	30	780
		60	100	3390	40	135,600
Infusion	Medisol	60	68.4	20	8.4	168
		60	77	2580	17	43,860
		60	106	10950	46	503,700
Injection	Ceflactam	332	350	326	18	5,868
		332	382	520	50	26,000
Sterile packs	Syringe disposable- Amson	20	25	4690	5	23,450
Injection	Spasrid-Barrett	22	38.34	1323	16.34	21,618
		22	45.81	2600	23.81	61,906
Sterile packs	Syringe disposable-B. D	20	25	150	5	750
			30	6645	10	66,450
			35	200	15	3,000
Infusion	B Braun NS-B Braun	88	95	200	7	1,400
		70	88	4825	18	86,850
Injection	Anti Rabbies	710	868	280	158	44,240
			755	499	45	22,455
Sterile packs	Surgical blades (carbon steel)- Feather/Japan	25	30	4926	5	24,630
<b>Total</b>						<b>1,164,096</b>

**Annexure-C/CHN**

**[Para: 8.2.5.2.1]**

**Embezzlement / likely embezzlement through fake billing – Rs 3.871 million**

(Rupees in million)

Sr. No.	Audit Observations	Amount
1	<b>Embezzlement through preparing back dated bills; requisition was signed before the date of joining Medical Superintendent, fake entry in stock register, without supporting intents, without pre-audit from the internal auditor of the hospital.</b>	0.888
2	Embezzlement through applying high rates, excess quantity, without execution of work /supply, forging the amount of bill	1.716
3	<b>Fake procurement i.e.</b> i. Call letters for quotation and requisitions were signed by Medical Superintendent on date before the date of joining DHQ Hospital. ii. All items received were issued on same day without indent / acknowledgement and no further consumption record was available. iii. Expenditure was incurred by splitting, bills were sequential numbered while dates were not.	0.318
4	Embezzlement / <b>Likely embezzlement through fake local purchase of medicine for specific patient i.e.</b> i. Medicine was allowed to purchase for more than 7 days for one patient. ii. Purchase order was not emailed to the L.P. Supplier through L.P. portal for indoor patient specific local purchase. iii. <b>Most of the case dosage was not mentioned on medicine prescription.</b> iv. <b>In some case,</b> local purchase was not initiated with the order of Consultants / Senior Medical Officer. v. Bills of 07.01.2018 were paid on 27.11.2018 after ten months and bills of 05.12.2017, 02.12.2017, 11.12.2017 were paid on 03.12.2018 after twelve months while Contractor has to submit invoice / bill with supply on daily basis. vi. Liability register was not maintained. vii. Bills of Rs 0.117 million was submitted to District Account Office without pre-audit from the Audit Officer of the hospital	0.188
5	Embezzlement / <b>Likely embezzlement through fake bills for</b>	0.280

Sr. No.	Audit Observations	Amount
	<p>accommodation &amp; meals for trainers i.e.</p> <ul style="list-style-type: none"> <li>i. Expenditure was on accommodation and meal while bills were of General order supplier &amp; service provider instead of bill from hotel concerned.</li> <li>ii. Date of bills not matched with the dates of training.</li> <li>iii. Total number of days of training was 22 days, as detail provided to Audit, while bills provided to audit were for 28 days, excluding bill not produced. dated 19.11.2018 &amp; 26.04.2019.</li> <li>iv. Tenure / dates of stay, detail of dinner / lunch was not mentioned on bill.</li> <li>v. Intimation letter of training, attendance of trainers and participants were not produced to Audit.</li> <li>vi. Requisition was submitted by Logistic Officer instead of Admin Officer.</li> </ul>	
6	<p>Embezzlement / Likely embezzlement through fake bills of transportation of goods i.e.</p> <ul style="list-style-type: none"> <li>i. DHQ claimed transportation of goods from DHQ Hospital to RHC, Ahmad Nagar (13 KM) @ Rs 15,000, Rs 18,500, Rs 24,000 / Vehile while THQ, Lalian claimed of transportation of goods from Lalian to Chiniot (22 KM) @ Rs 4,500/Vehicle.</li> <li>ii. Transportation was hired for movement of hospital furniture and medicine from RHC, Ahmad Nagar to DHQ Hospital, Chiniot and vice versa but no detail of material moved was available nor stock register / Goods in/out record of store at RHC, Ahmad Nagar was maintained to determine movement of goods.</li> <li>iii. Two separate bills were drawn against movement of same material with gape of 5 days, 1st vide bill No. 502 dated 05.11.2018 and 2nd vide bill no 178 dated 10.11.2018 of same amount.</li> <li>iv. DHQ claimed transportation of medicines from Lahore to DHQ Hospital @ Rs 45,500, Rs 48,000, Rs 48,500 / Vehile while CEO, DHA, Chiniot claimed of transportation of medicine from Lahore to Chiniot @ Rs 20,000/Vehicle and THQ, Lalain claimed transportation of medicine from Lahore to Chiniot @ Rs 17,000/Vehicle.</li> <li>v. Transportation was hired to move medicines from Lahore to DHQ Hospital, Chiniot while transportation was hire from Chiniot instead from Lahore.</li> </ul>	0.481

Sr. No.	Audit Observations	Amount
	<p>vi. Motor Vehicle No.K-7862 mentioned on bill was not matched with number LES-9656 mentioned on Goods Dispatch Note issued by medicine issuing agency. Further, date of goods handed over was 04.08.2018 on Goods Dispatch Note while date mentioned on bill was 05.09.2018 for recording expense and enter in stock register of medicine on 09.08.2018/10.08.2018.</p> <p>vii. Requisition was submitted by logistic officer instead by officer of pharmacy department.</p> <p>viii. Requisition and approval was without date.</p> <p>ix. Bill dated 22.11.2018 while Authority letter to collect medicine was dated 20.11.2018 and requisition and approval was dated 31.10.2018 and expense was record on page no.24 in miscellaneous book on 05.11.2019.</p> <p>x. Copy of Goods Dispatch Note issued by medicine issuing agency was not attached with voucher / produced to Audit. Authority letter to collected medicine from Lahore was not attached with bills.</p> <p>xi. Funds were drawn against the head of 'others' instead of 'Transportation of Goods' (AIR Para No.10).</p>	
	<b>Total</b>	<b>3.871</b>

**Annexure-D/FSD****[Para: 9.2.5.2.11]****Excess payment of inadmissible allowances – Rs 7.353 million**

(Rupees in million)

Sr. No.	Name of Formation	No of Employees	HSRA	Risk Allowance	FTA/ Qua. Allow.	HRA	CA	Integrated Allowance	Amount
1	THQ Hospital Chak Jhumra	73	5.831	-	-	-	-	-	5.831
2	DHO IV, FSD	26	-	0.621	-	-	-	-	0.621
3	THQ Hospital, Tandlianwala	13	0.089	-	-	0.094	0.099	0.015	0.297
4	DHO (PS) Faisalabad	1	-	-	0.220	-	-	-	0.220
5	THQ Hospital, Jaranwala	8	0.132	-	0.001	-	-	-	0.133
6	DHO (PS) Faisalabad	5	-	0.090	-	-	-	-	0.090
7	THQ Hospital Samundri	6	0.073	-	-	-	-	-	0.073
8	DHO (PS) Faisalabad	1	0.058	-	-	-	-	-	0.058
9	DHO (PS) Faisalabad	1	-	0.030	-	-	-	-	0.030
<b>Total</b>		<b>134</b>	<b>6.183</b>	<b>0.741</b>	<b>0.221</b>	<b>0.094</b>	<b>0.099</b>	<b>0.015</b>	<b>7.353</b>



**Annexure-E/JHG****[Para: 10.2.5.2.1]****Incurrence of expenditure by adopting fraudulent procurement process –  
Rs 82.820 million**

(Rupees in million)

<b>Sr. No.</b>	<b>Account Head</b>	<b>No. of Bills</b>	<b>Amount</b>	<b>Remarks</b>
1	Laboratory items	69	5.299	a) Procurements by splitting cost of each bill to avoid open competition / tendering. b) all the invoices, showing sale by different vendors / suppliers were prepared at one place by the same person. c) fake quotations, requests for quotations, comparative statements etc. were used just to show competitive procurements.
2	X-Rays material	19	1.670	
3	Dental material	17	1.080	
4	Stationery & printing	125	5.650	
5	Cost of Other Stores items	281	13.975	
6	Bedding clothing	27	1.493	
7	Others miscellaneous items	13	0.371	
8	Washing	29	3.760	
9	Repair & maintenance (Furniture, Machinery, Transport)	66	2.070	
10	Purchase of Machinery / Equipment and Furniture Fixture	49	3.218	
11	LP Medicine	257	44.234	All the invoices were prepared by the same person / at the same place, by whom / where invoices for items mentioned at Sr. No. 1 to 10 above were prepared.
<b>Total</b>		<b>626</b>	<b>82.820</b>	

**Annexure-F/JHG****[Para: 10.2.5.3.7]**

**Loss due to procurements at excessive rates – Rs 14.598 million**

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>Amount</b>
1	Medical Superintendent, DHQ Hospital, Jhang	Purchase of medicines on higher rates due to late/ non-supply of medicines by the rate contracting firm	3.582
		Purchase of medicines at higher rates due late finalization of rate contract	4.431
		Purchased IV sets on higher rate	0.892
		Purchase of wire on higher rate	0.890
		Procurement of bio medical gases on higher rates	0.046
2	Medical Superintendent, THQ Hospital, Shorkot	Contract for supply of power cable and provision / installation of SMD lights	0.930
		Medicine on higher rates	0.162
		LP Medicine on higher rates	0.062
		OPD tickets on higher rates	0.350
3	District Health Officer (Preventive Services) Jhang	LP Medicine on higher rates	0.794
		Procurement on higher rates	0.110
4	Medical Superintendent, THQ Hospital, 18-Hazari	Washing of bedsheets, drawer sheets, blankets on higher rates	0.141
		Installation of Lysthetic Silk curtains on higher rates	0.493
		Procurement of lubricants at higher rates	0.016
5	Medical Superintendent, THQ Hospital, AP Sial	Procurement of medicines on higher rates	0.150
			0.773
6	SMO RHC Garh Mahraja	Procurement of medicines on higher rates	0.776
<b>Total</b>			<b>14.598</b>

**Annexure-G/JHG**

**[Para: 10.2.5.3.13]**

**Overpayment of pay and allowances – Rs 7.580 million**

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>No of Employees</b>	<b>Description</b>	<b>Amount</b>
1	Chief Executive Officer, District Health Authority, Jhang	05	Withdrawal of pay and allowances after resignation/retirement	0.391
		20	Hill Allowance, Tailoring and Dress Allowance	0.177
		56	Integrated Allowance	0.120
		01	Health Risk Allowance	0.038
2	District Health Officer (Preventive Services) Jhang	02	Non-fixation of pay after regularization of services	0.930
		13	Drawl of SSB after regularization of services	0.455
		01	Payment of inadmissible HSRA	0.038
		01	Adhoc Allowance 2010	0.007
		11	Withdrawal of salary after resignation and non-recovery of pay in lieu of notice period	1.704
3	Medical Superintendent, District Headquarters Hospital, Jhang	05	Withdrawal of pay and allowances after transfer/retirement	0.368
		02	Withdrawal of pay and allowances after resignation/transfer	0.629
		02	Overpayment of Daily Allowance	0.082
4	Medical Superintendent, Tehsil Headquarters Hospital, 18-Hazari	03	Personal Allowance	0.070
		04	Payment of NPA/PCA without entitlement	0.135
		02	Payment of SSB after regularization of services	0.053
		04	Inadmissible allowances	0.030
5	Medical Superintendent, Tehsil Headquarters Hospital, AP Sial	13	Payment of NPA/PCA without entitlement	0.236
		01	Payment of pay and allowances after resignation	0.130
		01	Payment of pay and allowances during EOL	0.093
		03	Drawal of SSB after regularization of service	0.291

<b>Sr. No.</b>	<b>DDOs</b>	<b>No of Employees</b>	<b>Description</b>	<b>Amount</b>
6	Medical Superintendent, Tehsil Headquarters Hospital, Shorkot	02	Overpayment of Daily Allowance	0.031
		02	Drawl of salary after resignation and non-recovery of pay in lieu of notice period	0.845
7	Senior Medical Officer Rural Health Center, Bagh	02	Payment of SSB after regularization of services	0.228
		03	Overpayment of Health Risk Allowance	0.229
		03	Payment of NPA/PCA without entitlement	0.270
<b>Total</b>		<b>158</b>		<b>7.580</b>

**Annexure-H/JHG****[Para: 10.2.5.3.14]****Unauthorized withdrawal of allowances during leave – Rs 5.961 million**

(Rupees in million)

Sr. No.	DDOs	Remarks	No. of Employees	Amount
1	Chief Executive Officer, District Health Authority, Jhang	Conveyance Allowance, Health Sector Reform Allowance, Dress Allowance, Mess Allowance, incentive Allowance	158	2.239
2	Medical Superintendent, DHQ Hospital, Jhang	Conveyance Allowance, Dress allowance, Mess Allowance and Nursing Allowance	27	0.391
		Health Sector Reform Allowance	22	0.158
3	Medical Superintendent, THQ Hospital, Ahmed Pur Sial	Conveyance Allowance, Health Sector Reform Allowance and Incentive Allowance	10	0.676
		Health Sector Reform Allowance	13	0.245
4	Senior Medical Officer, Rural Health Centre, Bagh	Conveyance Allowance, Health Sector Reform Allowance and fixed Daily Allowance	07	0.076
5	Senior Medical Officer, Rural Health Centre, Garh Maharaja	Conveyance Allowance and Health Sector Reform Allowance	04	0.181
6	Medical Superintendent, THQ Hospital, 18-Hazari	Health Sector Reform Allowance	07	0.063
7	District Health Officer (Preventive Services) Jhang	Conveyance and Health Sector Reform Allowance	37	0.312
		Health Sector Reform Allowance	30	0.641
		Health Sector Reform Allowance	35	0.528
8	Medical Superintendent, THQ Hospital, Shorkot	Conveyance, Mess/dress and Health Sector Reform Allowance	08	0.451

<b>Sr. No.</b>	<b>DDOs</b>	<b>Remarks</b>	<b>No. of Employees</b>	<b>Amount</b>
<b>Total</b>			<b>358</b>	<b>5.961</b>

**Annexure-I/JHG****[Para: 10.2.5.5.11]****Irregular expenditure on washing of bed sheets – Rs 3.313 million**

(Amount in Rupees)

<b>Sr. No.</b>	<b>Service Provider</b>	<b>Bill No/date</b>	<b>Monthly Average</b>	<b>Month</b>	<b>No of Bed Sheets</b>	<b>Amount</b>
1	Ali Traders	393/30.04.2018	11,306	Apr-18	9,110	264,190
2	Ali Traders	09/31-07-2018	11,306	May-18	10,140	283,910
3	Ali Traders	07/30-06-2018	11,306	Jun-18	11,360	329,440
4	Ali Traders	09/31-07-2018	11,306	Jul-18	12,080	350,320
5	Ali Traders	33/31-08-2018	11,306	Aug-18	12,915	363,515
6	Ali Traders	41/30-09-2018	11,306	Sep-18	11,420	325,380
7	Ali Traders	68/31-10-2018	11,306	Oct-18	12,655	393,450
8	Ali Traders	94/30-11-2018	11,306	Nov-18	11,010	330,300
9	Ali Traders	95/31-12-2018	11,306	Dec-18	11,251	338,970
10	Ali Traders	11/31-01-2019	11,306	Jan-19	11,115	333,450
<b>Total</b>			<b>11306</b>		<b>113,056</b>	<b>3,312,925</b>
1	MS G Med Pvt Ltd	3512/27-03-2019	4,843	Feb-19	4,312	178,517
2	MS G Med Pvt Ltd	4632/06-05-2019	4,843	Mar-19	6,320	261,648
3	MS G Med Pvt Ltd	5106/17-05-2019	4,843	Apr-19	3,898	161,377
<b>Total</b>			<b>4,843</b>		<b>14,530</b>	<b>601,542</b>

**Annexure-J/TTS**

**[Para: 11.2.5.2.3]**

**Withdrawal of inadmissible allowances – Rs 13.298 million**

(Rupees in million)

<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>No. of Employees</b>	<b>Amount</b>
1	Medical Superintendent, DHQ Hospital, Toba Tek Singh	Excess drawl of HSRA and PCA	3	0.251
		Conveyance Allowance, HSRA, Incentive, Dress and Mess Allowance	36	0.485
		overpayment during leave without pay	5	1.772
		Withdrawal of Incentive Allowance without performing evening round	18	2.742
		Qualification Allowance	1	0.060
		Excess payment of TA / DA	22	0.418
		Unauthorized payment of Daily Allowance	4	0.314
2	Medical Superintendent, Eye Cum General Hospital, Gojra	Withdrawal of Incentive Allowance without performing evening round	11	3.240
		Conveyance Allowance, HSRA, Incentive Allowance, Dress and Mess Allowances	24	0.630
		Unauthorized withdrawal of allowances	4	0.168
		Excess withdrawal of Incentive Allowance	1	0.146
3	Medical Superintendent, THQ Hospital, Kamalia	Conveyance Allowance, HSRA	6	0.085
4	District Health Officer, Toba Tek Singh	Conveyance Allowance, HSRA	12	0.159
		Unauthorized withdrawal of HSRA and PCA	1	0.520
		Excess withdrawal of Pay and Allowances after regularization of services	3	0.186



<b>Sr. No.</b>	<b>DDOs</b>	<b>Description</b>	<b>No. of Employees</b>	<b>Amount</b>
5	District Health Officer (III), Toba Tek Singh	Doubtful withdrawal of Non-Practicing Allowance	4	0.220
		Unauthorized drawl of Conveyance Allowance	1	0.105
		Unauthorized withdrawal of HSRA	1	0.131
		Social Security Benefit	1	0.136
6	Senior Medical Officer, Rural Health Center, Nia Lahore	Payment of allowances without admissibility during leave	5	0.276
7	Senior Medical Officer, Rural Health Center, Rajana	Conveyance Allowance, HSRA	4	0.206
		Excess payment of Social Security Benefit	1	0.149
8	Senior Medical Officer, Rural Health Center, 394/JB	Pay and allowances during absent period	1	0.057
		Conveyance Allowance, HSRA	6	0.054
		Withdrawal of Pay and Allowances without admissibility	1	0.788
<b>Total</b>			<b>176</b>	<b>13.298</b>

**Annexure-K/TTS**

**[Para: 11.2.5.4.16]**

**Unauthorized collection of ultrasound fee – Rs 1.615 million**

(Amount in Rupees)

<b>Month</b>	<b>Ultrasound Fee Collected</b>	<b>Share distributed amongst Employees</b>
July, 2018	156,100	85,855
August, 2018	165,000	90,750
September, 2018	108,600	59,730
October, 2018	154,500	84,975
November, 2018	121,500	66,825
December, 2018	116,300	63,965
January, 2019	119,500	65,725
February, 2019	112,700	61,985
March, 2019	144,900	79,695
April, 2019	149,400	82,170
May, 2019	134,500	73,975
June, 2019	131,900	72,545
<b>Total</b>	<b>1,614,900</b>	<b>888,195</b>