



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

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

BF	Benevolent Fund
CEO	Chief Executive Officer
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DEA	District Education Authority
DGA	Director General Audit
FBR	Federal Board of Revenue
FD	Finance Department
FTF	Faroghe-Talim Fund
GI	Group Insurance
GPF	General Provident Fund
GST	General Sales Tax
NAM	New Accounting Model
NSB	Non-Salary Budget
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PDA	Punjab District Authorities
PDG	Punjab District Governments
PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PLGA	Punjab Local Government Act
PLGO	Punjab Local Government Ordinance
PMIU	Project Management Information Unit
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
PST	Provincial Sales Tax
S&GAD	Services and General Administration Department
TMA	Tehsil Municipal Administration

PREFACE

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

The report is based on audit of the accounts of District Education Authorities of 19 Districts of Punjab (North), for the financial year 2018-19. The Directorate General of Audit District Governments Punjab (North) Lahore conducted audit during 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 the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAOs do 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, covering strategic review and overall perspective of audit results has been added in this report.

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

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

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

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

The Directorate General of Audit has a human resource of 90 officers and staff having 21,500 man-days and annual budget of Rs 167.848 million for the Financial Year 2019-20. Directorate General carried out audit of the accounts of District Education Authorities of 19 Districts of Punjab (North) for the Financial Year 2017-18 and 2018-19 and utilized 1,434 man days in execution of field audit activity of the planned assignments.

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

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

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

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

a) Scope of Audit

This office is mandated to conduct audit of 5,242 formations working under 19 PAOs. Total expenditure and receipt of these formations were Rs 140,573.872 million and Rs 251.413 million respectively for the financial year 2018-19.

Audit coverage relating to expenditure for the current audit year comprises 89 formations of 19 PAOs having a total expenditure of Rs 27,988.141 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 20% of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 89 formations of 19 PAOs having a total receipt of Rs 95.916 million for the financial year 2018-19. In terms of percentage, the audit coverage for receipt is 37% of auditable expenditure.

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

1. Expenditure of Rs 2,481.502 million and receipt of Rs 2.560 million pertaining financial year 2017-18.
2. Expenditure of Rs 471.270 million pertaining to previous financial year

In addition to this compliance audit report, Director General Audit, District Governments Punjab (North), Lahore conducted financial attest audits, performance audits and special audits. Reports of these audits are being published separately.

b) Recoveries at the instance of Audit

As a result of audit, recovery of Rs 5,992.251 million was pointed out in this report. Recovery effected from July to December 2019 was Rs. 203.526 million which was verified by Audit.

c) Audit Methodology

Desk Audit techniques mentioned in FAM were applied intensively during the Audit Year 2019-20. ACL was used for analysis of HR and FI data obtained from SAP. This was facilitated by access to live electronic data and availability of permanent files. Desk Audit Review helped auditors in understanding the systems, procedures and environment of the entities before the start of field activity. This facilitated greatly in the identification of high risk areas such payment of inadmissible allowances,

payment of salaries after superannuation, high value vouchers for substantive testing in the field.

d) Audit Impact

A number of measures with regard to validity and reliability of SAP/HCM database as suggested by audit since the inception of authorities in 2017 have been initiated by the management of the Authorities and DAOs/AG. Audit impact in relation to effectiveness of SAP processes and designing of Role Matrix for SAP Users to strengthening Controls in SAP is yet to be seen in place. Changes in relevant rules and regulations to book Cost Center wise receipts in SAP/ERP is yet to be materialized as this Audit Report on accounts of District Education Authorities falling under this office is yet to be placed before Public Accounts Committee.

e) Comments on Internal Control and Internal Audit Department

Internal Control failures have come to surface on recurrent basis reflecting serious instances of non compliance of rules and regulations. Many instances wherein serious lapses of weak Internal Controls were noticed have been reported elsewhere in this audit report that includes, interalia, unauthorized release of budget, process of HR Payroll without budget and disbursement of public funds contrary to the entitlement of employees, cash payments through DDOs and poor maintenance of record etc. Lack of trained staff and accountability mechanism in District Education Authorities may be the important reasons for weak Internal Controls.

f) Key Audit Findings of the Report

- i. Misappropriation of Rs 14.126 million was noted in four cases.¹
- ii. Non production of record amounting to Rs 634.680 million was noted in nine cases.²
- iii. Employee related Irregularities amounting to Rs 11,834.343 million were noted in forty five cases.³
- iv. Procurement related irregularities amounting to Rs 286.000 million was noted in forty eight cases.⁴
- v. Issues of value of money and service delivery issues involving an amount of Rs 4,454.008 million were noted in twenty seven cases.⁵
- vi. Internal control weaknesses of Rs 1,442.017 were noted in forty four cases.⁶

¹ Para 2.5.2.1, 5.5.1.1, 9.5.1.1, 11.5.1.1

² Para 2.5.1.1, 3.5.1.1, 6.5.1.1, 8.5.1.1, 12.5.1.1, 13.5.1.1, 15.5.1.1, 19.5.1.1-2

³ Para 3.5.2.1.1-7, 4.5.1.1.1-2, 5.5.2.1.1-2, 6.5.2.1.1-5, 8.5.2.1.1, 10.5.1.1.1-6, 13.5.2.1.1-3, 14.5.1.1.1-7, 15.5.2.1.1-2, 16.5.1.1.1-2, 17.5.1.1.1-2, 18.5.1.1.1-5, 19.5.2.1.1

⁴ Para 2.5.3.1.1, 4.5.1.2.1, 5.5.2.2.1-3, 6.5.2.2.1-2, 7.5.1.1.1-2, 8.5.2.2.1, 9.5.2.1.1-4, 10.5.1.2.1-5, 11.5.2.1.1, 12.5.2.1.1-2, 13.5.2.2.1-3, 14.5.1.2.1-7, 15.5.2.2.1-5, 16.5.1.2.1-3, 17.5.1.2.1-2, 18.5.1.2.1, 19.5.2.2.1-3, 20.5.1.1.1-2

⁵ Para 2.5.4.1-3, 3.5.3.1-2, 4.5.2.1, 6.5.3.1-2, 8.5.3.1-4, 10.5.2.1, 11.5.3.1-2, 13.5.3.1-2, 14.5.2.1, 17.5.2.1-7, 18.5.2.1, 20.5.2.1

⁶ Para 2.5.5.1-3, 3.5.4.1, 4.5.3.1-4, 5.5.3.1-4, 6.5.4.1-2, 7.5.2.1-3, 8.5.4.1-2, 9.5.3.1-2, 10.5.3.1-2, 11.5.4.1-2, 12.5.3.1-5, 16.5.2.1, 17.5.3.1-3, 18.5.3.1-7, 19.5.3.1-2, 20.5.3.1-2

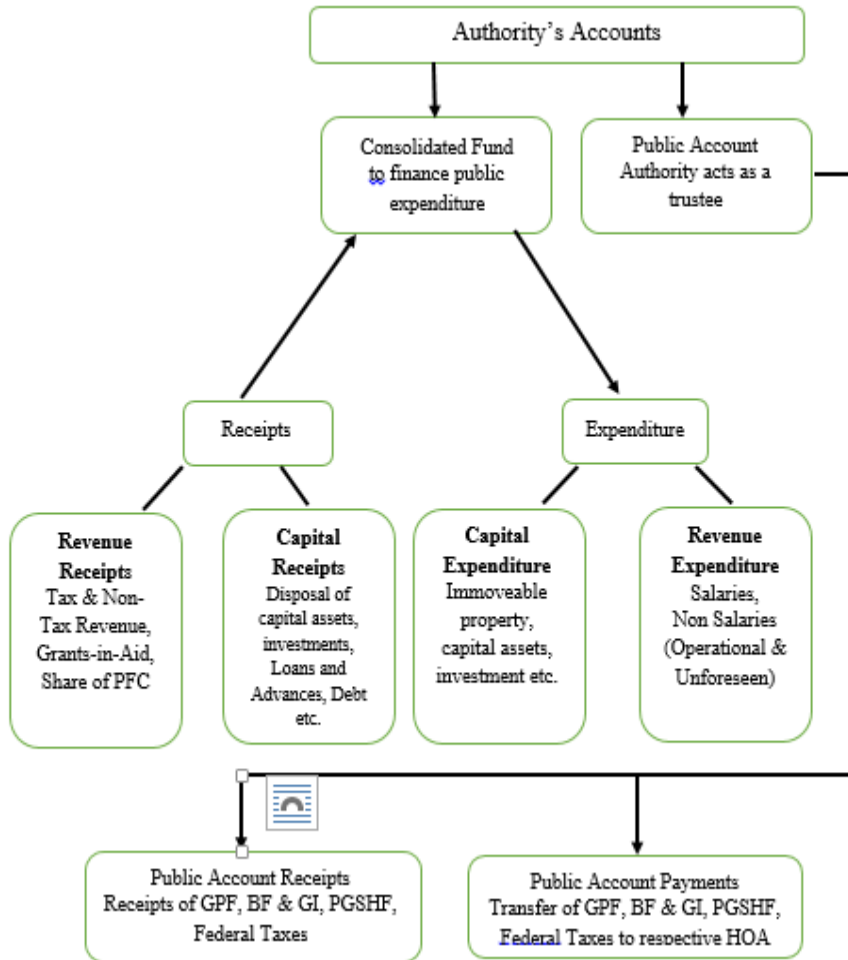
g) Recommendations

- i. Effective Post audit and scale audit of HR payroll be carried out at DAO/ AG's office level.
- ii. Sanctioned Strength of the offices working under the administrative control of the respective authority needs to be updated on SAP/HR.
- iii. Monitoring mechanism with regard to financial incentive needs to be improved.
- iv. Financial Management Training be imparted to ensure propriety of expenditure on account of NSB.
- v. Recording of receipts in SAP should be maintained. Cost Center/DDO wise for transparency and effective reconciliation.
- vi. Share of development budget needs to be enhanced from meager share of 2% to improve facilities in schools.
- vii. Disciplinary action may be initiated for fixing responsibility in cases of misappropriations/losses and fraudulent / irregular payments.
- viii. Management needs to take action against officer(s) / official(s) responsible for non-production of record along with provision of record for audit scrutiny.
- ix. Asset accounting module should be implemented.

CHAPTER 1

PUBLIC FINANCIAL MANAGEMENT (SECTORAL ANALYSIS)

Thirty Six District Education Authorities, were established on 01.01.2017 under Punjab Local Government Act, 2013. The purpose of establishing these authorities was to provide better education facilities to the local community. Stream of finances of these Education Authorities is given in the following flow chart.



Resource Mobilization

District Education Authorities of Punjab under the audit jurisdiction of this office remained totally dependent on PFC share / Grants from Provincial Government during the financial year 2018-19 as it was observed during FY 2017-18. Summary of the Revenue Receipts of these Authorities is

given as under. Detail of Revenue Receipts of each Authority is placed at **Annexure-B**.

Summary of Revenue Receipts in 2017-18 and 2018-19

Rs in million

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	17.598	0.02	17.512	0.01
Non-Tax Revenue	725.551	0.67	312.058	0.23
Share of PFC/ Grants from Provincial Govt.	107332.677	98.98	137124.111	99.41
Other receipts	359.407	0.33	488.759	0.35
Total	108,435.233	100.00	137,942.440	100.00

DEAs received Rs 137.942 billion against targeted Revenue Receipts of Rs 151.167 billion. Similarly, against the Revised Budget Estimates of Rs 162.292 billion, Education Authorities utilized an amount of Rs 140.574 billion during the year 2018-19. Authority wise detail of budget and expenditure is placed at **Annexure-C. Revenue Receipts** of District Education Authorities fell short of the budgeted targets. Authorities did not find themselves in a position to estimate receipts for their operations as they remained dependent on Provincial Government funds. *Unpredictability of their shares from PFC and other grants in aid/tied grants coupled with capacity issues of their budget and finance wings forced DEAs to prepare, unjustified and unreliable estimates of receipts.*

Revenue expenditure constituted 98% of the total expenditure incurred by the Authorities during the year. Total expenditure on four components i.e. salary, pension contribution, financial assistances, leave encashment and non-salary remained 95% and 5% of the revenue expenditure respectively during 2018-19. Like Revenue Receipts, *Revenue Expenditure also fell short of the revised budget projections during the financial year 2018-19 which is quite indicative of the poor quality of the budget making processes.*

Capital Receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources, and loans and advances from government as well as accruals from Public Account. Authorities raised accruals against Public Account and certain heads of account of Consolidated Fund Receipts invariably by retaining an amount of Rs 1.712 billion on account of GPF, GI, BF, IT, GST during the financial year 2018-19. However,

disclosure in this regard was not given in the Books of Accounts of the Authorities.

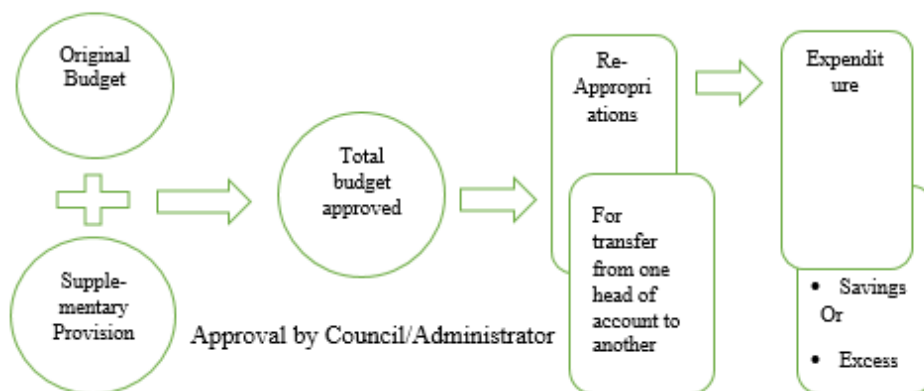
Rs in billion		
Cash Closing Balance	Liabilities not discharged	Actual closing Balance
3.406	1.712	1.694

Public Account consists of those moneys 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 balances in the public account are carried forward at year end, to be used for the specific purpose for which they are established. Retained balances of Public Account were made part of the consolidated fund of the Authority and appropriated without distinction. *District Education Authorities utilized the Public Account funds of Rs 1.712 billion for payments against the expenditure of Consolidated Fund during the financial year 2018-19.*

Appropriation Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual revenue and capital expenditure on various specified services vis-à-vis those authorized by the Council/Administrator. Appropriation Accounts, thus, facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Appropriation Accounts captures the data along the entire process of budget formulation and implementation as shown in the following flow chart;

Flow Chart of Budget implementation



Audit of Appropriation Accounts seeks to ascertain whether the expenditure actually incurred under the grant/head of account is within the authorization and also spent on the purposes authorized. It also ascertains whether the expenditure so incurred is in conformity with the laws, relevant rules, regulations and instructions.

Original Budget Allocation for the Financial Year 2018-19 was Rs 151.167 billion and supplementary grant was Rs 11.125 billion resulting in final grant of Rs 162.292 billion. *Against the final grant, expenditure of Rs 140.574 billion was incurred, which was found even less than the original grant resulting in savings of Rs 21.718 billion. Supplementary grants were issued without considering the actual demands during the financial year 2018-19.*

Rs in billion				
Original grant /appropriation	Supplementary Grant / Re-appropriation	Final Grant	Actual Expenditure	Savings (-) / Excess (+)
151.167	11.125	162.292	140.574	-21.718

Out of the total expenditure of Rs 6.960 billion on account of non-salary, an expenditure of Rs 1.146 billion (16%) was incurred during the month of June, 2019 indicating rush of expenditure at the end of the financial year showing budgetary in-discipline and marred propriety of public expenditure as detailed below;

Rs in billion		
Expenditure (July 2018 to May 2019)	Expenditure June 2019	Total
5.814	1.146	6.960
84%	16%	100%

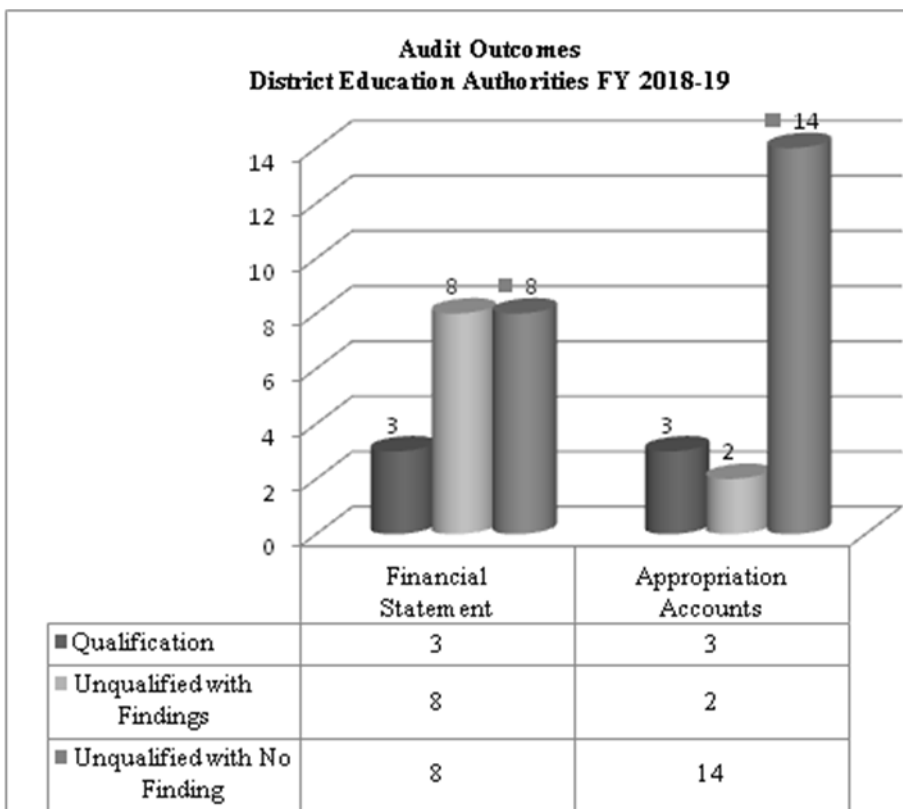
In the following Authorities, variation between the Appropriation Accounts and Schedule of Authorized Expenditures regarding original and revised budget were observed.

Sr. No.	Name of Authority	Difference (Rs in million)
1	DEA Khushab	129.752
2	DEA Sheikhpura	439.960
3	DEA Nankana Sahib	402.335
Total		972.047

In DEA Narowal and Sialkot, variation in the figures of budget book and SAP/R3 was also found. In DEA Kasur, Supplementary Grant of Rs 333.366 million was entered in SAP system after close of financial year. No approval of competent authority was sought till the finalization of this report.

District Education Authority Sheikhpura and Narowal incurred an expenditure of Rs 761.023 million in excess of provision of funds allocated for pay & allowances during financial year 2018-19. This is indicative of the fact that financial management and internal controls remained ineffective during the stated period. In DEA, M.B Din an amount Rs 48.311 million was found diverted to other than salary heads without rationalizing the contingency expenditure.

Auditors Opinion on financial statements and appropriation accounts of nineteen District Education Authorities is given in the following graph which indicates that four Education Authorities of District Hafizabad, Kasur, Mandi Baha-ud-din and Sheikhpura have been qualified owing to serious financial indiscipline and gross irregularities. However, eight Authorities have been advised to improve their budgetary framework and financial discipline to avoid qualified opinion in future.



Desk Audit of payroll run on SAP/HR was conducted quite extensively. Computer Aided Audit Tools and Techniques (CAATs) were used to bring payroll of the Authorities under the audit jurisdiction of this office. An amount of 5,992.251 million were pointed out on account of

over payment during Audit Year 2019-20. Out of this, An amount of Rs 203.526 million was effected from July, 2019 to January, 2020 which is quite indicative of the weak internal controls both at DAOs and DDOs level. Instances of bogus and fake enrollment in SAP/HR are also reported in this report elsewhere.

Medium Term Development Framework (MTDF)

Availability of better social and physical infrastructure reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz. adequacy of the expenditure (i.e. adequate provision for providing public services); efficiency of expenditure (use) and its effectiveness (assessment of outlay-outcome relationships for selected services). To enhance human development, the government / Authority is required to step up their expenditure on key social services like education, etc. The table given below analyses the fiscal priority and fiscal capacity of the District Education Authorities with regard to development expenditure during 2018-19. *Out of total expenditure of 19 District Education authorities, only 2% was incurred on development activities.*

Description	Amount (Rs in billion)	Percentage
Non development expenditure	137.879	98%
Development expenditure	2.695	2%
Total	140.574	100

Under Medium Term Development Framework, 1,387 development schemes were planned against which 1,220 schemes were completed during the year 2018-19

Target (No. of schemes)	Achievement	% target achieved
1,387	1,220	88

CHAPTER 2

DISTRICT EDUCATION AUTHORITY, ATTOCK

2.1 Introduction of the Authority

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

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

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

DEA Attock manages following schools / education offices:

Description	No. of offices / schools
CEO (District Education Authority)	1
DEO (Elementary Education)	2
DEO (Secondary Education)	1
Deputy DEO (M-EE)	6
Deputy DEO (W-EE)	6
Higher Secondary School	22
High Schools	116
Middle Schools	201
Primary Schools	850

2.2 Audit Profile of District Education Authority, Attock

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Attock	155	5	822.707	0.032

2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 67.021 million were raised in this report during current audit of “District Education Authority, Attock.” This amount also includes recoveries of Rs 19.562 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	14.887
2	Reported cases of fraud, embezzlement, and misappropriation	7.078
3	Irregularities:	
	A. HR/Employees related irregularities	-
	B. Procurement related irregularities	6.452
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	8.563
5	Others	30.041
	Total	67.021

2.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	19	Not Convened
2	2018-19	19	Not Convened

2.5 AUDIT PARAS

2.5.1 Non-production of Record

2.5.1.1 Non-obtaining of supporting documents of the development works - Rs 14.887 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, according to Sr. No. X of Govt. of the Punjab, Finance Department letter⁷ dated 01-01-2001, DO / XEN Buildings is required to render a completion certificate, signed statement of accounts and refund of the residual balance to authorities concerned"

CEO, District Education Authority did not obtain supporting documents such as PC-I, detailed estimates, map / drawing of the buildings and measurement books etc. of the following works from the executing agency. Only payment bills were available in record. This resulted in doubtful payments of Rs 14.887 million.

Sr. No.	Name of Work	Amount (Rs in million)
1	Replacement of Roof of 4 No. Class Room (28x18) at GBHS Sojhanda	1.508
2	Reconstructions of 3No. Class Rooms (28x18) with 7' Verandah GBHS Dakhnair Jand	1.739
3	Construction of 4 No. classrooms & Multipurpose hall at GBHS Haroon Tehsil Hazro	9.401
4	Up gradation of GGHS Haji Shah Attock	2.239
Total		14.887

Audit is of the view that due to weak financial and internal controls, payment was made to contractors without maintaining the required documents.

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that execution and monitoring of work is the responsibility of XEN Building. This office requested to provide record vide letter No.4205/B&A dated 18.09.2019 but the department didn't respond. Reply was not tenable. DAC kept the

⁷ 17 (FD) 03-07-2000

para pending with remarks that XEN (Buildings) be asked through DC Attock to provide the record for verification.

Audit recommends that responsibility be fixed for non-maintenance of record against the person(s) at fault.

(AIR Para No.8)

2.5.2 Misappropriation

2.5.2.1 Non-transparent draws caused suspected embezzlement - Rs 7.078 million

As per Rule 4.49(a) of Punjab Sub Treasury Rules, payment of Rs 100,000 and above to contractors and suppliers shall not be made in cash by the Drawing and Disbursing Officers.

Scrutiny of Bank Statement of National Bank A/C #3034556014 of DEO (W-EE) Attock revealed that in the violation of above, cash amounts on account of non-salary expenditure including purchase and utilities amounting to Rs7.078 million were withdrawn by cheques issued in favour of Officer/Staff.

Neither cash book showed the actual disbursements nor actual Payee Receipts were found on record. Further, stock register was found incomplete and unsigned and without the detail of disbursement.

Audit is of the view that, due to weak financial management transactions were made in non-transparent manner.

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that DAO issued cross cheque in favour of DDO which is deposited into DDO account and then payments were made to concerned. All relevant record is available. Reply was not cogent as the DDO issued cheques in favour of office staff instead of vendors from the DDO account, which violates the principle of transparency. DAC kept the para pending for probe by CEO (Education).

Audit recommends for fixing responsibility of the person(s) at fault in the light of probe by CEO (Education).

(AIR Para-01)

2.5.3 Irregularities

2.5.3.1 Procurement related irregularities

2.5.3.1.1 Irregular expenditure in violation of Punjab Procurement Rules – Rs 6.452 million

According to Rule 42(b)(1) of PPRA Rules 2014, a procuring agency shall engage in this method of procurement (quotations) only if the cost of object of procurement is below the prescribed limit of one hundred thousand rupees. Further, as per Finance Department letter dated 19.09.1998, purchases be made from Sales tax registered firms and against prescribed sales tax invoices showing Sales Tax Registration Number & amount of sales tax⁸.

During audit of Dy. DEO (W-EE) Attock it was observed that Elementary and Primary Schools incurred an expenditure of Rs 6.452 million from NSB during 2017-19 on account of repair and maintenance without tendering as required under PPRA, 2014.

Audit is of the view that due to poor financial controls, expenditure was incurred in violation of PPRA.

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that expenditure was incurred according to allocation, no lump sum fund was provided from which expenditure could be incurred at once. Reply was not satisfactory because detail could not be verified.

Audit recommends regularization of the expenditure from competent Authority.

(AIR Para-03)

⁸ No. SO(Tax)1-19/97

2.5.4 Value for money and service delivery issues

2.5.4.1 Non-realization of registration fees from private schools – Rs 4.170 million

According to section 3(1)& (2) of Punjab Private Education Institutes (Promotion and Regulation) ordinance 1984 amended in 2017, an In-charge shall, before the commencement of business by the institution, register the institution with the Registering Authority under this Ordinance. The Registering Authority shall, within sixty days from the date of filing of an application for registration, decide the application.

During audit of CEO (Education) Attock, it was noticed that according to survey conducted by PMIU in 2016, there were 847 private schools working in District Attock. According to list provided by the CEO (District Education Authority) Attock, 573 schools got registered with registering Authority till June 2019. Education department was deprived from income amounting to Rs 4.170 million on account of registration and verification fee of unregistered schools. It was further noticed that various application were pending with sub-committees for verification of schools but the schools were working without registration. Detail of unregistered private schools is given below:

No. of Schools in 2016	New applications	Schools registered till 2019	Still Schools unregistered	Registration & Verification fee (Rs)	Amount (Rs)
847	282	573	556	7,500	4,170,000

Audit is of the view that due to non-decision of application of schools, government suffering loss on account of registration fee and renewal fee.

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that all the member of the committee visited primary, middle and high schools record according to the direction of Punjab School Education Department and submitted recommendation. In the light of these recommendations fees were deposited and verified by staff concerned, no loss was sustained to the government. Reply was not tenable as it was not supported by evidence. DAC directed the department for compliance.

Audit recommends to expedite registration process and fix responsibility against the sub-committees for non-finalization of school applications.

(AIR Para-14)

2.5.4.2 Irregular payment above the estimated quantities– Rs 2.972 million

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

Scrutiny of record of development schemes of District Education Authority Attock revealed that quantities of various items in development works executed by XEN (Buildings) Attock were paid in excess of sanctioned estimates. This resulted in excess payment of Rs 2.972 million.

Audit is of the view that due to weak financial control, payment of civil work was made over and above estimated quantities

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that all development schemes of education authority were executed as well as all codal formalities monitors, passed by the XEN (Building) Attock. Reply was not satisfactory because the same was not supported with record. DAC decided to keep the para pending with the remarks that XEN (Buildings) may be asked to provide record under intimation to Administrator, Attock.

Audit recommends recovery of the overpayment from contractors.

(AIR Para-6& 7)

2.5.4.3 Irregular expenditure without approval of School Council – Rs 1.421 million

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

During audit of Dy. DEO(EE-W) Jand District Attock for the period 2017-19, it was noticed that following schools incurred expenditure of Rs 1.421 million from NSB and FTF accounts but approval from school council to draw the amount and incur the expenditure was not obtained before and after the completion of work. This resulted in irregular expenditure as detailed below:

Name of School	Financial Year	Description	Amount (Rs in million)
GGES Nakka Afghan	2017-18	Construction work, white wash labour charges	0.169
-do-	2018-19	office furniture, plants, dice, stationary, water pump	0.061
GMES Aman pur	2017-18	Tablet & construction work	0.107
GMES Aman pur	2018-19	Student uniform, paint, distemper, chairs	0.219
GGCMES Rangli	2017-18	Office Furniture, tuff tiles, const., of	0.354

Name of School	Financial Year	Description	Amount (Rs in million)
		room	
GGES Chajjimar	2017-18	Construction work, white wash labour charges	0.351
GGPS kahal	2017-18	Tablet, printing, white wash	0.160
Total			1.421

Audit is of the view that due to poor financial controls, expenditure was incurred without approval of School council.

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that all school heads started works after obtaining approval from School Council and on completion of work, meeting called to verify the work done. Reply was not satisfactory as not supported with evidence. DAC kept the para pending for regularization.

Audit recommends regularization of the expenditure from competent Authority.

(AIR Para-07)

2.5.5 Others

2.5.5.1 Non-imposition of penalty due to non-completion of work – Rs 12.42 million

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

Scrutiny of development schemes of District Education Authority Attock got executed through XEN (Buildings), Attock for the year 2017-18 costing Rs 124.16 million to different contractors but these schemes were not completed by the contractors within stipulated time as evident from the progress for the month of June, 2019. Penalty for delay in completion of work was not imposed on contractors as the delay was due to fault of contractor because these schemes were fully funded.

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

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that execution and monitoring of work is the responsibility of XEN (Building). This office has requested the building department to provide clarification vide letter No.4205/B&A dated 18.09.2019 but the department didn't respond. Reply was not satisfactory. DAC kept the para pending with remarks that XEN building be approached through DC for compliance.

Audit recommends imposition of penalty and immediate recovery of the amount from the contractors.

(AIR Para-14)

2.5.5.2 Irregular expenditure beyond financial competency of school council – Rs 9.463 million

According to para 4.9.1 of School Council Policy 2007 revised in 2017, School Council is authorized to incur maximum amount of Rs 400,000 during a financial year (From July to June).

During audit of Dy DEO (EE-W) Jand for the period 2017-19, it was noticed different Government Elementary schools incurred expenditure of Rs 9.463 million from NSB and FTF fund with the approval of School Council beyond the financial competency of School Council.

Audit is of the view that, due to weak financial management, beyond competency expenditure was incurred.

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that NSB was provided by PMIU after due approval. Moreover, released amount of the financial year was required to be utilized in the year by incharge of schools with the approval of school council. Department admitted the lapse that the expenditure was incurred beyond delegated financial powers. DAC directed the department to get the expenditure regularized from competent authority.

Audit recommends regularization of expenditure from Finance department.

(AIR Para-02)

2.5.5.3 Irregular expenditure on civil work – Rs 8.158 million

According to Para 2.6 of NSB Guidelines, School Council will work according to School Council Policy 2007 and any construction work can be done after fulfilling all the important needs as per NSB policy. Further, according to Para 4.4.7 of School Council Guide Lines 2007 (Revised in 2013), all development / civil work should be done according to the Government approved specifications and design. Further, according to Para 4.4.8 the School Council will complete the civil work on the rates less the market rates and on completion of work the School Council will sent a written report to Dy. DEO concerned.

During audit of Dy DEO (EE-W) Jand, it was noticed that various construction works were executed by the Heads of the schools. The expenditure of Rs 8.158 million was held irregular because work estimates were not prepared in accordance with approved specifications and designs of C&W department as required in School council Guild lines. Measurements and specifications were not taken on record. Further, a written completion report was also not sent to Dy DEO(EE-W) Jand.

Audit is of the view that due to poor managerial control, codal formalities was not fulfilled in completion of civil works.

The matter was reported to PAO in September 2019. In DAC meeting held on 24.10.2019, the department replied that all work done by the approval of school council which was mentioned on booklet of “NSB Manual for Elementary& Primary School” and all record of the schools was thoroughly checked and found correct. Reply was not tenable. DAC kept the para pending with remarks that Dy DEO (W-EE) Jand would probe the matter to verify that work was done in compliance of C&W department requirements.

Audit recommends early compliance.

(AIR Para-03)

CHAPTER 3

DISTRICT EDUCATION AUTHORITY, BHAKKAR

3.1 Introduction of the Authority

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

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

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

DEA Bhakkar manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	4
Dy. DEO (W-EE)	4

High and Higher Secondary Schools	95
Elementary & Primary Schools	1146

3.2 Audit Profile of District Education Authority, Bhakkar

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Bhakkar	136	4	375.648	-

3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 289.429 million were raised in this report during current audit of “District Education Authority, Bhakkar.” This amount also includes recoveries of Rs 44.907 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	98.573
	B. Procurement related irregularities	-
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	14.596
5	Others	176.260
	Total	289.429

3.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No	Audit Year	No. of Paras	Status of PAC/ZAC Meetings
1	2017-18	08	Not convened
2	2018-19	10	Not convened

3.5 AUDIT PARAS

3.5.1 Non-production of Record

3.5.1.1 Non-production of record

According to Section 14 (2, 3) of Auditor General of Pakistan (Functions, Powers & Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete as possible and with all reasonable expedition. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During scrutiny of record of CEO District Education Authority, Bhakkar for the Financial Year 2018-19, it was observed that the following record was not produced for audit scrutiny:

- a) Personal files of Officers / officials
- b) Services Books
- c) Recruitment record of all teachers and staff during 2018-19
- d) Leave record file
- e) Inquiry file and disciplinary action files
- f) Vouched accounts of NSB
- g) Vouched accounts of deposit work
- h) Case files of pensioners of district councils to whom pension was paid
- i) Revised budget book.

Audit is of the view that due to weak internal controls record of deposit work and NSB was not produced.

This resulted in non-production of record.

The matter was also discussed in DAC meeting held on 30.12.2019. The committee directed the department to produce record and fix the responsibility against the persons at fault. No progress was reported till finalization of this report.

Audit recommends production of record for verification besides fixing of responsibility against the officers / officials at fault.

3.5.2 Irregularities

3.5.2.1 HR / Employee related irregularities

3.5.2.1.1 Overpayment of social security benefit allowance- Rs 53.307 million

According to clause (XIII)(i)(b) of Contract Appointment Policy 2004 issued by Government of the Punjab S&GAD⁹, Social Security Benefit @ 30% of minimum of basic pay, in lieu of pension, was admissible only for the persons working on contract basis. As per clause 05 of terms & conditions of appointment order dated 15-04-2016, the contract employees on their regularization shall not be entitled to the payment of 30% social security benefit or any other pay package, being drawn by them during the contract period.

During audit of following formations of DEA Bhakkar for the Financial Year 2018-19, it was observed that the services of contract staff were regularized but social security benefit allowance @ 30% was not stopped from the pay of the contract staff after their regularization. Government sustained a loss of Rs 53.307 million.

Sr. No.	Name of formation	Amount (Rs. in million)
1	CEO DEA Bhakkar	16.792
2	CEO DEA Bhakkar	9.041
3	DEO (W-EE) Bhakkar	25.986
4	DEO (M-EE) Bhakkar	0.110
5	Dy. DEO (M-EE) Mankera	1.378
Total		53.307

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

This resulted in over payment of social security benefit of Rs 53.307 million

The matter was discussed in DAC meeting held on 30.12.2019. The department replied that necessary directions will be issued to DEO concerned for compliance. DAC pended the para for recovery within 60 days. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery besides fixing responsibility of lapse and negligence against the persons at fault.

(AIR para # 05,18, 27 ,37 ,45)

⁹ circular vide No. DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004

3.5.2.1.2 Overpayment of Pay & Allowances-Rs 40.899 million

According to Rule 2.33 of PFR Vol-1 every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part. According to Government of the Punjab, Finance Department letter¹⁰ dated 16-08-2017, the rate of GP fund was increased with effect from 01-07-2017.

During audit of CEO DEA Bhakkar for the Financial Year 2018-19, it was noticed that CEO did not deduct GI, BF and General Provident Fund from the pay and allowances of the certain regular employees, who were regularized on various dates, due to which they were paid in excess as detailed below:

Amount in Rs.						
BPS	G.P Fund PM	Benevolent Fund	Group Insurance	Total	No. of employees	Overpayment of GPF, BF and GI
16 SST	3340	750	161	4,251	64	272,064
14 EST	2620	526	107	3,253	154	500,962
11 Junior Clerk	1290	403	107	1,800	14	25,200
1 Class IV	291	283	41	615	43	36,445
Overpayment of GPF, BF and GI per month						834,671
Overpayment w.e.f 7-8-2015 to 30-9-2019 i.e. 49 months (49x834,671)						40,898,879

Audit held that overpayment was made due to weak supervisory and financial controls.

This resulted in overpayment of GPF, BF and GI amounting to Rs 40.899 million.

The matter was discussed in DAC meeting held on 30.12.2019. The department replied that necessary directions will be issued to DEO concerned for compliance. DAC pended the para for recovery within 60 days. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery besides fixing responsibility of lapse and negligence against the persons at fault.

¹⁰ No.FD.SR-1/2-1/95(P)

3.5.2.1.3 Excess payment of pay and allowances after superannuation retirement –Rs1.715 million

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

During the audit of CEO Education Bhakkar for the financial year 2018-19, it was observed that different DDOs and employees of education department drew pay and allowances amounting to Rs1.715 million after the age of superannuation. The employees were retired from service during the month whereas the pay & allowances of the entire month was paid to them.

Sr. No.	Name of DDO	Description	Amount (Rs in million)
1	CEO	Excess payment of pay and allowances after superannuation retirement	1.409
2	DEO (MEE)	Excess payment of pay and allowances after superannuation retirement	.306
Total			1.715

Audit is of the view that due to weak internal controls pay and allowance was drawn after retirement.

This resulted in excess payment of Rs 1.715 million on account of pay and allowances after superannuation retirement.

The matter was discussed in DAC meeting held on 30.12.2019. The department replied that pay & allowances of the retired persons (on superannuation) drawn after retirement will be deducted from their pension roll. DAC pended the para for recovery within 30 days. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery of overpayment of pay & allowances besides fixing lapse and negligence against the persons at fault under report to audit.

(AIR para # 01, 34)

3.5.2.1.4 Overpayment of inspection allowance – Rs 0.410 million

According to Government of the Punjab, Finance Department letter¹¹ dated January 15, 2018, inspection allowance @ Rs 25,000 per month was allowed to AEOs working in School Education Department subject to verifiable key performance indicator developed by SED. Further, according to School Education Department Notification¹² dated 26.08.2012, the SOPs of inspection allowance are as under:

- Inspection allowance shall be payable on the basis of inspections of the schools in a month.
- In case of less than 100% school inspection, it shall be claim @ 100 per school.
- Inspection allowance shall be admissible during vacation subject to prior approval of competent authority.
- Inspection report prepared by AEOs shall be submitted to Deputy AEOs concerned along with follow up report of previous month inspection.

Inspection allowance shall be payable after verified Inspection report of immediate controlling officer of AEOs concerned.

During the audit of CEO DEA Bhakkar for the Financial Year 2018-19, it was observed that the inspection allowance was paid to the AEOs without observing above criteria after fulfilling codal formalities. Further, instructions of payment of the allowance to headmaster were also noted as under:

Sr. No	Name of Employee	Pers.no.	Cost Center	Cost Center Description	Job Title	Wage Type Description	Total (Rs)
1	Zahida Rashid	30563260	BV6030	D O (WEE) BK	Headmaster/DDO	Adj. Inspection Allowance	48,225
2	Kishwar Sultana	30623522	BV6016	GGHS panjgaain	Secondary School Teacher		40,000
3	Shafqat Abbas Khan	31437214	BV6274	Headmaster GHS Chak No. 42-43/TDA	Secondary School Teacher		23,226
4	Samreena Bibi	31604288	BV6022	DDO (WEE) BK	S.S.T		23,226
5	Ittrat Batool	32073686	BV6034	DDO (WEE) Darya Khan	Secondary School Teacher		100,000
6	Ittrat Batool	32073686	BV6034	DDO (WEE) Darya Khan	Secondary School Teacher		175,000
Total							409,677

Audit is of the view that due to weak administrative and financial controls inspection allowance was paid to un-entitled persons.

¹¹ U.O No FD/SR-I/9-3322016

¹² SO(ADP)MISC-409/2013

This resulted in overpayment of inspection allowance Rs 409,677

The matter was discussed in DAC meeting held on 30.12.2019. The department replied that change forms involving overpayment of Rs 86,452 has been submitted to DAO. DAC pended the para till the remaining recovery within 30 days. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery besides fixing lapse and negligence against the persons at fault under report to audit.

3.5.2.1.5 Overpayment due to non-deduction of conveyance allowance during leave period – Rs 0.828 million

According to Civil Service Rules Vol-I part I & II, Rules 8.60 read with Appendix 18 and para 1.15(2) of Punjab Traveling Allowance Rules (Compendium 2008), 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.

DDOs of the formations of District Education Authority Bhakkar for the financial year 2018-19 paid an amount of Rs 0.828 million on account of conveyance allowance during leave resulted in overpayment of allowance Rs0.828 million.

Sr. No.	Name of DDO	Description	Amount (Rs in million)
1	DEO (M-EE) Bhakkar	CA during leave	0.189
2	Dy. DEO M-EE Mankera	CA during Summer and Winter vacations	0.639
Total			0.828

Audit held that weak supervisory and financial control resulted in overpayment of Rs 0.828 million

This resulted in overpayment of conveyance allowance during leave period.

The matter was discussed in DAC meeting held on 30.12.2019. The department replied that letter has been issued to DAO Bhakkar for recovery of overpayment of conveyance allowance. DAC pended the para till recovery within one month. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery of overpayment of conveyance allowance besides fixing lapse and negligence against the persons at fault under report to audit.

(AIR para # 44)

3.5.2.1.6 Inadmissible payment of integrated Allowance - Rs 0.708 million

According to Para xii of Revised Basic Pay Scales dated 16th July, 2005, integrated allowance is admissible to Naib Qasid, Qasid, Daftri, Farash, chowkidar, sweeper/sweepers.

During the audit of CEO District Education Authority, Bhakkar for the Financial Year 2018-19 it was observed that an amount of Rs708,405 was paid during 2018-19 to various employees i.e tube well operator, mali, baildar etc in violation of above rule. This resulted in inadmissible /un-authorized payment of Rs708,405.

Audit is of the view that due to weak administrative and financial controls integrated allowance was paid to the employees.

This resulted in inadmissible payment of integrated allowance of Rs 708,405.

The matter was discussed in DAC meeting held on 30.12.2019 and the department replied that change forms have been submitted to DAO Bhakkar for stoppage and recovery of integrated allowance of security guards. DAC directed the department to effect the recovery within two months.

Audit recommends the recovery of overpayment of integrated allowance from the concerned.

3.5.2.1.7 Overpayment of charge allowance - Rs 0. 706 million

According to Government of the Punjab, Finance Department Notification¹³ dated 16.06.1973, Charge Allowance to the Headmasters of Government Primary schools is admissible only where five teachers are posted in the school and enrollment is up to 150 students.

Scrutiny of accounts records of Dy DEO (M-EE) Mankera for the year 2018-19 revealed that Charge Allowance of Rs 705,600 was paid to the head masters where the condition of five teachers and enrollment of 150 students was not fulfilled in violation of above rules.

¹³ FD FR-10-71/72

Audit is of the view that due to weak internal and financial control payments were made without meeting the codal formalities.

This resulted in overpayment of charge allowance Rs 705,600.

The matter was discussed in DAC meeting held on 30.12.2019 and the department replied that change forms have been submitted to DAO Bhakkar for stoppage and recovery of charge allowance of concerned. DAC directed the department to effect the recovery within two months.

Audit recommends the recovery of overpayment of charge allowance from the concerned.

3.5.3 Value for money and service delivery issues

3.5.3.1 Non-realization of prescribed vouchers for disadvantage children - Rs14.122 million

According to chapter iv (13)(k) of Punjab Free and Compulsory Education, Act 2014 the private school shall admit ten percent of strength of the class children, including disadvantage children of neighborhood or other children as may be determined by the Govt. in 1st class and then each class or in alternative provide prescribed voucher for education of disadvantaged children in any other school as determined by the Govt.

During the audit of CEO (DEA), Bhakkar for the Financial Year 2018-19 it was observed that the management neither ensured the admission of disadvantage children in private schools nor obtained prescribed voucher from private schools working in its jurisdiction. However, the CEO (DEA), failed to fulfill in this regard.

Nature of Schools	No. of Schools	Total Children	10% quota	Fee per student	Total Amount (Rs)
High School (private)	101	50,500	5,050	1,000	5,050,000
Elementary Schools (Private)	451	112,750	11,275	800	9,020,000
Primary Schools (Private)	69	10350	103	500	51,750
Total					14,121,750

Audit is of the view that due to weak administrative controls disadvantage children could not get education in private schools.

This resulted in non-realization of prescribed vouchers Rs 14.121 million.

The matter was discussed in DAC meeting held on 30.12.2019. The department replied that necessary directions will be issued to private schools. DAC pended the para for recovery within 60 days. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery besides fixing lapse and negligence against the persons at fault.

3.5.3.2 Non recovery of fine on account of illegal running of school without registration - Rs 0.474 million

According to section 3(1)& (2) of Punjab Private Education Institutes (Promotion and Regulation) ordinance 1984 amended in 2017, an In-charge shall, before the commencement of business through the institution, register the institution with the Registering Authority under

this Ordinance. The Registering Authority shall, within sixty days from the date of filing of an application for registration, decide the application.

During Audit of CEO District Education Authority for the Financial Year 2018-19 it was observed that 13 private Schools remained running during 2018-19. The management neither closed the school nor recovered fine amounting to Rs 474,500 from illegal private school. @ Rs 100 per day.

Audit is of the view that due to weak administrative and financial controls fine was not recovered from illegal running school.

This resulted in non-recovery of fine on account of illegal running of school without registration Rs 474,500.

The matter was discussed in DAC meeting held on 30.12.2019 and the department replied that notices have been served to these schools and matter have also been intimated to anti-corruption. DAC directed to seal illegal schools and recover the due amount as per up-dated schedule.

Audit recommends recovery of fine besides fixing of responsibility on persons at fault.

3.5.4 Others

3.5.4.1 Irregular drawl of NSB funds without pre-audit – Rs176.260 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 letter¹⁴ 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.

During audit of CEO DEA Bhakkar for the Financial Year 2018-19 it was noticed that funds on account of Non Salary Budget (NSB) amounting to Rs 176.260 million was transferred to the schools without pre audit in violation of criteria *ibid*.

Audit is of the view that due to weak administrative and financial controls funds were transferred without pre-audit.

This resulted in irregular drawl of NSB funds without pre-audit Rs176.260 million

Audit pointed out lapse in November, 2019 but management signed the observation without offering any comment.

The matter was also discussed in DAC meeting held on 30.12.2019. The committee directed the department to produce record for pre-audit within 30 days. No progress was reported till finalization of this report.

Audit recommends production of record for verification besides fixing of responsibility against the officers / officials at fault.

¹⁴ SO (TT) 6-1/2013 (2015)

CHAPTER 4

DISTRICT EDUCATION AUTHORITY, CHAKWAL

4.1 Introduction of the Authority

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

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

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

DEA Chakwal manages following schools / education offices:

Description	No. of offices / schools
CEO (District Education Authority)	1
DEO (Secondary Education)	2
DEO (Elementary Education)	2
Deputy DEO (MEE)	4
Deputy DEO (WEE)	4
Higher Secondary School	22

High School	227
Middle Schools	208
Primary Schools	739

4.2 Audit Profile of District Education Authority, Chakwal

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Chakwal	285	5	563.858	-

4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,327.540 million were raised in this report during current audit of “District Education Authority, Chakwal.” This amount also includes recoveries of Rs 1,306.377 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	17.060
	B. Procurement related irregularities	3.361
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	1,297.200
5	Others	9.919
	Total	1,327.540

4.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	16	Not Convened
2	2018-19	35	Not convened

4.5 AUDIT PARAS

4.5.4.1 Irregularities

4.5.1.1 HR/Employees related irregularities

4.5.1.1.1 Irregular and doubtful payment of pension without personal identification – Rs 15.690 million

According to clause 3 (a) of the rule 4.102 of Subsidiary Treasury Rules, in order to minimize the risk of fraud, the treasury officer should compare the signature on the money order receipt every month with the pensioner's signature. The treasury officer should also satisfy himself once every six months in such manner as he thinks desirable that the pensioner is actually alive.

During audit of records relating to pension payments of CEO DEA Chakwal for the financial year 2018-19, it was observed that CEO made payments of pension of Rs 15.690 million to the 45 pensioners of defunct Municipal Committee for last two years. Payment was made to the pensioners through bank advice in their accounts without verifying personal appearance/ identification of pensioners after each six months in violation of the criteria. This resulted in irregular and doubtful payment of pension without personal appearance/identification and without taking life certificate.

Audit is of the view that due to poor financial control the payment of pension was made without verifying the pensioners either they were alive or not.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends regularization besides personal appearance of pensioners without further loss of time in order to stop the fictitious payments.

(AIR Para #11)

4.5.1.1.2 Non-recovery of the inadmissible allowances – Rs 1.370 million

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

Instances of excess/inadmissible payment of Rs 1.370 million on account of Charge Allowance, Conveyance Allowance, Health

Professional Allowance and TA/DA were observed during the audit of following formations of DEA Chakwal for the financial year 2018-19.

Sr. No.	Name of Office	Amount (Rs)	Remarks
1	CEO (Education)	207,771	Conveyance allowance was not deducted during earned leave
2	CEO (Education)	55,040	Extra dailies paid in TA/DA
3	Dy DEO (M-EE) Kallar Kahar	698,471	Conveyance allowance was not deducted during summer vacations
4	Dy DEO (M-EE) Kallar Kahar	190,602	Charge allowance was not deducted during summer vacations
4	Dy DEO (W-EE) Kallar Kahar	61,900	Charge allowance was not deducted during summer vacations
5	DEO (Literacy)	40,000	Health Professional Allowance was wrongly paid to education staff
6	DEO (Literacy)	116,197	Conveyance allowance was not deducted during earned leave
	Total	1,369,981	

Audit holds that due to weak internal controls the inadmissible payments were made.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends recovery from concerned officer(s) /official (s).
(AIR Paras - 10, 7, 1, 2, 5, 3, 4)

4.5.1.2 Procurement related irregularities

4.5.1.2.1 Irregular purchase without tendering in violation of PPRA – Rs 3.361 million

According to rule 9 of PPRA 2014, “save as otherwise provided and subject to the regulations, 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. (2) The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

Scrutiny of the record of various formations of DEA Chakwal it was observed that these formations incurred expenditure of Rs 3.361 million during 2018-19 by splitting the indents of similar nature items instead of tendering, in violation of PR rules. Detail is as under:

Sr. No.	Name of Office	Amount (Rs.)
1	CEO(DEA)	1,202,528
2	CEO(DEA)	1,841,205
3	DEO (SE)	199,329
4	Dy. DEO (W-EE) Kaller Kahar	118,400
Total		3,361,462

Audit is of the view that due to weak financial control, expenditure was made by splitting.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

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

(AIR Para-5, 17, 5, 7)

4.5.2 Value for money and service delivery issues

4.5.2.1 Non realization of registration fee from private schools - Rs 1,297.200 million

According to Section 3(1) of Punjab Private Educational Institutions (Promotion and Regulation) Ordinance 1984, an in-charge shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance and Section 11 (3) states, if an in-charge run the institution without registration under this Ordinance, the in-charge shall be liable to punishment of fine for Rs 300,000 to Rs 4,000,000.

During audit of CEO (DEA) Chakwal for the financial year 2018-19, it was observed that no survey regarding private schools was conducted by the department besides the fact that the registration of private schools was the responsibility of DEA Chakwal. According to survey conducted in 2016 by Punjab Education Department, 828 private schools were working in District Chakwal, whereas, as per official record only 228 schools were found registered till June 2019. Remaining 600 schools were working without registration. Registration Branch of CEO DEA Chakwal, did not make concrete efforts for registration of those unregistered private schools. The negligence of the department resulted in loss to government Rs 1,297.200 million in shape of non-recovery of registration fee, annual inspection and penalty as detailed below:

Total Number of Schools	Schools registered till 2019	Un-registered schools	Registration & Inspection fee (Rs in million)	Penalty for non-registration per school (Rs in million)	Total Loss due to non-registration per school (Rs in million)	Total (600x2.162) (Rs in million)
828	228	600	0.012	2.150	2.162	1,297.200

Audit holds that due to weak managerial controls, neither the survey of private schools was conducted nor action was taken against non-registered schools.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

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

[AIR Para #4]

4.5.3 Others

4.5.3.1 Overpayment on account of GST –Rs 4.225 million

According to Sixth Schedule of Sales Tax 1990, import and supply of laptop computers, notebooks whether or not incorporating multimedia kit personal computers were exempt from sale tax.

During audit CEO (DEA), Chakwal for the financial year 2018-19, it was observed that CEO incurred expenditure of Rs 24.854 million on purchase of computers for establishment of computer labs in Primary, High Schools and education complex. The supplier charged GST of Rs 4.225 million which was not applicable. This resulted in overpayment on account of GST as detailed below:

Inv No	Dated	Name of Supplier	Amount (Rs)	GST (Rs)	Items purchased
1649	20.06.19	Choudhary General Orders Supplier	2,384,615	405,385	30 computers for education complex
68	19.06.19	Gul Enterprises	2,246,970	381,990	48 Computers for IT labs
69	18.06.19	Gul Enterprises	7,489,941	1273,259	160 Computers for IT labs
69	19.06.19	Gul Enterprises	7,489,941	1273,259	160 Computers for IT labs
67	18.06.19	Gul Enterprises	5,242,940	891,300	112 Computers for IT labs
		Total	24,854,407	4,225,193	

Audit is of the view that due to weak financial discipline overpayment was made

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends that overpayment of GST should be recovered from the concerned.

(AIR Para -01)

4.5.3.2 Non deposit of GST – Rs 2.114 million

According to Sales Tax Act 1990, GST is required to be deducted from payment made to unregistered suppliers.

During audit of Dy DEO (W-EE) Kaller Kahar for financial year 2017-19 it was observed that schools working under administrative control

of the Dy. DEO (W-EE) Kaller Kahar deducted Rs 2.175 million on account of GST from NSB Funds but deposited only Rs 0.061 million.

Audit is of the view that due to weak internal control GST was not deposited.

This resulted in non deposit of GST of Rs 2.114 million.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends that GST be deposited in the treasury at the earliest.

(AIR Para #1)

4.5.3.3 Non-disbursement of merit scholarships – Rs 2.112 million

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

Audit of DEO (Secondary Education) Chakwal revealed that DDO drew Rs 2.112 million on account of merit scholarship for 8th class examination 2016 for the period April, 2017 to March, 2019 for 88 students @ Rs 1,000 per month per student (Rs 1,000 x 88 x 24 months = Rs 2,112,000). It was observed that the amount was not disbursed amongst the students and found undisbursed in the bank account of DDO.

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

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends that un-disbursed amounts be disbursed or deposited if not disbursable at the earliest.

(AIR Para #2)

4.5.3.4 Non deduction of income tax – Rs 1.468 million

According to Income Tax Ordinance, 2001 income tax @ 10% is required to be deducted from payments made to non filers.

Audit of the various formations of DEA Chakwal for the year 2017-19, revealed that different items were purchased from the suppliers

without deducting income tax. This resulted in over payment of Rs 1.468 million.

Sr. No.	Name of Office	Amount (Rs)
1	Dy. DEO (EE-M) Kallar Kahar	95,868
2	Dy. DEO (W-EE) Kallar Kahar	1,372,144
	Total	1,468,012

Audit holds that due to non-compliance of rules the income tax at source was not deducted.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends recovery from concerned vendors and deposited in treasury.

(AIR Para No. 3, 2)

CHAPTER 5

DISTRICT EDUCATION AUTHORITY, GUJRANWALA

5.1 Introduction of the Authority

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

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

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

DEA Gujranwala manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	4
Dy. DEO (WEE)	4

Description	No. of offices / schools
High and Higher Secondary Schools	269
Elementary & Primary Schools	1263
Any other institute	12

5.2 Audit Profile of District Education Authority, Gujranwala

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Gujranwala	293	5	1874.527	1.364

5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 163.239 million were raised in this report during current audit of “District Education Authority, Gujranwala.” This amount also includes recoveries of Rs 48.362 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	1.863
3	Irregularities:	
	A. HR/Employees related irregularities	7.636
	B. Procurement related irregularities	3.384
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	150.356
Total		163.239

5.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	7	Not convened
2	2018-19	10	Not convened

5.5 AUDIT PARAS

5.5.1 Fraud / Misappropriations

5.5.1.1 Doubtful drawl of pay and allowances - Rs 1.863 million

According to Rule 2.33 of PFR Vol-1 every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part.

DEO (W-EE) Gujranwala paid an amount of Rs 1.863 million to under mentioned teachers on account of pay & allowances despite of that these teachers were removed from services by DEO (F-EE) due to willful absence from duty but their salaries were processed by DDOs regularly till the date of audit. This resulted in inadmissible drawl of pay and allowances for Rs.1,862,804 as detailed below;

Rs in million				
Name	Date of Removal	Order No. date	Payment up to	Amount
Madiha Ashfaq (EST)	12.09.17	543 / 22.01.18	30.06.19	0.607
Aqsa Mehbood (ESE)	03.04.18	2071 / 21.05.18	30.06.19	0.511
Sobia Arshad (SESE)	01.09.17	3252 / 08.11.17	30.06.19	0.745
Total				1.863

Audit holds that pay & allowances paid to terminated teachers due to weak internal controls and defective financial discipline.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department neither submitted the reply nor attend the DAC meeting. DAC in its meeting held on 09.11.2019, directed the CEO/PAO to write the letter to Secretary Education, Lahore for disciplinary action against persons at fault. No compliance was made till the finalization of this report.

Audit recommends disciplinary action against the persons at fault under intimation to audit.

[PDP No.33]

5.5.2 Irregularities

5.5.2.1 HR / Employee related irregularities

5.5.2.1.1 Non deduction of Conveyance Allowance- Rs 4.558 million

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

Management of the following formations of District Education Authority District Gujranwala did not deduct conveyance allowance of Rs 4.558 million for summer and winter vacations from Pay & Allowances during financial year 2018-19 as detailed below:

Name of Formation	Description of leave	No. of Staff	Amount (Rs in million)
Dy. DEO (EE-M) Kamoke	Summer Vacation	813	3.567
Dy. DEO (EE-M) Kamoke	Winter Vacation	813	0.991
Total			4.558

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

This resulted into overpayment of Rs 4.558 million from public exchequer.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department replied that letter has been issued to District Accounts Office Gujranwala for recovery. DAC in its meeting held on 09.11.2019, directed the department for recovery from the concerned. No compliance was made till the finalization of this report.

Audit recommends for recovery from the concerned under intimation to audit.

[PDP No.43, 44]

5.5.2.1.2 Irregular cash payment to leave encashment Rs 3.078 million

According to clause 4(b) of Punjab District Authorities Accounts Rules 2017, the mode of payment from local fund of district authority shall be through cross non-negotiable cheque if amount exceed ten thousand.

During audit of DEO (M-EE) Gujranwala it was noticed that District Accounts Office Gujranwala made payment of Rs 3.078 million in the name of District Education Officer (M-EE) Gujranwala during the period of 2017-19 whereas the payment should be made to vendors directly through cross non-negotiable cheques. This resulted irregular payments for Rs. 3.078 million.

Audit is of the view that due to non compliance of government rules, unauthorized payment was made.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department replied that the responsibility of DAO Gujranwala to made the payment direct to the vendor through cross non-negotiable cheques, but he issued the cheques to this office and this office disbursed the payment to the concerned firms. DAC in its meeting held on 09.11.2019, directed the department to take advice from the Finance Department. No compliance was made till the finalization of this report.

Audit desires that matter may be justified and got regularized under intimation to audit.

[PDP No.19]

5.5.2.2 Procurement related irregularities

5.5.2.2.1 Non-accountal of purchased material - Rs 1.082 million

According to Rule 15-4(a) of PFR Vol-I requires that all material received should be examined counted, measured and weighed as the case may be, when delivery is taken and then entered in the appropriate stock register.

Management of various formations of District Education Authority, District Gujranwala incurred expenditure of Rs 1.082 million on account of Cost of other Stores & Stationery. The purchased items were not accounted for in the relevant main stock register as the same was not produced for audit verification. Non-accountal of the purchased material may lead to misappropriation of the public assets. The detail is as under;

Name o Formation	Description	Amount (Rs in million)
DEO (F-EE) Gujranwala	Stationery	0.646
DEO (F-EE) Gujranwala	Cost of Other Stores	0.436
Total		1.082

Audit holds that due to weak internal control stock entries were not made. This resulted in doubtful consumption of stock of Rs 1.082 million.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department neither submitted the reply nor attended the DAC meeting. DAC in its meeting held on 09.11.2019, directed the department to approach Secretary Education, Lahore for disciplinary action against persons at fault. No compliance was made till the finalization of this report.

Audit recommends disciplinary action against the persons at fault under intimation to audit.

[PDP No.26 &27]

5.5.2.2.2 Splitting of job orders to avoid open tender – Rs 1.031 million

According to Rule 12(1) and 9 of Punjab Procurement Rules 2014, a procuring agency shall made procurement of more than rupees fifty thousand rupees and up to the limit of rupees onef hundred thousand on quotations 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. A procuring agency

shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority.

Head of various formations of District Education Authority District Gujranwala paid an amount of Rs 1.031 million for the purchase of different supplies by splitting the indents through calling quotations in small orders instead of publishing advertisement on PPRA website during financial year 2018-19. This resulted in uneconomical purchase as detail below:

Rs in million		
Name o Formation	Description	Amount
DEO (M-EE) Kamonke	Furniture	0.482
DEO (F-EE) Gujranwala	Purchase of Plant and Machinery	0.549
Total		1.031

Audit is of the view that due to non-compliance of PPRA instructions, uneconomical rates were concluded due to absence of efficiency and effectiveness in process of purchase of stores & stock.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department neither submitted the reply nor attended the DAC meeting. DAC in its meeting held on 09.11.2019, directed the department to communicate the matter to the Secretary Education, Lahore for disciplinary action against persons at fault. No compliance was made till the finalization of this report.

Audit recommends disciplinary action against the persons at fault under intimation to audit.

[PDP No.28 &41]

5.5.2.2.3 Non deduction of income tax - Rs 1.271million

As required under Section-153 of Income Tax Ordinance 2001 the requisite deduction of Income Tax at the prescribed rate is needed to be made at source while making payments on accounts of stores / services rendered.

Management of the Primary & Elementary schools working under jurisdiction of Deputy District Education Officer (EE-M) Kamoke District Gujranwala incurred expenditure on account of purchase of furniture, repair/ maintenance of building, white wash of building and purchase of other items under NSB budget allocation. The payment was made

including income tax amounting Rs1.271 million. Due to non deduction of income tax at source, overpayment was made to the contractors/suppliers.

Audit is of the view that due to non-compliance of rules and dereliction on the part of the financial management, income tax was not deducted from the suppliers. This resulted in loss to government of Rs 1.271 million.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department replied that the audit calculated income tax on the overall amount allocated to the schools but expenditures were less than the amount mentioned in the para. DAC in its meeting held on 09.11.2019, directed the department to get verify the record. No compliance was made till the finalization of this report.

Audit recommends recovery of income tax of Rs 1.271 million from concerned under intimation to Audit

[PDP No.38]

5.5.3 Others

5.5.3.1 Irregular execution of works – Rs 76.682 million

According to Rule 12 (1) of Punjab Procurement Rules 2014 “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”

Chief Executive Officer, District Education Authority, Gujranwala allotted various schemes of works to various contractors during the financial year 2018-19. During the scrutiny of record it was noticed that following schemes of works were allotted to contractors without advertising on PPRA website as detailed below:

Rs in million			
Sr. No	Name of Schemes	Name of contractor	Cost Estimates
1	Up gradation of Govt. Mian Rehmat Ali (Commissioner colony) Ali Garh High School District Gujranwala	Gold Builders	22.738
2	Construction of Additional class rooms Govt: Girls & Boys High School, Mangoke Vdsirkan, Govt: Elementary School, Lala Pur	M. Riaz Govt: Contractor	14.21
3	Construction of Govt: Girls High School at Z-Block Peoples Colony, Gujranwala.	M/S Gold Builders	39.734
Total			76.682

Audit holds that development work was not advertised on PPRA website to avoid wider competition in award of work.. It resulted into irregular expenditure of Rs.76.682 million from public exchequer.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department replied that the para relates to the executing agency i.e XEN Buildings Division No.02 Gujranwala. Department further replied that that all the sub engineers (Diploma Holder) of his office on strike from 28.10.2019 to-date so his office was unable to reply the PDP because all record of the schemes is in the custody of the concerned sub-engineers. DAC in its meeting held on 09.11.2019, directed the department to provide the record for scrutiny. No compliance was made till the finalization of this report.

Audit recommends for provision of record besides fixation of responsibility on person (s) at fault under intimation to Audit.

[PDP No.15]

5.5.3.2 Doubtful payment of civil works pre-audited by District Accounts officer instead of Divisional Accounts officer- Rs 33.004 million

According to rule 2.14 (a) (ii) of Departmental Financial Rules, to assist the Divisional Officer in the discharge of his responsibilities referred to above, the Director, Audit & Accounts (Works) will post a Divisional Accountant to his office as primary auditor, i.e., as the representative of the Director, Audit & Account (Works) entrusted with the responsibility of applying certain preliminary checks to the initial accounts, vouchers, etc. (Chapter 6 in section IV of Audit Code-First Edition).

Chief Executive Officer, District Education Authority, Gujranwala executed works schemes through deposit work by XEN Buildings during the financial year 2018-19. XEN Buildings with his sign and stamp sent the running bills / claims of civil works contractors amounting Rs.33.004 million to the CEO (DEA) Gujranwala for payment without vetting/ pre-audited from Divisional Accountant. CEO forwarded the same bills to District Accounts officer for pre-audit and payment. It was observed with great concern that DAO Gujranwala and his staff were non-technical and did not pass the Divisional Accountant exams and how they conducted the pre-audited of the technical bills which were neither pre-audited by the Divisional Accountant of the Division. The chances of wrong billing and payment thereof could not be ignored. Audit is of the view that payment was made through non-technical personnel by bypassing the rules and regulations.

Audit holds that management willfully adopted defective procedure to avoid audit due to weak internal controls.

This resulted into irregular expenditure of Rs 33.004 million from public exchequer.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department replied that DDO of account-I cannot operate account-V or Account-VI respectively. As such, it is not permissible under rule 103(2) to transfer funds from account-V to Account-I. In the light of above rule, CEO (DEA) GRW being the operator of account-V forwarded the bills prepared by XEN buildings No.2, GRW to DAO for pre-audit in the light of rule 107(7) of PLG Act, 2013 which is reproduced as under: "The AG and the DAO shall pre-audit all the payments from the Local Funds of the DEA and DHA. Later on, the funds were provided to XEN buildings as per

Govt. of the Punjab Finance Department, policy letter¹⁵ dated 04.04.2019. DAC in its meeting held on 09.11.2019, directed the department to get the matter regularize from the competent authority. No compliance was made till the finalization of this report.

Audit recommends fixing responsibility besides regularization of the matter with the sanction of competent authority under intimation to Audit.

[PDP No.06]

5.5.3.3 Non imposition of penalty - Rs.22.25 million

According to Clause 39 read with Clause 37 of contract agreement, if a contractor fails to complete the work within stipulated period, he is liable to pay compensation @1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer in-charge to be worked out per day but not exceeding maximum of 10% of the construction of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

Chief Executive Officer, District Education Authority, Gujranwala executed works schemes through deposit work by the XEN Buildings during the financial year 2018-19. XEN Buildings Gujranwala awarded the development works to various contractors. The works could not be completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-charge. Neither any case for extension in time limit was processed nor penalty was imposed on the contractors on account of delay. This resulted in non-recovery 10% penalty amounting Rs.22.25 million besides delaying the desired benefits to the general public due to non-completion of the schemes within the stipulated period as detailed at **Annexure-D**.

Audit is of the view that due to lack of financial discipline penalty was not imposed and amount of liquidated damages was not realized.

This resulted in loss to Government amounting to Rs. 22.25 million.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department replied that the para relates to the executing agency i.e. XEN Buildings Division No.02 Gujranwala. He has intimated that all the sub engineers (Diploma Holder)

¹⁵ No.SO(H-1)1-41/2017 (P&SHCD) (AD) (Prov.)

of his office on strike from 28.10.2019 to-date so his office is unable to reply the PDP because all record of the schemes is in the custody of the concerned sub-engineers vide letter No.1333-AB dated 07.11.2019. DAC in its meeting held on 09.11.2019, directed the recovery from the concerned. No compliance was made till the finalization of this report.

Audit recommends recovery of Rs.22.25 million besides fixing responsibility against the officers / officials at fault under intimation to Audit.

[PDP No.08]

5.5.3.4 Non-recovery of registration fee from private schools - Rs 18.42 million

According to Section 3(1) of Punjab Private Educational Institutions (Promotion and Regulation) Ordinance 1984, an in-charge shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance and Section 11 (3) states, if an in-charge run the institution without registration under this Ordinance, the in-charge shall be liable to punishment of fine for Rs 300,000 to Rs 4,000,000.

Chief Executive Officer, District Education Authority, Gujranwala did not register 3,684 private schools functioning in district Gujranwala. There are 3,880 schools working in District Gujranwala as per Censuses 2018 of School Education Department Government of the Punjab and only 196 private school got registered with the authority and remaining 3,684 schools did not registered. Therefore, registration fee @ Rs.5,000 was not recovered from the concerned schools, detail is as under:

Level Of School	Tehsil GRW	Tehsil Kamoke	Tehsil Wazirabad	Tehsil Noshera Virkan	Total School	Registered	Un Registered	Total (Rs in million)
High/Higher	967	186	231	133	1517	103	1414	7.07
Middle	750	308	352	240	1650	53	1597	7.99
Primary	385	76	170	82	713	40	673	3.365
Total	2102	570	753	455	3880	196	3684	18.425

Audit holds that due to weak internal control, registration fee was not recovered from the private schools.

This resulted into loss of revenue of Rs18.42 million.

The matter was reported to the CEO/PAO District Education Authority Gujranwala in September, 2019. Department replied that the registration process of all unregistered schools is underway. About 50 to 60 schools are being registered in every month after observing all codal

formalities. Almost 500 private schools were registered after survey and same figure is under process.

DAC in its meeting held on 09.11.2019, directed the department to register the remaining private schools immediately. No compliance was made till the finalization of this report.

The matter may please be investigated at higher level and action be taken against the person at fault besides recovery of the amount under intimation to audit.

[PDP No.18]

CHAPTER 6

DISTRICT EDUCATION AUTHORITY, GUJRAT

6.1 Introduction of the Authority

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

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

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

DEA Gujrat manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3

Description	No. of offices / schools
High and Higher Secondary Schools	308
Elementary & Primary Schools	955
Any other institute	6

6.2 Audit Profile of District Education Authority, Gujrat

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Gujrat	1279	4	484.934	0.013

6.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 152.269 million were raised in this report during current audit of “District Education Authority, Gujrat.” This amount also includes recoveries of Rs 4.875 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	49.141
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	43.029
	B. Procurement related irregularities	2.751
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	49.238
5	Others	8.110
Total		152.269

6.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	6	Not convened
2	2018-19	10	Not convened

6.5 AUDIT PARAS

6.5.1 Non Production of Record

6.5.1.1 Non-production of record Rs 49.141 million

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

CEO (DEA) Gujrat completed various development schemes through deposit works executed by XEN Buildings Gujrat during the Financial Year 2018-19. Audit requested the record of below mentioned completed schemes for audit scrutiny but the same was not provided. The detail is as under;

Rs in million	
Name of Scheme	Funds Released 2018-19
Const. Boundary wall at GHS Sadat Pur	4.747
Const. of gerous building GHS Dittewal	7.959
Establishment of GHS Colian Road Dinga	27.435
Up gradation of GES Bhakarywali	9.00
Total	49.141

Audit is of the view that the relevant record of the expenditure was not maintained nor produced to Audit for verification..

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No 08]

6.5.2 Irregularities

6.5.2.1 HR / Employee related irregularities

6.5.2.1.1 Irregular cash payment of leave encashment - Rs. 30.345 million

According to clause 4(b) of Punjab District Authorities Accounts Rules 2017, the mode of payment from local fund of district authority shall be through cross non-negotiable cheque if amount exceed one thousand.

Audit of following formation of DEA Gujrat revealed that District Accounts Office made payment of Rs.30.345 million in the name of Deputy District Education officers during 2018-19, whereas the payment could have been made to vendors directly through cross/ non-negotiable cheques.

Rs in million

Sr. No.	Name of formation	Head of Account	Amount
1	Deputy District Education officer (MEE)Gujrat	Leave encashment	18.75
2	Dy District Education Officer (W-EE)Gujrat	Cash Payment	9.557
3	Dy District Education Officer (W-EE)Kharian	Leave encashment	2.038
Total			30.345

Audit is of the view that due to non compliance of rules cash payments were made in the name of Deputy District Education officers which resulted in irregular payment.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDPs No.25,27,52]

6.5.2.1.2 Unauthorized Payment of Adhoc Reliefs –Rs 4.515 million

According to Finance Department Office Memorandum No. FD. PC. 2-1/2016 dated 18-07-2016, Adhoc Relief All-2010, Adhoc Relief-2013, 2014 & 2015 shall cease to exist w.e.f 01-07-2016. According to

Finance Department Office Memorandum No. FD. PC. 2-1/2015 dated 22-07-2015, Adhoc Relief-2011 & 2012 shall cease to exist w.e.f 01-07-2015.

Audit of the Deputy District Education officer (WEE) Gujrat for the year 2017-19, revealed that payment was made under the heads Adhoc Relief 2010 & 2011 to be discontinued w.e.f 01-07-2016 by the Finance Department and further additional budget/funds for payment of arrears not demanded as detailed below:

FY	Description	Cost Center	Expenditure (Rs in million)
2017-18	Adhoc Relief 2010	GV6328	3.742
2017-18	Adhoc Relief 2010	GV6328	0.657
2018-19	Adhoc Relief 2011	GV6328	0.116
Total			4.515

Audit holds that due to weak internal and financial controls of management unauthorized payment of Adhoc Relief Allowance was made. This resulted into un-authorized payment of Adhoc Relief Inspection Allowance.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends regularization of the expenditure from competent authority under intimation to Audit.

[PDP No.30]

6.5.2.1.3 Unjustified payment on account of Inspection Allowance – Rs 4.050 million

As per Rule 2.10 of PFR Vol-I, government instructions, every DDO signing and authorizing the payments shall be personally responsible for any erroneous payment and claim of bill. According to rule 2.31 of the PFR Vol-I, drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation. Further as per clause 11 of terms and conditions of letter of agreement issued to AEOs, out of 27 performance evaluation indicators 25 are directly linked with inspection of schools.

Audit of the Deputy District Education Officer (WEE) Gujrat for the financial year 2017-19 revealed that the AEOs drew inspection allowance during summer vacations without performing any inspection duty of school. This resulted in unjustified payment of Inspection Allowance as detailed below;

Amount in RupeesYear	No. of AEO	Months	Rate	Amount	Total amount
2017-18	27	3	25,000	2,025,000	2,025,000
2018-19	27	3	25,000	2,025,000	2,025,000
Total					4,050,000

Audit holds that due to weak internal and financial controls of management unauthorized payment of Inspection Allowance was made during summer and winter vacations. It resulted into un-authorized payment of Inspection Allowance.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No. 28]

6.5.2.1.4 Unauthorized drawl of pay and allowances - Rs 2.844 million

Bills and other vouchers presented for payment shall be scrutinized by the DDO or the person authorized by him in this behalf and if the claim is admissible and in order, he shall record certificate that after internal audit of his satisfaction sanction is accorded for payment. And this payment as claimed in the bill is unavoidable with regard to the interest of the Local Government according to the 35 (2) Chapter IV of PLGO (Accounts) Rules 2001.

Scrutiny of accounts record of Deputy District Education Officer (EE-W) Kharian District Gujrat revealed that pay and allowances were paid to the Mst Jamila Begum working as SST in BS-18. The post of SST in BS-18 was not upgraded in budget of the District Education Authority. Therefore drawing pay and allowances was drawn of BS-18 instead of BS-17 without approval of the Finance Department.

Audit is of the view that due to weak internal controls, pay and allowances were paid to the teacher without approval of the post in BS-18.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.59]

6.5.2.1.5 Non deduction of Inspection Allowance during summer vacations - Rs 1.275 million

Scrutiny of accounts record of Deputy District Education Officer (EE-W) Kharian District Gujrat revealed that inspection allowance was paid to the AEOs through regular pay and allowances during the FY 2017-18. The inspection allowance was admissible subject to verification of Key Performance Indicators by the respective CEOs, DEAs.

Audit is of the view that Inspection Allowance was paid to the AEOs in summer vacations without providing the performance reports by the AEOs showing the status of meeting the targets of KPIs. This resulted in overpayment on account of Inspection Allowance to the AEOs.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.63]

6.5.2.2 Procurement related irregularities

6.5.2.2.1 Unauthorized expenditure due to non calling of quotations – Rs 1.309 million

According to Rule 12(2) read with 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 of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Scrutiny of accounts record of GGES and GGPS under the control of Deputy District Education Officer (EE-W) Kharian revealed that expenditure amounting to Rs 1.309 million was incurred without calling quotations for procurement of furniture items. The procurement of each school was more than Rs50,000 and 3 quotations were mandatory before the issuance of supply order/receiving of invoice. The expenditure was unauthorized due to violation of the PPRA rules.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.64]

6.5.2.2.2 Non deduction of Income Tax - Rs 1.442 million

As required under Section-153 of Income Tax Ordinance 2001 the requisite deduction of Income Tax at the prescribed rate is needed to be made at source while making payments on accounts of stores / services rendered.

Scrutiny of accounts record of Deputy District Education Officer (EE-W) Kharian District Gujrat revealed that incharge of the following primary/elementary schools incurred expenditure on account of purchase of furniture, repair/maintenance of building, white wash of building and purchase of other items under NSB budget allocation. The payment was made including Income Tax amounting Rs 1.442 million. Due to non deduction of Income Tax at source, overpayment was made to the contractors/suppliers.

Audit is of the view that due to weak internal controls, Income Tax was not deducted while making payments by the School Councils from NSB funds.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.58]

6.5.3 Value for money and service delivery issues

6.5.3.1 Wasteful expenditure on development scheme - Rs 47.869 million

According to rule 64 of PDG & TMA (Budget), Rules, 2003, each Local Govt. shall manage the resources made available to it efficiently and effectively.

CEO (DEA) Gujrat transferred an amount of 47.869 million to XEN Buildings department for under mentioned schemes during the financial period 2018-19. After the lapse of considerable time the works still could not be completed. XEN Building Gujrat kept the amount whole year and failed to complete the schemes. The detail is as under;

ADP Plan	Total Scheme	Incomplete Scheme	Fund Utilized (Rs in million)
2017-18 (Dilapidated Buildings)	18	03	8.449
2017-18 (Individual Schemes)	12	07	39.420
Total	30	10	47.869

Audit is of the view that due to sluggish response of XEN Buildings Gujrat the cost of schemes will increase when again process will initiated again.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No 07]

6.5.3.2 Non-completion of construction of boundary wall - Rs 1.369 million

According to rule 64 of PDG & TMA (Budget), Rules, 2003, each Local Govt. shall manage the resources made available to it efficiently and effectively.

CEO (DEA) Gujrat got administrative approval of scheme titled “construction of boundary wall, Government High School” for Rs 1.369 million from competent authority during the Financial Year 218-19. However, after lapse of considerable time the work could not be started.

Audit is of the view that due to non-execution of work , govt would have to bear extra cost..

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No 06]

6.5.4 Others

6.5.4.1 Non transfer of NSB & FTF Funds from PEF School to Account V - Rs 4.510 million

According to rule 64 of Punjab Local Government Budget, Rules, 2017, each Local Govt. shall manage the resources made available to it efficiently and effectively.

CEO (DEA) Gujrat handed over 66 government schools to Punjab Education Foundation (PEF) up to the period of 30th June 2019. During the scrutiny of record it was revealed that a handsome amount is available in NSB and FTF bank accounts. The school councils of these transferred schools have been dissolved. These available funds laying in NSB & FTF bank accounts were required to be transferred into Account V of DEA Gujrat as detail below:

Amount in Rs.				
Name of Office	No of Schools	NSB Funds	FTF Funds	Total
Dy.DEO (M) Gujrat	13	757,682	35,177	792,859
Dy.DEO (W) Gujrat	13	757,682	35,177	792,859
Dy.DEO (M) Kharian	10	672,681	58,447	731,128
Dy.DEO (W) Kharian	10	672,681	58,447	731,128
Dy.DEO (M) Sarai Alamgir	10	672,681	58,447	731,128
Dy.DEO (W) Sarai Alamgir	10	672,681	58,447	731,128
Total	66	4,206,088	304,142	4,510,230

Audit is of the view that due to non compliance of rules an amount of Rs.4.510 million was not transferred back to Account V.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of amount from concerned and deposit into Account V under report to audit.

[PDP No 04]

6.5.4.2 Non-recovery of registration fee from private schools – Rs 3.600 million

According to Section 3(1) of Punjab Private Educational Institutions (Promotion and Regulation) Ordinance 1984, an in-charge

shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance and Section 11 (3) states, if an in-charge run the institution without registration under this Ordinance, the in-charge shall be liable to punishment of fine for Rs 300,000 to Rs 4,000,000.

Audit of CEO (DEA), Gujrat revealed that there were 1,410 schools working in District Gujrat (as per Censuses 2018 of School Education Department government of the Punjab). 590 private schools were got registered with the authority whereas remaining 820 schools were left un-register. Therefore, registration fee @ Rs.5,000 was not recovered from the concerned schools, detail is as under:

Rs in million

Level Of School	Private Schools	Registered School	Un-registered School	Amount @ Rs 5,000
High/Higher	513	213	200	1.000
Middle	636	231	405	2.025
Primary	261	146	115	0.575
Total	1410	590	820	3.600

Audit holds that due to weak internal control, registration fee was not recovered from the private schools. This resulted into loss of revenue of Rs 3.600 million.

The matter was reported to PAO in November, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

The matter may please be investigated at higher level and action be taken against the person at fault besides recovery of the amount under intimation to audit.

[PDP No. 01]

CHAPTER 7

DISTRICT EDUCATION AUTHORITY, HAFIZABAD

7.1 Introduction of Departments

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

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

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

DEA Hafizabad manages following schools / education offices:

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

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

7.2 Audit Profile of District Education Authority, Hafizabad

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Hafizabad	92	5	1319.091	2.053

7.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 29.25 million were raised in this report during current audit of “District Education Authority, Hafizabad.” Summary of audit observations classified by nature is as under:

Rs in million

Sr. No.	Classification	Amount Placed under Audit Observation
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	-
	B. Procurement related irregularities	11.645
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	17.600
Total		29.245

7.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	06	Not convened
2	2018-19	10	Not convened

7.5 AUDIT PARAS

7.5.1 Irregularities

7.5.1.1 Procurement related irregularities

7.5.1.1.1 Irregular procurement of Uniforms-Rs 6.710 million

As per rule 31(1&2) of PPRA rule 2014, A procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an unambiguous evaluation criterion in the bidding documents shall amount to mis-procurement.

Head Mistress Special Education Center Hafizabad, incurred an expenditure of Rs 6.710 million for purchase of student uniforms during the financial period 2017-9 During the scrutiny of record it was found that 6 firms participated in bidding but 5 firms were knocked out by the procurement committee on technical basis to avoid fair competition in financial bid as there was no technical member in the procurement committee. To complete the procurement procedure financial bids of two suppliers M/S H.A Brothers and M/S BMR Contractor were opened, whereas M/S BMR contractor was initially disqualified in technical proposal by the committee. This resulted in Irregular procurement of Uniforms for Rs 6.710 million as detail below:

Rs in million

Document No	Document Date	Cost Center	Supplier	Cheque No.	Amount
1900064171	29.06.2018	HY6001	H.A. Brothers	1005	1.689
1900096217	29.06.2018	HY6001	H.A. Brothers	1006	1.666
1901137135	13.12.2018	HY6001	H.A. Brothers	44627	1.666
1901137136	13.12.2018	HY6001	H.A. Brothers	44628	1.689
Total					6.710

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

The matter was reported PAO concerned in September, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No15]

7.5.1.1.2 Unauthorized drawl of POL-Rs 4.935 million

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

Scrutiny of accounts record of H.M. Special Education Center District Hafizabad revealed that POL amounting to Rs 4.935 million was drawn on account of buses and generator during 2017-19. The expenditure on purchase of POL payment was held irregular by the audit because

- Route map of buses was not approved by the competent authority.
- Millage certificate of buses were not obtained
- Log books of buses and generator were not available
- Hourly consumption certificate of Generator was not obtained.
- WAPDA load shedding schedule was not provided.

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

The matter was reported PAO concerned in September, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No 17]

7.5.2 Others

7.5.2.1 Unauthorized Payment through DDO in Cash Rs 12.418 million

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

Scrutiny of accounts of H.M Special Education Center Hafizabad revealed that different items were purchased of Rs. 12.418 million from different suppliers but amount was transferred directly to DDO bank account instead of vendor account against the instructions of the Government and from DDO account payment was made to suppliers in Cash. This resulted in unauthorized payment of Rs. 12.418 million.

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

The matter was reported PAO concerned in September, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No 25]

7.5.2.2 Irregular Payment of Stipend Due to Defective Maintenance of Record - Rs 3.622 million

According to Department of Special Education Government of the Punjab Website “described eligibility criteria for admission in institutions of Special Education:

- Candidate should be aging from 4 to 9 years for the admission in nursery class.
- Written test/interview would be prescribed by the principal/headmaster for the admission in class 1 to 5
- Candidate should be aging from 5 to 10 years for the admission in Institutions of Slow Learners Children.
- IQ level of children should be in the range of 70-95 for the admission in Institutions of Slow Learners Children.

Following documents are required for admission in institutions of Special Education:

- Copy of birth certificate
- Copy of the CNIC of father/guardian
- Copy of the CNIC of student (if applicable)
- Copy of domicile (if applicable)
- Copy of academic certificates (if applicable)
- N.O.C (if applicable)
- School leaving certificate (if applicable)

During the scrutiny of students' files of Special Education Center Hafizabad, it was found that evidence of eligibility criteria like prescribed Admission form, IQ level test and format of interview were not available in each student file. Furthermore, copy of birth certificate and NIC were also missing in some files. In absence of such record the payment of stipend is become doubtful.

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

The matter was reported PAO concerned in September, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No 18]

7.5..2.3 Unauthorized Repair of vehicles - Rs 1.560 million

No authority should sanction any expenditure which is likely to involve at a later date expenditure beyond its own power of sanction as laid down under Rule 2.10(a)(5) of PFR Vol-I. Further no authority shall sanction any expenditure, which is directly or indirectly to its own advantage as laid down under Rule 32(c) of PLG (Accounts) Rules 2001.

Scrutiny of accounts record of H.M Special Education Center Hafizabad, revealed that Rs 1.560 million paid for the repair of buses during the period. Repair & maintenance was not entered in history sheet register. Spare parts were purchased from the contractor instead of auto store. Demand applications were not received from the driver. Old parts

were not entered in dead stock register. This resulted in unauthorized expenditure of Rs. 1.560 million.

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

The matter was reported PAO concerned in September, 2019 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No 22]

CHAPTER 8

DISTRICT EDUCATION AUTHORITY, JHELUM

8.1 Introduction of the Authority

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

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

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

DEA Jhelum manages following schools / education offices:

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

High School	147
Middle Schools	138
Primary Schools	529

8.2 Audit Profile of District Education Authority, Jhelum

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Jhelum	175	5	56.715	0.356

8.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 43.774 million were raised in this report during current audit of “District Education Authority, Jhelum.” This amount also includes recoveries of Rs 4.148 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	12.209
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	1.268
	B. Procurement related irregularities	6.880
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	17.244
5	Others	6.173
	Total	43.774

8.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	22	Not Convened
2	2018-19	22	Not convened

8.5 AUDIT PARAS

8.5.1 Non production of Record

8.5.1.1 Non-production of vouched account – Rs 12.209 million

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

Scrutiny of accounts of CEO (DEA) Jhelum during 2018-19 revealed that Rs 12.209 million were paid to the various contractors but against these payments XEN buildings did not provides tender documents, revised estimates and measurement books.

Audit is of the view that due to weak managerial control the record was not produced for audit scrutiny.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends that matter be investigated for fixing responsibility against person(s) at fault beside provision of supporting record for verification to Audit.

(AIR Para No.7)

8.5.2 Irregularities

8.5.2.1 HR/Employees related irregularities

8.5.2.1.1 Misclassified payment of pay and allowances – Rs1.268 million

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

During audit of the accounts of the following offices of DEA Jhelum, it was noticed that Rs 1.268 million were paid on account of Social Security Benefit @ 30% under head A01270-Others without mentioning its actual nomenclature of the allowance in violation of above rule. This resulted in misclassified payment as detailed below:

Formation Name	DDO Code	Expenditure (Rs in million)	Financial Year
DEO (MEE), Jhelum	JV-6027	0.268	2018-19
Govt. Special Education Centre, PD Khan	JM-7288	0.173	2014-15
	JM-7288	0.240	2015-16
	JV-6005	0.070	2016-17
	JV-6005	0.252	2017-18
	JV-6005	0.265	2018-19
Total		1.268	

Audit is of the view that due to non compliance of rules the expenditure was incurred by misclassification.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

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

(AIR Para No. 03, 05)

8.5.2.2 Procurement related irregularities

8.5.2.2.1 Unjustified expenditure on procurement of desktop computers – Rs 6.880 million

According to PPRA's Rules, rule 31 (1) A procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents. (2) Failure to provide for an unambiguous evaluation criterion in the bidding documents shall amount to mis-procurement.

During audit of CEO (DEA) Jhelum for the financial year 2018-19 it was observed that expenditure of Rs 6.880 million was incurred on purchase of desktop computers and servers for Government elementary, high and higher secondary schools from M/s Gul Enterprises Mardan. It was noticed that comparative statement and specifications were not signed by the Chairman i.e. Administrator, the import documents were not provided by the supplier, in the absence of which there were chances of supply of locally assembled low priced computers. Further, technical proposals of the firms were not evaluated on the basis of volume of their business with foreign companies. The market analysis of local assembled and imported computers were not made before procurement. This resulted in unjustified expenditure on procurement of computers as detailed below:

Name of Firm	Description	QTY	Rate / item (Rs)	Amount (Rs)
M/s Gul Enterprises Mardan	Desktop computer for 05 Elementary Schools	25	66,150	1,579,331
	Desktop computer for 09 Secondary Schools	60	82,150	4,929,000
	Server computer set	4	93,000	372,000
Total				6,880,331

Audit is of the view that due to financial mismanagement, procurement was made without fulfilling the formalities.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends that matter be investigated for fixing responsibility against person(s) at fault.

[AIR Para No.3]

8.5.3 Value for money and service delivery issues

8.5.3.1 Unjustified payment on substandard work – Rs 12.478 million

According to Para-127 (6) & 129(i) of PWD Code, payment on all work done should be made on the basis of measurement recorded in MB in accordance with the work actually done at site, measured in person by the SDO and he will be responsible for the general correctness of the bill as a whole

During audit of CEO (DEA) Jhelum for the financial year 2018-19 it was observed that Rs 12.478 million were paid to M/s Aleem Enterprises for reconstruction of 08 class rooms (Double Story) measuring 28x18' each along with construction of verandah and 350 Rft boundary wall with gate & gate pillars in Government Boys High School No.1, Pinanwal, Tehsil Pind Dadan Khan District Jhelum. The payment was made to the contractor besides the fact that work was substandard on the basis of shortcomings pointed out by the Head Master of school concerned. It was pointed out that there was leakage of roofs of 2nd story class rooms, height of the momty stairs is low, old bricks were used in the construction of wall surrounding the building, huge cracks were found in the class rooms, new gate and pillar was not constructed but building department did not make necessary corrective measurement on the shortcoming pointed out by head master.

Audit is of the view that due to negligence and financial mismanagement work was not done according to specification which resulted in payment to contractor on substandard work.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends that matter be investigated for fixing responsibility against person(s) at fault.

[AIR Para No.1]

8.5.3.2 Non utilization of funds – Rs 2.052 million

According to Government of Punjab, Schools Education Department letter¹⁶ dated 07.03.2016, Chief Minister Punjab has approved the incentive along with free uniform, bags, books, shoes and stationary items for children/parent working in Brick Kiln now studying in Public, Private and Non-Formal Schools in Punjab.

¹⁶ SO (Budget) 1-3/2016

During audit of accounts of the DEO (M-EE) Jhelum for the financial year 2018-19 it was observed that Rs 2.085 million were granted under head A05270 for incentive, free uniform, bags, books shoes and stationary items for children working in brick kiln. Scrutiny of the record revealed that department failed to utilize funds worth Rs 2.052 million and deprived the children/parent working in Brick Kiln from the facility of free uniform, bags, books, shoes and stationary items.

Audit is of the view that due to poor performance the funds were not utilized and lapsed.

The matter was reported to CEO/PAO in December, 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

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

(AIR Para No. 02)

8.5.3.3 Irregular payment of rent of office building – Rs1.463 million

According to note V of serial no. 2 of Punjab District Authorities, Delegation of Financial Rules 2017, hiring of buildings on rent would be subject to the conditions that (a) the accommodation is according to the scale approved by the Government, (b) the rent does not exceeds the tax assessed by the Excise, Taxation and Narcotics Department for the purpose of Urban Immovable Property Tax, the CEO shall give rent reasonability certificate in case the rent exceeds as assessed by the Excise, Taxation and Narcotics Department and (c) non-availability certificate that there is no official building available for housing a particular office.

During audit of Govt. Special Education Centre, P D Khan for the period 2014-19, it was noticed that Rs 1.463 million were paid to owner of the school building on account of rent of office building without rent assessment and payment was made in cash instead of crossed cheque or bank draft. Moreover, building map duly verified/approved from Municipal Committee, PD Khan was not available. This resulted in irregular payment as detailed below:

Sr. No.	Financial Year	Monthly Rent (Rs)	Total payment (Rs)
1	2014-15	19,965	239,580
2	2015-16	21,962	263,544
3	2016-17	24,158	289,896
4	2017-18	26,573	318,876
5	2018-19	29,230	350,760
Total			1,462,656

Audit is of the view that due to weak financial management the irregularity was made due to payment without rent assessment and cash payment.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

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

(AIR Para No. 02)

8.5.3.4 Non-recovery of fine from private schools – Rs 1.291 million

According to Sr. No. 11(1) of the Punjab private Educational institutions (Promotion and Regulation) Ordinance, 1984, “Subject to the provisions of section 3 whoever continues to run an institution without registration or after refusal or cancellation of registration, shall be punished with fine which may extend to one hundred rupees for each day during which the contravention continues.

During audit of account of the CEO (DEA) Jhelum for the financial year 2018-19 it was observed that registration of various private schools was expired and schools were working without renewal of their registration. Neither application for renewal of registration submitted nor fine of rupees one hundred rupees per day was imposed. This resulted in loss of Rs 1.291 million due to non-collection of renewal fee and fine on late renewal of registration. Detail is as under:

(Amount in Rs)

No. of Schools	Total Penalty	Inspection Fee	Recoverable (4+5)
1	2	3	4
24	1,218,900	72,500	1,291,400

Audit is of the view that due to poor managerial controls, the private schools were working without renewal of their registration and loss of Rs 1.291 million was occurred due to non-collection of renewal fee and fine on late renewal of registration.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends registration of private unregistered schools at earliest and recovery on account of renewal of registration and fine on late renewal besides fixing responsibility against the person(s) at fault.

(AIR Para No.2)

8.5.4 Others

8.5.4.1 Non-disbursement of merit scholarship – Rs 3.315 million

According to rule 2.10(b) (5) of PFR Vol-1, no money is withdrawn from the treasury unless it is required for immediate disbursement.

Scrutiny of accounts of CEO (DEA) Jhelum for the financial year 2018-19 revealed that Rs 3.315 million were transferred on 19.06.2019 to DEO (SE) Jhelum and Dy. DEOs Jhelum on account of internal merit scholarship for 5th and 8th classes for further distribution among the concerned students. Scrutiny of the record revealed that disbursement of scholarship was not made. Detail is as under:-

Name of office	Scholarship for the period	Amount (Rs in million)
DEO (SE) Jhelum	01.04.16 to 31.03.18	1.728
DEO (SE) Jhelum	01.04.16 to 31.03.17	0.228
Dy. DEO(M-EE) Jhelum	01.04.16 to 31.03.18	0.211
Dy. DEO(M- EE)Jhelum	01.04.16 to 31.03.16	0.070
Dy. DEO(M- EE)Dina	01.04.16 to 31.03.18	0.338
Dy. DEO(M- EE) Sohawa	01.04.16 to 31.03.18	0.346
Dy. DEO(M- EE) P.D.Khan`	01.04.16 to 31.03.18	0.394
Total		3.315

Further, during scrutiny of accounts of the DEO (SE) for financial year 2017-19 it was noticed that out of this amount Rs 1.956 million were received from CEO (DEA) Jhelum but said amount along with previous unspent balance of Rs 0.301 million was not distributed and was kept in DDO account Audit is of the view that due to financial mismanagement the vouched accounts were not provided for verification.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

Audit recommends that matter be investigated for fixing responsibility against person(s) at fault beside provision of disbursement record of scholarship amount among the students concerned.

(AIR Para No.05, 01)

8.5.4.2 Non imposition of penalty due to late completion of schemes – Rs 2.858 million

According to Clause 39 read with Clause 37 of contract agreement, if a contractor fails to complete the work within stipulated period, he is liable to pay compensation @1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer in-charge to be worked out

per day but not exceeding maximum of 10% of the cost of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion

During audit of accounts of the CEO (DEA) Jhelum for the financial year 2018-19 it was observed that following works costing Rs 28.581 million were not completed within stipulated time. The contractors did not apply for extension in time limit to the XEN. Neither any case for extension in time limit was processed nor penalty of Rs 2.858 million @ 10% of work estimate cost imposed on the contractors in violation of the above clause. This resulted in non-imposition of penalty of Rs 2.858 million as detailed below:-

(Rs in million)

Name of Scheme	Name of Contractor	Cost of Work	Start work	Completion	Penalty
Re-Const. of 08 Class Rooms in GBHS No.1 Pinanwal P.D.Khan	M/S Aleem Enterprises	12.14	08.11.2017	07.05.2018	1.214
Const. of 2 Class Rooms (\ in GHS Surgdhan, \ Sohawa	M/S Usman & Co	3.019	22.12.2016	21.05.2017	0.302
Re-Const. of 3 Class Rooms in GGHS Bakrala Sohawa,	M/S Ch. Zulfiqar Hussain	4.400	25.11.2017	24.03.2018	0.44
Re-const.of 08 Class Room etc in GGES Hoon Hamwala.	M/S Raja Mudassar& Co	9.022	01.12.2016	30.10.2017	0.902
Total					2.858

Audit is of the view that due to weak internal controls, penalty was not imposed to contractors on non-completion of schemes within the stipulated period.

Matter was reported to CEO/PAO in December 2019. Despite issuing reminders on 27.12.2019, and 07.01.2020, neither reply was submitted nor DAC meeting convened, till the finalization of this report.

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

(AIR Para No.6)

CHAPTER 9

DISTRICT EDUCATION AUTHORITY, KASUR

9.1 Introduction of Authority

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

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

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

DEA Kasur manages following schools / education offices:

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

Dy. DEO (MEE)	3
Dy. DEO (WEE)	3
High and Higher Secondary Schools	117
Elementary & Primary Schools	1188

9.2 Audit Profile of District Education Authority, Kasur

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Kasur	127	4	2684.550	7.094

9.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 132.60 million were raised in this report during current audit of “District Education Authority, Kasur.” This amount also includes recoveries of Rs 111.779 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	4.210
3	Irregularities:	-
	A. HR/Employees related irregularities	-
	B. Procurement related irregularities	60.679
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	67.711
	Total	132.600

9.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	12	Not convened
2	2018-19	21	Not convened

9.5 AUDIT PARAS

9.5.1 Fraud / Mis-appropriation

9.5.1.1 Fraudulent expenditure on pay and allowances due to bogus documents Rs 4.210 million

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, as per Govt. instructions, the employee shall be hired on the SAP system having verified documents from HEC.

During the audit of Deputy District Education Officer (Male Elementary Education) Kasur for the Financial Year 2018-19, it was observed that following eleven employees were appointed as Elementary School Educator on contract basis in July-2016. After the verification of their educational documents, these were found bogus/fake/tempered but these employees were drawing salaries from this office resulted in fraudulent payment on pay and allowances for Rs 4.210 million as detail below:

Name	Personal No.	Order No of Termination	Dated	Period	Amount (Rs)
Javed Iqbal ESE	31885691	869	9.2.18	1/8/16- 31/01/18	363,327
Bushra Iqbal ESE	31885692	867	9.2.18	1/8/16 -31/01/18	363,327
M Imran Yousaf ESE	31695495	865	9.2.18	11/04/15- 31/01/18	730,591
M Arshad ESE	31859241	871	9.2.18	1/8/16- 31/01/18	363,327
MMunir ESE	31952863	863	9.2.18	1/09/17- 31/01/18	116,238
Khalid Mehmood ESE	31955826	1118	17.2.18	1/8/17- 31/01/18	138,280
M. Nasrullah ESE	31865064	1401	23.2.18	7/2016 -01/2018	569,601
Fayyiaz Ahmad ESE	31859242	1441	24.2.18	7/2016-02/2018	391,397
Amjad Ali ESE	31859237	1445	24.2.18	7/2016-02/2018	391,397
Tanveer Kashif ESE	31850766	1443	24.2.18	7/2016-02/2018	391,397
Majid Ali ESE		2084	16.3.18	7/2016-02/2018	391,397
Total					4,210,279

Audit holds that due to weak internal controls pay and allowances were drawn by the employees on the dubious/ fake/bogus/tempered educational certificates.

This resulted in fraudulent payment on pay and allowances for Rs 4.210 million

The matter was discussed in DAC meeting held on 16.12.2019. The department replied that the case is under trial/inquiry. The department

admitted the audit point view. The DAC directed to ensure the compliance of order after finalization of inquiry.

Audit recommends investigation of the matter with recovery of pay and allowances from concerns besides fixing responsibility on persons at fault under intimation to Audit.

(PDP No 11)

9.5.2 Irregularities

9.5.2.1 Procurement related irregularities

9.5.2.1.1 Irregular Expenditure due to Violations of PPRA Rules Rs 16.917 million

According to Rule 12(1) of Punjab Procurement Rules 2009, procurements upto one hundred thousand may be purchase on quotation basis and over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Management of following formations incurred expenditures of Rs 16.917 million without meeting the codal formalities i.e. calling tenders, quotations and maintenance of stock register of stationery, printing etc. just to consume budget at year end as detailed below:

Sr. No.	Name of Formation	Amount (Rs in million)
1	Dy. DEO (WEE), Kasur	1.522
2	Dy. DEO (WEE), Kasur	1.701
3	Govt Special Education Cener Chunian	1.289
4	Dy. DEO (MEE) Kasur	12.405
Total		16.917

Audit is of the view that due to weak internal and financial control expenditure was incurred without meeting the codal formalities of calling tenders/quotations.

This resulted in irregular expenditure of Rs 16.917 million.

The matter was discussed in DAC meeting held on 16.12.2019. The managements replied that budget was released on quarterly basis. Hence the department was not in position to adopt tender procedure and purchases were made on need basis. The reply was not satisfactory as option of rate contract was exist. The DAC directed that the matter may be got regularized.

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

[PDP 09,10,04,08]

9.5.2.1.2 Irregular expenditure by schools councils -Rs 16.210 million

According to para 4.9.1 of School Council Policy 2007 revised in 2017, School Council is authorized to incur maximum amount of Rs 400,000 during a financial year (From July to June).

During the audit of Deputy District Education Officer (Male Elementary Education) Kasur for the Financial Year 2018-19, it was observed that the head of various schools under the administrative control of Deputy DEO (MEE) made expenditure for Rs 16.210 million over and above the prescribed limit of Rs 400,000 in a financial year in violation of rule *ibid*.

Audit is of the view that the irregularity occurred due to weak financial management and weak internal controls.

This resulted in irregular expenditure of Rs 16.210 million

The matter was discussed in DAC meeting held on 16.12.2019. The department replied that all expenditure was incurred by school councils as per schools' requirement. The DAC directed for regularization of expenditure from the Finance Department.

Audit recommends for regularization of the matter along with clarification from the Finance Department.

(PDP 4)

9.5.2.1.3 Non-deduction of GST & Income Tax - Rs 14.873 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person: (a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer. (b) For rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer. The Government of Pakistan (Revenue Division) Notification dated 30.06.2007 read with letter¹⁷ dated 17.10.2006 provides that sales tax at the prescribed rates need to be deducted at source from those who do not submit the sales tax invoice with their bills.

During the audit of Deputy District Education Officer (Male Elementary Education) Kasur for the Financial Year 2018-19, it was

¹⁷ 103-D (Vi) PD/2005/51

observed that heads of schools incurred Rs 52.948 million on purchases and repairs of different items from unregistered firms but GST of Rs 10.060 million and Income Tax of Rs 3.442 million was not deducted from the bills of the suppliers. Further, management made payment of GST and Income Tax to the suppliers instead of making deduction of GST Rs 1.004 million & Income Tax Rs 0.367 million.

Audit holds that non-deduction of income tax and general sales tax was due to weak internal controls and defective financial management.

This resulted in overpayment of Rs 14.873 million

The matter was discussed in DAC meeting held on 16.12.2019. The department replied that Income Tax and GST was deducted from the bills of supplier and deposited into Govt. treasury. The reply was not satisfactory as evident from record that no tax and GST was deducted from the supplier and the DDO deposited it from own budget. The DAC directed that income tax and GST may be recovered from the supplier.

Audit recommends for early recovery of overpayment besides fixing responsibility against the person at fault

(PDP 6, 14)

9.5.2.1.4 Irregular drawl of cash instead of payments through cross cheques to vendors Rs 12.679 million

Rule 2.12 of PFR Vol-I and 4.49 of STR, Punjab provides that no payment may be made in cash but through bank drafts and cheques etc.

Scrutiny of accounts record of following offices for the year 2018-19 revealed that an amount of Rs 12.679 million were withdrawn in cash instead of payments to the vendors through cross cheques. Further, acknowledgements were also not on record. It creates doubts about the payments made and may lead to embezzlements as detailed below:

Sr No	Name of Formation	Amount (Rs in million)
1	Dy DEO (WEE) Kasur	2.670
2	Dy. DEO (MEE) Kasur (Contingencies)	10.009
Total		12.679

Audit holds that payment to vendors instead of cross cheques or Bank Drafts was due to weak internal and poor financial discipline

This resulted in irregular expenditure of Rs 12.679 million.

The matter was discussed in DAC meeting held on 16.12.2019. The DDOs of the department replied that expenditure was incurred as per need from time to time and the budget was issued in 4-installment during the year. The reply was not satisfactory as matter relates to payment in the name of DDOs instead of vendors. The DAC directed that the matter may be got regularized.

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

[PDP 07,10]

9.5.3 Others

9.5.3.1 Irregular Payment of Pension due to Non Maintenance of Pension Contribution Fund on Account of MC/ Zila Council Employees – Rs. 59.660 million

According to para 5 of Government of Punjab, Finance Department letter¹⁸ dated 25.05.2017, “the concerned District Authority shall deposit the monthly pension contribution @ 40% of the pay of such serving employees w.e.f. 01.01.2017 to onwards to the “District Education Authority Pension Fund” or “District Education Authority Pension Fund”, as the case may be in prescribed manner”.

During the audit of CEO (Education) Kasur for the Financial Year 2018-19, it was observed that CEO (Education) neither maintained the pension fund nor was depositing 40% of the pay of employees of MC/Zila Councils working in the jurisdiction of CEO (Education) Kasur in violation of above rules. Further expenditure amounting to Rs. 59.660 million was incurred on account of payment of pension to employees of Municipal Committee /Zila Councils directly from office budget instead of Pension Fund in violation of above instructions.

Audit holds that payment of Rs 59.660 million without obtaining pension contribution from district councils was due to weak internal control and poor financial discipline.

This resulted in unauthorized payment of Rs 59.660 million.

The matter was discussed in DAC meeting held on 16.12.2019. The department replied that an amount of Rs 40.453 million received from MC Kasur and Rs 9.500 million from MC Pattoki on account of pensioner benefits share and it is a policy matter. The reply was not satisfactory as no monthly share were received from MC. The DAC directed that the matter may be taken up with Finance Department or compliance shown by the departments.

Audit recommends for regularization of the matter.

(PDP No. 01)]

¹⁸ FD(DG)1-Instructions-Act-13/2016

9.5.3.2 Non imposition of Penalty due to delay in completion of work – Rs. 8.051 million

According to C&W Department letter¹⁹ dated 28/04/2009 read with clause 39 of contract agreement, if contractor does not complete the work within time limit he would be liable to pay compensation 1 to 10% of the estimated cost or otherwise on the ground of per day basis for which the work remain incomplete and copy of extension in time limit would be submitted to Secretary C&W Department.

The scrutiny of record of CEO (Education) Kasur for the Financial Year 2018-19, revealed that 14 Nos development schemes was awarded to different contractors in 2017 with the time limit of 03 and 06 months by CEO Education Kasur. The contractors could not complete the work within the scheduled time. The payments were made to suppliers without imposition of penalty i,e Rs 8.051 million. **Annexure-E**

Audit is of the view that non-imposition of penalty was due to weak internal controls and poor financial discipline.

This resulted in loss to Govts of Rs 8.051 million due to non-imposition of penalty.

The matter was discussed in DAC meeting held on 16.12.2019. The department replied that funds were released by the Government of the Punjab Finance Department in tranche-wise/quarterly basis and not in Total. Due to this reason the schemes were not completed within the time limit.. The reply was not satisfactory as extensions have been granted after expiry of time period and in excess to original time. Further the completion certificates are dated “Nil.” The DAC pended the para till compliance.

Audit recommends imposition and recovery of penalty besides fixing responsibility against the officers at fault.

(PDP No 11)

¹⁹ SOB II (C&W) 2-21/79-CE(PIII)

CHAPTER 10

DISTRICT EDUCATION AUTHORITY, KHUSHAB

10.1 Introduction of the Authority

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

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

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

DEA Khushab manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	4
Dy. DEO (W-EE)	4

High and Higher Secondary Schools	129
Elementary & Primary Schools	813

10.2 Audit Profile of District Education Authority, Khushab

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Khushab	154	5	3652.727	-

10.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 307.196 million were raised in this report during current audit of “District Education Authority, Khushab.” This amount also includes recoveries of Rs 56.134 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	180.549
	B. Procurement related irregularities	20.521
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	1.085
5	Others	105.041
	Total	307.196

10.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	06	Not convened
2	2018-19	27	Not convened

10.5 AUDIT PARAS

10.5.1 Irregularities

10.5.1.1 HR / Employee Related Irregularities

10.5.1.1.1 Irregular payment of pay & allowances without nomenclature—Rs 30.042 million

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

DDOs of following formations of District Education Authority, Khushab drew Rs 30.042 million on account of pay and allowances of the officials / officers under object head “A01270-Others” without giving clear nomenclature / chart of accounts of pay & allowances in violation of Govt. instructions.

Sr. No.	Department	Amount (Rs in million)
1	Dy.DEO (EE-W) Khushab	18.916
2	Dy.DEO(EE-W) Quidabad, Khushab	11.126
Total		30.042

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred without proper classification / nomenclature.

This resulted in payment of salary by misclassification.

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that the arrears bills of those heads where codes are not operative, expenditures were booked under the head of account “A01270”. DAC did not accept the reply and kept the para pending with the direction to approach AG Punjab / Finance Department to create relevant minor heads in the SAP system. No compliance was shown to audit till the finalization of this report.

Audit recommends for regularization besides action be taken against the concerned under intimation to Audit.

[AIR para # 71, 87]

10.5.1.1.2 Irregular payment on account of leave encashment- Rs 11.964 million

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

During audit of Dy.DEO (EE-M), Khushab for the Financial Year 2018-19 it was noticed that the management paid Rs 11.964 million on account of Leave Encashment during Financial Year 2018-19. Payment was made but the requisite record like original vouchers, Last Pay Slips along with the acknowledgement of recipient, proof of bank transfer / payment through crossed cheques, leave account was not available to ensure that no long leave was availed by the official during the last year that needs to be adjusted or otherwise.

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

This resulted in irregular expenditure of Rs 11.964 million.

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that the cheques of leave encashment were in employees name and not in DDOs cheques. Audit contented that leave Accounts of employees as per service books was not produced. DAC kept the para pending for verification of leave record as per service books. No compliance was shown to audit till the finalization of this report.

Audit recommends appropriate lapse and negligence against the person(s) at fault besides action under report to audit.

[PDP No. 49]

10.5.1.1.3 Payment of conveyance allowance during summer vacation – Rs 1.052 million

According to Civil Service Rules Vol-I part I & II, Rules 8.60 read with Appendix 18. According to para 1.15(2) of Punjab Traveling Allowance Rules (Compendium 2008), conveyance allowance falling under Rule 1.14 (ii) 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.

DDOs of following formations of District Education Authority, Khushab did not deduct conveyance allowance of Rs 1.052 million from

the pay & allowances of the teaching staff during summer vacations in violation of rule *ibid*.

Sr. No.	Name of formation	Amount (Rs in million)
1	CEO DEA Khushab	0.432
2	DEO (SE) Khushab	0.620
Total		1.052

Audit holds that due to weak financial controls conveyance allowance during summer vacation was paid.

This resulted in irregular payment of conveyance allowance of Rs 1.052 million.

The matter was discussed in DAC meeting held on 05.12.2019. Department replied that recovery of Rs 1.052 million is under process. No progress was reported till finalization of this Report.

Audit recommends recovery of conveyance allowance under intimation to audit.

[AIR para # 4, 38]

10.5.1.1.4 Overpayment on account of 30% SSB-Rs 93.913 million

According to (XIII)(i)(b) Contract Appointment Policy, 2004, “Social Security Benefit @ 30% of minimum of basic pay is admissible only for the persons working on contract in lieu of pension”. “The employees at regularization shall not be entitled to the payment of 30% social security benefit in lieu of pension or any other pay package, being drawn by them during the contract period”. Government of the Punjab Finance Department has issued Notification²⁰ dated 10.08.2015 regarding regularization of contract teaching staff. According to the notification all educators (ESE, SESE and SSE all categories) recruited under Recruitment Policy 2011 (amended in 2012) will be regularize.

Management of the following formations of District Education Authority, Khushab regularized the services of the contract staff but social security benefit @ 30% was not deducted from the pay of the contract staff after their regularization. Scrutiny further revealed that the management paid excess payment of personal allowance to the teachers who were regularized w.e.f 07-08-2015. On the regularization of services, they were required to fix pay at the initial of the BPS in which they were regularized and the increment earned during the contract period were

²⁰ SO (SE-III) 2-16/2007 (P-V)

required to be fixed as personal allowance. However the personal allowance was not fixed by the administration from the effective date of the regularization which resulted in wrong fixation of personal allowance and excess payment of Rs 93.913 million.

Sr. No.	Department	Amount (Rs in million)
1.	CEO DEA Khushab	56.616
2.	CEO DEA Khushab	2.622
3.	DEO (SE)	22.904
4.	Dy. District Officer Education (MEE), Khushab	2.890
5.	Dy. DEO (W-EE) Khushab	5.787
6.	Dy. D.E.O (EE-W) Quidabad, Khushab	3.094
Total		93.913

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

This resulted in over payment of social security benefits of Rs 93.913 million

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that scrutiny process of recovery and fixation of pay is in pipeline. DAC Directed to scrutinize the cases through DDOs / DAO at the earliest and effect the actual recoverable amount, employee wise / DDO wise under intimation to audit. Para was kept pending till recovery. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery besides fixing lapse and negligence against the persons at fault under report to audit.

[AIR para # 01, 26, 35, 47, 66, 84]

10.5.1.1.5 Overpayment of pay and allowances due to non-deduction of GP Fund, Group Insurance and Benevolent Fund Rs 42.496 million

According to Rule 2.33 of PFR Vol-1 every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part. According to Government of the Punjab, Finance Department Notification²¹ dated 16-08-2017 the rate of GP fund was increased with effect from 01-07-2017 as mentioned in given below table.

²¹ FD.SR-1/2-1/95(P)

DDOs of following formations of District Education Authority Khushab did not deduct / less deducted GI, BF and General Provident Fund from the pay and allowances of the certain regular employees, who were regularized on various dates, due to which they were paid in excess of the regular pay and allowances. The said employees were regularized and their pay was not fixed at the initial of pay scale and they get the benefit of increments. This resulted in overpayment of pay and allowances of Rs 42.496 million.

Sr. No.	Department	Description	Amount (Rs in million)
1	CEO DEA Khushab	Non deduction of GP Fund	29.655
2	CEO DEA Khushab	Less deduction of GP Fund	0.624
3	DEO (SE) Khushab	Non deduction of GP Fund	10.820
4	DEO (SE) Khushab	Less deduction of GP Fund	1.397
Total			42.496

Audit holds that due to weak administrative and financial controls GP Fund, Group Insurance and benevolent fund for regular period was not deducted.

This resulted in over payment of social security benefits of Rs 42.496 million

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that deduction of GPF, GI and BF based on SAP system and is operated by DAO Khushab. DAC reduced PDP No. 3 from Rs 2.017 million to Rs 0.624 million and directed that cases of regularization may be scrutinized within 10 days and their compulsory deductions GPF, GI and BF may be started and record provided to audit for verification. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery besides fixing lapse and negligence against the persons at fault under report to audit.

[AIR para # 02, 03, 36, 37]

10.5.1.1.6 Unauthorized payment of charge allowance – Rs 1.082 million

According to Government of the Punjab Notification²² dated 18-06-1973, charge allowance to the Head Masters of Govt. Primary Schools is admissible only where five teachers are posted in the school and enrollment is up to 150 students.

²² FD-PR-10-71/72

DDOs of following formations of District Education Authority, Khushab paid Rs 1.082 million as charge allowance to the heads teachers of Primary / Elementary Schools without observing the above said condition of student's enrollment in violation of rule ibid.

Sr. No.	Name of formation	Amount (Rs in million)
1	CEO DEA Khushab	0.477
2	Dy. District Officer Education (W-EE) Khushab	0.605
Total		1.082

Audit holds that due to weak administrative and financial controls overpayment of charge allowance was made to the employees not eligible for it.

This resulted in overpayment of charge allowance of Rs 1.082 million,

The matter was discussed in DAC meeting held on 05.12.2019. Department replied that the charge allowance to the head of GGPS of Tehsil Khushab was granted in compliance with Government instructions²³ dated 29.10.2009 from the date of their joining as head teacher. DAC directed for clarification from Finance Department regarding letter referred by department otherwise recovery thereof may be made, para was kept pended. No compliance was shown to audit till the finalization of this report.

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

[AIR para # 05,73]

²³ S.O.(SE-III)2-16/2007

10.5.1.2 Procurement Irregularities

10.5.1.2.1 Irregular expenditure out of NSB funds – Rs 8.750 million

According to rule 9 read with rule 12 (1) of Punjab Procurement Rules of PPRA 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation branch of the PPRA from time to time. According to Rule 2.10(a)1 of PFR Volume-I, "same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money".

During audit of Dy DEO (W-EE) Khushab for the Financial Year 2018-19 it was noticed that expenditure of Rs 8.750 million was incurred by heads of various schools from NSB funds by violating PPRA Rules 2014.

In addition to above, following irregularities were noticed;

1. The said firm was not register as contractor with Engineering Council of Pakistan.
2. The said firm was also not registered as contractor with Public Works Department, Provincial Highway and Provincial Building, Local Government and Municipal Committee (MC) etc.
3. 17% General Sales Tax, 16% PST and 4.5% Income Tax was paid to supplier. As per SRO of FBR GST and Income Tax is required to be deducted at source but deduction was not made. The verification of deposit challan was not carried out from FBR.
4. Challans for deposit of GST, PST and Income Tax were provided by the supplier but the supplier declared all these amount/sales in his annual return.
5. Under Section 153(1)(b) of Income Tax Ordinance, rate of Income Tax for services was 10% for filer and 17.50% for non-filer whereas no deduction was made.

Audit holds that due to defective financial discipline and weak internal controls irregular expenditure incurred.

This resulted in irregular incurrence of expenditure from NSB amounting to Rs 8.750 million

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that only 50 schools made purchases from Saad Traders. The deposit slips of taxes paid by Govt. Schools are available. Supplier has already provided the proof of the deposit of Income Tax and GST in to Government treasury. DAC reduced the amount of the para from Rs 21.260 million to Rs 8.75 million and kept para pending for verification within 30 days otherwise recovery thereof. No compliance was shown to audit till the finalization of this report.

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

[AIR para # 79]

10.5.1.2.2 Non-recovery of government taxes - Rs 5.640 million

According to Central Board of Revenue Notification²⁴ dated 30-06-2007, all withholding agents shall make purchases of Taxable goods from a person duly registered under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill shall be deducted at source and deposited into Government Treasury. In case of non-availability of a registered firm, the purchases shall be made from unregistered firm. The GST @ 19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department. According to Punjab Sales Tax on Services Act 2012 PST @ 16% is required to be deducted from the service provider if services listed in the Second Schedules of PST on Services Act 2012.

DDOs of following formation of District Education Authority, Khushab made payment to different vendors for the purchase of certain items but recovery on account of GST / PST amounting to Rs 2.583 million was not deducted from the bills of the suppliers.

Sr. No.	Department	Description	Required	Amount (Rs)	GST (Rs)
1	DEO (SE) Khushab	Split AC, computer etc	Non deduction of GST	10,420,000	104,720
2	Dy. DEO (W) Quidabad	White wash, earth filling, repair etc	Non deduction of PST	5,077,356	812,377
3	Dy. DEO (EE-W) Quidabad	Purchase of furniture White wash, earth filling, repair etc	Non deduction of GST / Income Tax	5,455,000	3,057,000
Total				20,952,356	5,640,377

²⁴ SRO 660 (1)/2007

Audit holds that due to weak financial control government taxes were not deducted.

This resulted in loss to the Government of Rs 5.640 million.

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that purchases were made from importers and GST was deducted at port (copy of evidences attached) further department assured that complete record will be provided. DAC kept the paras pending for recovery. No compliance was shown to audit till finalization of this report.

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

[AIR para # 28, 91, 93]

10.5.1.2.3 Irregular payment of Government Tax out of NSB Fund Rs 3.467 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person: (a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 9% if the person is a non-filer. (b) For rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 17.5% if the person is a non-filer. The Government of Pakistan (Revenue Division) Notification dated 30.06.2017 read with letter²⁵ dated 17.10.2006 provides that sales tax at the prescribed rates need to be deducted at source from those who do not submit the sales tax invoice with their bills.

During audit of Dy. DEO (W-EE) Khushab for the Financial Year 2018-19 it was noticed that the heads of various schools did not deduct Sales Tax, Income Tax and PST at source while making payment to the suppliers. The schools deposited Rs 3.467 million on account of Sales tax, Income Tax and PST out of the funds of NSB instead of deduction from the bills of the supplier while making payments.

Audit holds that due to poor financial discipline and non-compliance of rules, government taxes were paid out of NSB funds.

This resulted in loss to government to the tune of Rs 3.467 million.

²⁵ No. 103-D (Vi) PD/2005/51

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that the purchases out of NSB fund were made through local purchase system. DAC pended the para for fixing of responsibility of lapse and recovery from the suppliers/vendors. No compliance was shown to audit till the finalization of this report.

Audit recommends for recovery from the concerned besides action be taken against the concerned under intimation to Audit.

[AIR para # 67]

10.5.1.2.4 Non-verification of GST - Rs 1.548 million

According to FBR's letter²⁶ dated 4.8.200, purchasing department / organization are required to forward intimation regarding recovery/deposit of GST to the concerned GST collectorate for verification.

DDOs of following formations of District Education Authority, Khushab purchased furniture and other store items for Rs 1.548 million during 2018-19. The GST Invoices were not sent to GST collectorate for verification in violation of above instructions.

Sr. No.	Department	Description	GST (Rs in million)
1.	DEO (SE) Khushab	Purchase of misc. items	0.992
2.	CEO Education, Khushab	Purchase of three seater desk	0.556
Total			1.548

Audit holds that verification of GST was not made due to defective financial management and non-compliance of rules.

This resulted in likely pilferage of unaccounted for GST worth Rs 1.548 million.

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that 1/5th GST has been deducted at source by the DAO Khushab through SAP system and Sale Tax invoices were provided by the firms. Department issued letter to RTO (FBR) for verification of deposit. DAC directed for verification within 15 days. No compliance was shown to audit till the finalization of this report.

Audit recommends verification of GST Invoices besides regularization of the matter in manner prescribed besides fixing responsibility against the officers / officials at fault.

[AIR para # 42,18]

²⁶ 4(47)STC/98(Vol. I)

10.5.1.2.5 Non-transparent expenditure on civil works - Rs1.116 million

According to para-8 of Guidelines for Non-salary Budget (NSB) issued by the PMIU in accordance the School Council Police 2007 (revised in 2013), expenditure from NSB Account will be incurred with the approval of School Council and complete minutes of meeting should be maintained and kept on record., As per rule 15.4 (a) & 15.7 of PFR Volume-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register and signatures from the issuing persons and acknowledgement from the be receiving persons be made. According to para 4.4.7 of School Council Guide Lines 2007 (Revised in 2013), all development / civil work should be done according to the Government approved specifications and design. Further, according to para 4.4.8 the School Council will complete the civil work on the rates less the market rates and on completion of work the School Council will sent a written report to Dy.DEO concerned.

DDOs of following formations of District Education Authority, Khushab expended Rs 1.116 million on the repair and maintenance of schools out of the funds of NSB during 2018-19. The approval of school council committee, detailed cost estimates, action plan etc., were neither available in record nor produced at the time of audit.

Sr. No.	Department	School	Cost (Rs in million)
1	Dy District Education Officer (M-EE), Khushab	GES 39 MB	0.865
		GPS Chak No. 44 MB	
		GPS Chak No. 48 MB	
		GPS No. 1 MithaTiwana	
		GESChak No. 40 MB	
		GPS LUNDOO	
		GPS NalliGharbi	
		GPS DHURI LUKKU	
2	Dy. District Education Officer (W-EE) Quidabad		0.251
Total			1.116

Audit holds that due to weak administration, expenditure from NSB funds were incurred in irregular manner.

Non observance of guidelines of the Government resulted in unjustified expenditure of Rs 1.116 million

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that the proof/details of expenditure on civil work

are available. Further minor work of repair and white wash / earth filling were executed which does not requires TS estimate. DAC kept the para pended with the direction to regularize the expenditure from competent forum. No compliance was shown to audit till the finalization of this report.

Audit recommends regulation of the expenditure besides proper monitoring of utilization of funds as per rules and regulations by Dy. DEO and AEOs, under intimation to audit.

[PDP # 48, 89]

10.5.2 Value for money and service delivery issues

10.5.2.1 Unjustified expenditure on construction / repair and maintenance of school buildings from NSB fund – Rs 1.085 million

According to para 5 of the NSB Guidelines, schools will follow the Punjab Procurement Rules 2014 while purchasing. Further, School Council will prepare the Development Plan of School on Form-6.

Headmaster / Headmistress of Primary & Elementary Schools under the administrative control of Dy. DEO (W-EE) Khushab expended an amount of Rs 1.085 million on the construction of toilet block, repair of school buildings, white wash and preparation of kids room etc. The expenditure was incurred by splitting the bills in order to avoid tendering process or to obtained quotations just to give benefit to the suppliers of their own choice.

Audit holds that due to weak administration, expenditure from NSB funds were incurred in irregular manner.

This resulted in irregular expenditure of Rs 1.085 million.

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that in most of cases expenditure on white washing and minor civil works were below Rs100,000 and Rs 50,000. Only in seven (07) cases it was more than Rs 100,000 during the Financial Year 2018-19. DAC reduced the amount from Rs 3.380 million to Rs 1.085 million (for Sr. No.01 to 07) and pended till regularization. No compliance was shown to audit till the finalization of this report.

Audit recommends regulation of expenditure under intimation to audit.

[PDP No. 69]

10.5.3 Others

10.5.3.1 Irregular blockage of funds – Rs 101.235 million

According to Rule 55C (ii) of the Punjab District Authorities Budget Rules 2017, DDO should ensure to expend the allocation in conformity with the Schedule of Authorized Expenditure. According to rule 8 (d) of Punjab District Authorities (Budget) Rules 2017, DDO is responsible to prepare and furnish Excess & Surrender Statement after completion of eight months of the financial year.

DDOs of following formations of District Education Authority, Khushab for the financial year 2018-19 neither utilized Rs 101.235 million nor surrendered the saving under different head of accounts. The amount was blocked by depriving the other needy office, if surrendered timely.

Sr. No.	Department	Amount (Rs in million)
1.	CEO (DEA) Khushab	95.481
2.	Dy. DEO W-EE Quaidabad	5.754
Total		101.235

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

This resulted in irregular blockage of government money Rs 101.235 million

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that the PFC Share is received in A/C-V and the amount in A/C-V is not lapsable. Further funds were distributed after having annual requirements of funds from schools. DAC did not accept the reply and kept para pending with the direction of regularization from competent forum. No compliance was shown to audit till the finalization of this report.

Audit recommends lapse and negligence against the person(s) at fault besides investigated at appropriate level.

[AIR para # 16, 90]

10.5.3.2 Irregular retention of public money in DDO account- Rs 3.806 million

According to rule 2.10(b) (5) of PFR Vol-1, no money is withdrawn from the treasury unless it is required for immediate disbursement.

DDOs of following formations of District Education Authority, Khushab did not distribute merit scholarship amounting to Rs 3.806 million among the students during 2017-19. The amount was lying in the DDO account till the close of the financial year 2018-19. This reflects that cheques were not disbursed to the quarter concerned. In this scenario reconciliation with the bank account needs to be made and unknown balance on account of bank interest etc may be credited into government treasury beside disbursement of scholarship.

Sr. No.	Department	Description	Amount (Rs in million)
1	DEO Secondary	Scholarship	0.576
2	Dy. DEO (M-EE) Khushab	Scholarship of class 5 th and 8 th students	3.230
Total			3.806

Audit holds that retention of public money was due to weak internal controls.

This resulted in irregular retention of public money Rs 3.806 million.

The matter was discussed in DAC meeting held on 05.12.2019. The department replied that the amounts in DDO accounts are related to students merit scholarships, prizes of position holders of C.M. essay writing/speech competitions and arrear of pay & allowance of the teachers and the disbursement is under process. DAC pended the para with the direction for immediate disbursement of scholarship. No compliance was shown to audit till the finalization of this report.

Audit recommends early disbursement/deposited into Govt. account beside justification of irregular retention of amount under intimation to audit.

[AIR para # 40,54]

CHAPTER 11

DISTRICT EDUCATION AUTHORITY, LAHORE

11.1 Introduction of Authority

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

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

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

DEA Lahore manages following schools / education offices:

Description (higher office should come first)	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	5
Dy. DEO (WEE)	5

High and Higher Secondary Schools	384
Elementary & Primary Schools	850

11.2 Audit Profile of District Education Authority, Lahore

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Lahore	400	7	4790.335	8.625

11.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 436.623 million were raised in this report during current audit of “District Education Authority, Lahore.” This amount also includes recoveries of Rs.0.975 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	0.975
3	Irregularities:	-
	A. HR/Employees related irregularities	-
	B. Procurement related irregularities	0.531
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	435.117
Total		436.623

11.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	16	Not convened
2	2018-19	10	Not convened

11.5 AUDIT PARAS

11.5.1 Fraud / Misappropriation

11.5.1.1 Misappropriation -Rs 974,745

According to Rule 2.22 of P.F.R Vol-I, every voucher should bear or have attached to it an acknowledgement of payment signed by the person by whom or in whose behalf the claim is put forward. This acknowledgement would always be taken at the time of payment. According to Finance Department letter²⁷ dated 26th September, 1992, if entries in the stock register are not available or if the concerned officials are not present at the time of audit and record is not shown to auditors, the entries made and record produced afterward would not be accepted.

Management of CDGGHS, Shadman drew Rs 974,745 on account of purchases of miscellaneous items but items were neither recorded in stock register nor shown consumption thereof. Moreover, drawls from bank were made in cash instead of crossed cheque. Further, acknowledgement receipts record was not produced /maintained. Cheques of treasury were deposited in official bank account No.3698 maintained at Bank of Punjab. Cash was drawn from bank time to time and amounts did not correlate with the bills passed from AG Punjab. School management failed to prepare Expenditure Statement and Cash Book for the Financial Year 2015-16.

Audit is of the view that material purchase was not accounted for and drawls made in cash due to weak internal controls and defective financial discipline.

The matter was reported to CEO/PAO in October, 2018. DAC in its meeting directed the department to hold inquiry for fixation of responsibility.

This resulted in misappropriation of Non-salary budget fund of Rs 974,745.

Audit recommends for investigation to fix responsibility on person at fault under intimation to Audit.

²⁷ FD (MR) MW/1-4/92

11.5.2 Irregularities

11.5.2.1 Procurement related irregularities

11.5.2.1.1 Irregular expenditure due to splitting of job orders to avoid open competition -Rs 0.531million

As per Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over Rs 100,000 and up to the limit of Rs 2.00 million shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Headmistress of City District Government Girls High School Shadman drew Rs 531,942 on account of miscellaneous purchases. Job orders were split up in order to avoid open tender. **Annexure-F**

Audit holds that irregular payment was made due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure of Rs 531,942.

The matter was reported to CEO/PAO in October, 2018. DAC in its meeting directed the department for regularization of expenditure.

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

11.5.3 Value for money and service delivery issues

11.5.3.1 Non-realization of Prescribed vouchers for disadvantage children

As per section 13(b) of Punjab Free and Compulsory Education Act 2014, “Private schools shall admit in class one and then in every class, ten percent of the strength of that class, children, including disadvantaged children of the neighborhood or other children as may be determined by the Government, and shall provide free and compulsory education to such children or, in the alternative, provide prescribed vouchers for education of disadvantaged children in any other school, as may be determined by the Government.

Scrutiny of accounts records of CEO (DEA) Lahore for the financial year 2018-19 revealed that it was the duty of Education authority to ensure the arrangement for disadvantage children in private schools in order to facilitate the children for achieving educational goals. Private schools were bound either to provide free education to 10% children in every class or provide prescribed vouchers to disadvantage children for their education. CEO (DEA) Lahore failed to fulfill his responsibilities, private schools neither provide free education to 10% children nor provide prescribed voucher for education. In this way poor children remained deprived of education.

Audit is of the view that due to weak administrative controls disadvantage children could not get education in private schools.

The matter was reported to CEO/PAO in October, 2018. DAC in its meeting kept the para pending for regularization of matter.

Audit recommends regularization / recovery of loss besides fixation of responsibility on person at fault.

11.5.3.2 Illegal occupation of school land

According to Rule 7(2) of the Punjab Local Governments (Property) Rules 2018, the Mayor or, as the case may be, the chairman shall, on assumption of office and once in every year in the July take the physical stock of moveable and immovable property of local government and submit a report to house.

According to Revenue Office record and statement of the Head Master dated 24-05-13, the land pertaining to the GBHS Saraich, Lahore originally consisted of 51 Kanals out of which only 6 Kanals was covered. The rest was open land without boundary wall. In the year 2000, the some illegal occupants had made encroachment on the school land. The land is under use of the said occupants. Due to above the public property to be used for the community has resulted in loss to the government.

Audit holds that due to weak controls, government property was not safeguarded.

In response to above, it was replied that matter will be taken up with higher authorities. Audit recommends that measures be taken to vacate school land from illegal occupants.

The matter was reported to CEO/PAO in October, 2018. It was replied that matter will be taken up with higher authorities. DAC in its meeting directed the department to initiate legal proceedings against illegal occupants.

Audit recommends for vacation of occupied land besides fixation of responsibility on person(s) at fault.

11.5.4 Others

11.5.4.1 Unlawful utilization of tied grants/ public accounts – Rs 290.405 million

As per rule 2(II) of Punjab District Authorities (Budget) Rules 2017 “Public Account means receipts and amount collected by the local government on behalf of other parties as trust for a special purpose and not available for appropriation”.

Scrutiny of accounts records of CEO (DEA) Lahore for the financial year 2018-19 revealed that supplementary budget was released and subsequently payments were made out of tied grants / public account as detailed below:

(Rs in million)

Sr. No.	Description	Amount
1	Closing balance of Account-V as on 30-06-2019	697.365
2	Balance after deducting unspent balance of tied grant	(486.486)
3	Funds to meet out the Liabilities reflected in Finance Account:	
4	Tax Receipts – G12713 & G12714	(0.296)
5	Balance of ROP to Account -1 – C038 & C02	(4.279)
6	Provident Fund, Benevolent Fund & Group Insurance Fund	(438.223)
7	Public Works Deposits- G101	(20.304)
8	Special Deposit Investment – G11	(38.182)
9	Payment out of tied grants/ public accounts	(290.405)

Audit holds that excessive appropriations were approved than available funds due to weak internal controls.

It resulted into irregular expenditure of Rs 290.405 million from public exchequer.

The matter was reported to CEO/PAO in October, 2018. DAC in its meeting directed the department to hold inquiry for fixation of responsibility.

Audit recommends for regularization of expenditure besides fixation of responsibility on person at fault.

11.5.4.2 Irregular expenditure on civil work Rs 144.712 million

As per release orders issued by DEA Lahore for transfer of funds to XEN Building as deposit work:

- i. The executing agencies are required to ensure the utilization of allocated funds with financial year 2019 by observing provision of indicated in paragraph 2.1 and 2.108 of building and roads department code besides fulfilling other requisite codal formalities in vogue.
- ii. XEN building will be bound to provide a copy of each bill/vouched account and detail of expenditure incurred on monthly basis and send the same on 5th of each month to this office for record and adjustment in account.
- iii. The unspent funds on completion of each scheme financial statement of expenditure will be provided to DEA duly verified from XEN Building, Divisional Accounts officer and District Accounts Officer.
- iv. Concerned authority will issue the completion certificates after satisfying himself that the scheme is completed and from all defects. The process of handing over and taking over of each scheme may occur simultaneously.

Scrutiny of Accounts records of CEO (DEA) revealed that an expenditure of Rs 144.712 million was incurred on civil work through building department without fulfilling conditions mentioned in release orders as mentioned above.

Audit is of the view that due to weak internal requirements could not be fulfilled.

This resulted in irregular expenditure of Rs 144.712 million.

The matter was reported to CEO/PAO in October, 2018. DAC in its meeting directed the department for regularization of expenditure.

Audit recommends provision of vouched account for audit besides regularization of expenditure from competent authority.

CHAPTER 12

DISTRICT EDUCATION AUTHORITY, M.B.DIN

12.1 Introduction of the Authority

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

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

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

DEA MB Din manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3

Description	No. of offices / schools
Dy. DEO (WEE)	3
High and Higher Secondary Schools	162
Elementary & Primary Schools	613
Any other institute	4

12.2 Audit Profile of District Education Authority, Mandi Baha-ud-Din

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Mandi Baha-ud-din	179	4	1837.160	15.519

12.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 297.770 million were raised in this report during current audit of “District Education Authority, Mandi Baha-ud-Din.” This amount also includes recoveries of Rs 19.414 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	1.114
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	-
	A. HR/Employees related irregularities	-
	B. Procurement related irregularities	8.576
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	288.080
Total		297.770

12.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	14	Not Convened
2	2018-19	10	Not Convened

12.5 AUDIT PARAS

12.5.1 Non-production of Record

12.5.1.1 Non-production of record - Rs 1.114 million

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

District Education Authority Mandi Baha ud-Din transferred NSB funds amounting to Rs1.144 million to GGES Malakwal from 03.09.2016 to 26.07.2018. Management of the school did not produce record for audit scrutiny. Headmistress of the school indicated that record including bills, sanctions, stock registers and proceeding registers were in the custody of Ex Headmistress. Despite numerous written requests, Ex Headmistress did not produce the record. In the absence of such record, actual expenditure could not be verified.

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

This resulted in non- production of record for audit verification.

The matter was reported to the CEO / PAO in September, 2019.DAC in its meeting held in November 2019, directed Deputy Director (Budget & Finance) DEA Mandi Baha ud-Din to inquire the matter and submit enquiry report within 2 months of the issuance of minutes of meeting.

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

[PDP No. 17]

12.5.2 Irregularities

12.5.2.1 Procurement related irregularities

12.5.2.1.1 Unauthorized participation of bidders for the purchase of uniform –Rs5.199 million

As per rule 16(1&2) of PPRA rule 2014, subject to sub-rule (2), a procuring agency may, prior to floating the tenders or invitation to proposals or offers, engage in prequalification of bidders in case of services, civil works, turnkey projects and also in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms or persons having adequate managerial capacity are invited to submit bids.(2) The procuring agency shall prequalify bidders under sub-rule (1) in case of procurement of goods of one hundred million rupees and above and large consultancy, except where a procuring agency, for reasons to be recorded in writing, dispenses with the requirement of prequalification of bidders.

CEO District Education Authority Mandi Bahauddin allocated funds of Rs 5.199 million on account of purchase of uniform for four Govt. Special Education Schools/Centers of District Mandi Bahauddin during the financial year 2017-18. Chief Executive Officer initiated tendering process by advertising the tender and awarded contract. Procuring agency was required to initiate the tender process instead of CEO as mentioned in above rule.

Audit is of the view that due to non-compliance of government rules and regulations, purchases were made by the CEO District Education Authority instead of procuring agency.

This resulted in unauthorized procurement of Rs 5.199 million from the public exchequer.

The matter was reported to the CEO / PAO in September, 2019. DAC in its meeting held in November 2019, directed Deputy Director (Budget & Finance) DEA Mandi Bahauddin to inquire the matter and submit inquiry report within 2 months of the issuance of minutes of meeting.

Audit recommends inquiry of the matter besides fixing of responsibility for non-compliance of PPRA rules.

[PDP No. 03]

12.5.2.1.2 Irregular purchase of furniture-Rs3.377 million

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Primary & Elementary Schools of the District Education Authority Mandi Bahauddin purchased furniture valuing Rs 3.377 million during the period under audit. However neither specification of furniture like design, height, length, width, frame iron or wooden, etc. were mentioned in the bills nor available in record. In the absence of specifications, propriety of the expenditure and quality and identification of the procurement could not be verified.

(Rs in million)

Name of Formation	Financial Year	Description	Amount
Dy. DEO (EE-W) Malakwal	2015-19	Furniture	2.111
Dy. DEO (EE-W) Phalia	2015-19	Furniture	1.266
Total			3.377

Audit is of the view that furniture was procured due to non-compliance of government rules and regulations.

This resulted in irregular expenditure of Rs 3.377 million from the public exchequer.

The matter was reported to the CEO / PAO in September, 2019. DAC in its meeting held in November 2019, directed Deputy Director (Budget & Finance) DEA Mandi Baha ud-Din to inquire the matter and submit inquiry report within 2 months of the issuance of minutes of meeting.

Audit recommends inquiry of the matter besides fixing of responsibility for non-compliance of PPRA rules.

[PDP No. 27 & 28]

12.5.3 Others

12.5.3.1 Utilization of NSB funds without defined long term planning-Rs 123.374 million

According to Para No 3 of the NSB (Non-salary Budget) Policy Guide Lines under (PMIU) Punjab Education Sector Reform Program “the schools are required to prepare step wise integrated action plan. In addition the Para No.3.3 of NSB Policy Guide line defines the process of planning in seven steps such as identification of school vision, analysis of current situation, define the objectives, identified the demands of school, Classification and priorities of demands of school, prepare the estimation for these demands and finally prepare the budget.

Primary and Elementary Schools under the jurisdiction of Deputy DEO (EE-W) Malakwal and Phalia incurred an expenditure of Rs 123.374 million under NSB funds during the period under audit in violation of NSB Policy Guidelines. Detail is as follows;

Name of Formation	Financial Year	No of Schools	NSB Fund Transferred (Rs in million)
Dy. DEO (EE-W) Malakwal	2015-19	94	49.214
Dy. DEO (EE-W) Phalia	2015-19	145	74.160
Total			123.374

Audit is of the view that due to weak financial discipline and internal control, the expenditure was incurred without fulfilling of the guidelines *ibid*.

This resulted in utilization of funds of Rs 123.374 million without observing NSB guidelines.

The matter was reported to the CEO / PAO in September, 2019. DAC in its meeting held in November 2019, decided to keep para pending with the direction to arrange the training sessions for the utilization of the NSB funds.

Audit recommends compliance of the matter.

[PDP No. 01 & 01]

12.5.3.2 Wasteful expenditure on development scheme - Rs 116.626 million

According to Rule 63 of PLG (Budget) Rules, 2017 the development budget shall be a performance budget and it shall make due

provisions to ensure that the standard of performance in the various activities rises progressively and is not allowed to fail or deteriorate.

CEO District Education Authority Mandi Baha ud din issued Administrative Approval of 24 development schemes of Rs138.240 million. The authority released funds amounting Rs 116.626 million in favor of XEN Buildings Mandi Baha ud-Din to execute the schemes during the period 2017-19. Due to poor performance of XEN Buildings, the schemes were not completed within stipulated time. After the lapse of considerable time the works could not be completed despite the lapse of considerable time.

Audit is of the view that due to weak monitoring and internal controls, schemes were not completed within time limit.

This resulted in wasteful expenditure of Rs 116.626 due to non completion of schemes.

The matter was reported to the CEO / PAO in September, 2019. DAC in its meeting held in November 2019, decided to keep the para pending due to non submission of working paper.

Audit recommends early completion of schemes besides fixing of responsibility against the person (s) at fault.

[PDP No. 05]

12.5.3.3 Irregular payment on account of civil works – Rs 28.666 million

According to Para 6.3.1 (Annexure-A Financial Procedure No 8) Financial Procedure for School Council laid down in School Council Policy 2007 (Revised 2013) , the expenditure on civil works shall be market based and shall be incurred by exercising general financial procedure.

Primary and Elementary Schools under the Jurisdiction of Deputy DEO (EE-W) Malakwal and Phalia incurred an expenditure of Rs 28.666 million on account of civil works (white wash) without preparing detail estimates. Rates and specifications of the Finance Department were not observed while making payment to the suppliers / contractors by the management of schools. Neither the general financial procedure was followed nor market based rates were paid as directed in School Council Policy 2007 revised in 2013.

Name of Formation	Financial Year	Description	Total (Rs in million)
Dy. DEO (EE-W) Malakwal	2015-18	145 School Civil Works	10.369
Dy. DEO (EE-W) Phalia	2015-18	145 School Civil Works	18.297
Total			28.666

Audit is of the view that irregular payment was made due to weak financial discipline.

This resulted in irregular expenditure of Rs 28.666 million without observing NSB guidelines.

The matter was reported to the CEO / PAO in September, 2019. DAC in its meeting held in November 2019, decided to keep para pending for the regularization of expenditure.

Audit recommends compliance of the matter.

[PDP No. 13 & 13]

12.5.3.4 Non-imposition of penalty due to delay in completion of schemes – Rs 13.824 million

According to clause 39(a) of contract agreement stipulates that the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor... the contractor shall pay as compensation an amount equal to one percent of the amount of the contract subject to maximum of ten percent or such smaller amount of the estimated cost for every day the work remains un-commenced and unfinished after the proper date.

CEO (DEA) Mandi Baha ud din issued Administrative Approval of 24 development schemes of Rs 138.240 million and XEN Buildings Mandi Baha ud-Din executed the schemes during the period 2017-19. Due to negligence of XEN Buildings, the schemes were not completed within stipulated time. The contractors did not apply for extension in time limit to the Engineer-in-charge. Neither any case for extension in time limit was processed nor was penalty imposed on the contractors on account of delay. This resulted in non-recovery of 10% penalty amounting to Rs 13.824 million.

Audit is of the view that due to weak internal controls, penalty was not imposed due to delay in completion of schemes.

This resulted in non imposition of penalty of Rs 13.824 million.

The matter was reported to the CEO / PAO in September, 2019. DAC in its meeting held in November 2019, decided to keep the para pending due to non submission of working papers.

Audit recommends recovery of the penalty besides fixing of responsibility .

[PDP No. 04]

12.5.3.5 Non-recovery of registration fee from private schools – Rs 5.590 million

According to Section 3(1) of Punjab Private Educational Institutions (Promotion and Regulation) Ordinance 1984, an in-charge shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance and Section 11 (3) states, if an in-charge run the institution without registration under this Ordinance, the in-charge shall be liable to punishment of fine for Rs 300,000 to Rs 4,000,000.

According to survey of Education Department, Mandi Bahauddin there were 1324 schools functioning in District Mandi Baha ud-Din, however only 206 private schools were registered with the Authority. Remaining 1118 schools were registered despite issuance of directions by the CEO (DEA). Hence registration fee @ Rs 5,000 was not recovered from the concerned schools.

Level Of School	Tehsil MB Din	Tehsil Malikwal	Tehsil Phalia	Total School	Registered School	Un Registered School	Amount @ Rs 5,000
High/Higher	108	59	98	265	91	174	870,000
Middle	247	157	258	662	102	560	2,800,000
Primary	135	76	186	397	13	384	1,920,000
Total	490	292	542	1324	206	1118	5,590,000

Audit is of the view that due to weak internal control, registration fee was not recovered from the private schools.

This resulted into loss of revenue of Rs 5.590 million.

The matter was reported to the CEO / PAO in September, 2019. DAC in its meeting held in November 2019, directed the department to recover the registration fee and decided to keep the para pending.

Audit recommends recovery of the amount.

[PDP No. 02]

CHAPTER 13

DISTRICT EDUCATION AUTHORITY, MIANWALI

13.1 Introduction of the Authority

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

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

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

DEA Mianwali manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	3
Dy. DEO (W-EE)	3

High and Higher Secondary Schools	141
Elementary & Primary Schools	1083

13.2 Audit Profile of District Education Authority, Mianwali

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Mianwali	151	5	512.535	-

13.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 104.728 million were raised in this report during current audit of “District Education Authority, Mianwali.” This amount also includes recoveries of Rs 15.440 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	13.950
	B. Procurement related irregularities	23.781
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	66.997
5	Others	-
Total		104.728

13.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	05	Not convened
2	2018-19	20	Not convened

13.5 AUDIT PARAS

13.5.1 Non-production of record

13.5.1.1 Non Production of Record

According to Section 14(1,2 & 3) of Auditor General's Functions, Powers and Terms and Conditions of Service, Ordinance, 2001, the Auditor-General shall conduct audit of the departments under the control of the of Federation and of a Province and all authorities established there under. The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall personally be responsible and dealt with under relevant Efficiency and Discipline Rules.

Deputy District Education Officer (WEE), Mianwali did not produce detailed below auditable record for the Financial Year 2018-19 to the audit team despite repeated requests.

- i. Cash books, Bank statements, cheque books, stock registers and vouchers relating to the whole expenditure.
- ii. Service Books and personal files of the officials along with complete leave record.
- iii. Service statements and personal files of officers along with complete leave record.

Audit is of the view that due to weakness in internal controls, the record was not produced to Audit.

This resulted in non-verification/non-authentication of expenditure.

This resulted in non-verification/non-authentication of the expenditure due to non-production of record.

The matter was discussed in DAC meeting held on 08.01.2020. Department did not produced record. DAC directed the department to produce record to audit.

Audit recommends that record be produced to audit for verification besides disciplinary action against the person (s) at fault.

(AIR para # 01)

13.5.2 Irregularities

13.5.2.1 HR / Employee related irregularities

13.5.2.1.1 Overpayment of SSB allowance to regularized employees–Rs 9.536 million

According to Government of the Punjab, Contract Policy 2004, 30% Social Security Benefit in lieu of pension is admissible to contract employees. As per Rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of HR record of the following formations of DEA Mianwali for the financial year 2018-19 revealed that employees appointed in or before 2012 have been regularized in April, 2016 but these employees appointed before 2012 or with missing joining dates were drawing SSB which not admissible to them. Neither fixation of regularized employees was made nor was payment of SSB stopped/recovered.

Sr. No.	Name of Formation	Amount of SSB (Rs in million)
1	CEO Education	6.291
2	Deputy DEO (WEE), Piplan	1.415
3	DEO (SE), Mianwali	0.918
4	DDEO WEE, Mianwali	0.912
Total		9.536

Audit is of the view that due to weak and internal controls overpayment of SSB was made to regularized employee.

This resulted in overpayment on account of social security benefit amounting to Rs 6.291 million.

The matter was discussed in DAC meeting held on 08.01.2020. Department replied that concerned DDOs have been directed for compliance. DAC directed the formation concerned to scrutinize all the cases of regularized employees and recover the overpayment of SSB accordingly as per actual.

Audit recommends scrutiny of 100% such cases departmentally and effect recovery of overpaid amount.

[AIR para # 01, 26, 39, 49]

13.5.2.1.2 Non-deduction of GP Fund and other compulsory contribution–Rs 3.678 million

According to Rule 2.33 of PFR Vol-1 every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part. According to Government of the Punjab, Finance Department Notification²⁸ dated 16-08-2017, the rate of GP fund was increased with effect from 01-07-2017 as mentioned in given below table.

Scrutiny of HR record of CEO DEA, Mianwali for the Financial Year 2018-19 revealed that employees appointed in or before 2012 have been regularized w.e.f. 07.08.2015 but deduction of GP Fund was not started even after the lapse of 4 years.

Audit is of the view that due to weak and internal controls, deduction of GP Fund and other compulsory contributions was not made.

This resulted in non-deduction of GP fund Rs 6.291 million.

The matter was discussed in DAC meeting held on 08.01.2020. Department replied that concerned DDOs have been directed for compliance. DAC directed the department to recover GP fund and all other compulsory contribution from the date of employees who were regularized.

Audit recommends recovery of overpaid amount in the pointed out cases and requires scrutiny of 100% such cases departmentally

(AIR para # 02)

13.5.2.1.3 Illegal regularization of teachers

According to S&GAD letter²⁹ dated 03 September, 2013, the issuance date of orders shall be the date of appointment on regular basis.

Scrutiny of record of DEA, Mianwali for the Financial Year 2018-9 revealed that 414 SSTs, ESTs and PSTs appointed on different dates were regularized w.e.f. 07.08.2015 with retrospective effect vide orders mentioned against each in violation of instruction of S&GAD.

Audit is of the view that back date regularization orders will make them admissible for pension benefits for the contractual period for which they have already been paid benefits of contractual employees.

²⁸ FD.SR-1/2-1/95(P)

²⁹ DS (O & M) (S & GAD) 5-3/2013

This resulted in irregular back date regularization and extra financial burden of pension benefit contractual period.

The matter was discussed in DAC meeting held on 08.01.2020. Department stated that regularization was made by the recommendations of the DPC. DAC directed the department either to rectify the date of regularization or get the matter regularize from the S&GAD department.

Audit recommends rectification in the regularization orders besides fixing responsibility of lapse against the person at fault.

(AIR para # 6, 22)

13.5.2.1.4 Overpayment on account of pay & allowances –Rs 0.736 million

As per Government policy and instructions from time to time, when contractual employee's services regularized, their pay will be fixed at the initial of pay scale and difference will be paid as personal allowance. Moreover, regularized employees are not entitled for SSB allowance.

Scrutiny of record of the following formations of DEA, Mianwali for Financial Year 2018-19 revealed that services of below mentioned teacher were regularized but their pay was not fixed. Resultantly overpayment of Rs 735,323 made on account of pay, adhoc allowances and SSB. Detail is as under;

Sr. No.	Personal Number	Designation	Date of Regularization	Overpayment (Rs)
1	30928362	PST	10.09.2011	323,407
2	30949277	PST	10.09.2011	89,660
3	31434194	PST	10.09.2011	89,660
4	30816202	PST	10.09.2011	232,973
Total				735,700

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

This resulted in overpayment on account of pay and allowances of Rs 0.736.

The matter was discussed in DAC meeting held on 08.01.2020. Department admitted overpayment replied that change forms have been submitted to DAO and recovery of concerned teachers has been started. DAC pended the para till actual recovery.

Audit recommends recovery of overpaid amount besides fixation of pay at the earliest.

[AIR para # 27, 28, 29, 30]

13.5.2.2 Procurement related irregularities

13.5.2.2.1 Expenditure without pre-audit - Rs19.77 million

According to para 4.2.7.1 and 4.2.8.1 of APPM, every claim voucher (bill) must be certified by an officer in the relevant District Account Office/Accountant General Office/Accountant General Pakistan Revenue Office and who shall be deemed to be the certifying officer and once certified (pre-audited, the claim voucher (bill) may then be authorized for payment, by an officer in the District Account office/Accountant General office/Accountant General Pakistan Revenue office and who shall be deemed to be the certifying officer.

Scrutiny of record of the following formations of DEA, Mianwali for the Financial Year 2018-19 revealed that funds of Rs 19.77 million was transferred to the school's council on account of NSB without adopting the procedure of pre-audit in violation of rule ibid.

Sr. No.	Name of Formation	Amount (Rs in million)
1	Dy. District Education Officer (W-EE), Mianwali	18.410
2	GHSS Chakrala	1.360
Total		19.77

Audit is of the view that due to weak administrative and financial controls NSB funds transferred/expended without pre-audit.

This resulted in irregular transfer of NSB funds for Rs 19.77 million.

The matter was discussed in DAC meeting held on 08.01.2020. Department replied that pre-audit is not applicable in case of school council. DAC did not accept the contention the department and directed for regularization of the lapse from the competent forum.

Audit recommends regularization of the expenditure from competent forum.

13.5.2.2.2 Irregular expenditure in violating of PPRA Rules – Rs 2.521 million

According to rule 8, 9, 12 and 22 of PPRA, 2014, a procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements. Procuring agency shall advertise in advance annual requirement on the website of the PPRA as well as on its own website and 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. Further 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. 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.

Scrutiny of accounts record of following formations of DEA, Mianwali for the Financial Year 2018-19 revealed that an expenditure of Rs 2.521 million was incurred on the purchases / services rendered. Purchases were made on calling quotations without making annual procurement plan and advertising on PPRA website to make expenditure economical and transparent.

Sr. No.	Name of Formation	Amount (Rs in million)
1	DO (SE), Mianwali	1.599
2	GHSS Chakrala	0.922
Total		2.521

Audit is of the view that due to weak internal and financial controls purchases were made in non-transparent manner violating PPRA rules.

This resulted in irregular and uneconomical purchases of Rs 2.521 million.

The matter was discussed in DAC meeting held on 08.01.2020. Department stated that releases were made from time to time hence no splitting was made. DAC directed the department to produce the detail of release or get the lapse of regularize form competent forum. Department could not provided record in support of its reply.

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

[AIR para # 43, 70]

13.5.2.2.3 Non-recovery of Income Tax/GST - Rs 1.490 million

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

deduct tax from the gross amount @ 4.5% and 7.5% for filers and (for @ 6.5% and 10% for non-filer 15%) respectively on account of supplies and services rendered.

Scrutiny of record of Deputy DEO (WEE), Piplan for the Financial Year 2018-19 revealed that schools made purchases of Rs12,376,039 from unregistered/registered suppliers and paid them gross amount of bills but amount of income tax/GST was not deducted from the supplier at the time of payment. Moreover, most of schools hander over Income Tax/GST amounts to suppliers those deposit in treasury could not verified. It was also noticed that some schools paid gross amount of bills to supplier while tax was paid out NSB funds.

Audit is of the view that due to weak financial control income tax was not recovered from suppliers.

This resulted in non-recovery income tax/GST Rs 1.490 million.

The matter was discussed in DAC meeting held on 08.01.2020. Department replied that income tax and sales tax has been deposited in the bank. All purchases were made locally from different shops. DAC directed the department to get verify their tax deposit within 30 days otherwise effect recovery.

Audit recommends recovery/verification of income tax/GST amounts.

(AIR para # 24)

13.5.3 Value for money and service delivery issues

13.5.3.1 Non-realization of prescribed vouchers for disadvantage children – Rs 62.150 million

According to chapter iv (13)(k) of Punjab Free and Compulsory Education, Act 2014 the private school shall admit ten percent of strength of the class children, including disadvantage children of neighborhood or other children as may be determined by the Govt. in 1st class and then each class or in alternative provide prescribed voucher for education of disadvantaged children in any other school as determined by the Govt.

Scrutiny of record of CEO DEA, Mianwali for the Financial Year 2018-9 revealed that most of private school operating under administrative jurisdiction of CEO (DEA), Mianwali were neither providing free education to 10% of their students in each class nor providing fee vouchers to equal numbers needy students of some other schools as per details provided to audit by the authority. Audit is of the view that by non-implementing the Act, the private schools of the district were provided undue financial benefit and the students of under privileged families were deprived from their basic right.

Audit is of the view that due to weak internal and financial controls, students of under privileged families were deprived from free education.

This resulted in depriving under privileged students from free education and undue financial benefit of Rs 62.150 million to private schools.

The matter was discussed in DAC meeting held on 08.01.2020. Department replied that instructions in this regard is being implemented in letter and spirit. Audit contented that department did not made efforts to implement Punjab Free Education Act, 2014. DAC directed the department for production of detail record within 7 days. No record was produced for verification.

Audit recommends implementation of Punjab Free Education Act, 2014 in letter and spirit besides recovery from private schools.

(AIR para # 07)

13.5.3.2 Undue retention of Government money Rs 4.847 million

According to Rule 2.10(b)(5) of PFR Volume I, 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.

Scrutiny of record of Dy. DEO (WEE), Mianwali for the Financial Year 2018-19 revealed that an amount of Rs 4.846 million was retained in DDO's bank account as per bank statement of Account No. 4144718347 maintained at National Bank of Pakistan Mianwali. Audit is of the view that either the amount was drawn from treasury for contingencies or scholarship of students but not disbursed. It is pertinent to mention that cash book of the office was not showing such huge undisbursed amount.

Audit is of the view that due weak financial controls, amount drawn from treasury was retained in DDO's bank account un-authorizedly.

This resulted in un-authorized retention of government money out of treasury Rs 4.847 million.

The matter was discussed in DAC meeting held on 08.01.2020. Department replied that matter will be further investigated and reply will be submitted by the then Dy. DEO. DAC directed the department to probe the matter within 30 days.

Audit recommends fixing of responsibility of lapse against the person (s) at fault besides depositing the amount in treasury.

CHAPTER 14

DISTRICT EDUCATION AUTHORITY, NANKANA

14.1 Introduction of the Authority

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

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

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

DEA Nankana manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3

High and Higher Secondary Schools	90
Elementary & Primary Schools	654

14.2 Audit Profile of District Education Authority, Nankana Sahib

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Nankana Sahib	100	4	1524.465	17.606

14.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 583.519 million were raised in this report during current audit of “District Education Authority, Nankana Sahib.” This amount also includes recoveries of Rs 60.386 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	
3	Irregularities:	-
	A. HR/Employees related irregularities	505.738
	B. Procurement related irregularities	55.876
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	21.905
5	Others	-
Total		583.519

14.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	19	Not Convened
2	2018-19	17	Not convened

14.5 AUDIT PARAS

14.5.1 Irregularities

14.5.1.1 HR / Employees related irregularities

14.5.1.1.1 Irregular drawl of Salaries for Excess posts than sanctioned in budget – Rs 460.822 million

According to rule 6(k) of Punjab District Authorities Budget Rules 2017, Budget & Accounts Officer shall maintain the Schedule of Establishment in respect of District Authority, Institutions & Offices.

Scrutiny of record of CEO DEA Nankana Sahib for the period 2018-19, revealed that salaries were being drawn for 1442 number of posts against only 513 number of posts. Which resulted in excess payment of salaries against 929 posts involving an amount of Rs 460.822 million.

Audit holds that payment of pay and allowances without sanctioned post was due to weak internal control and poor financial discipline.

This resulted in irregular drawl of salaries amounting to Rs 460.822 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends for regularization of payment made without sanction post besides fixing of responsibility against the person(s) at fault.

[PDP No.1]

14.5.1.1.2 Unauthorized payment of Qualification Allowance - Rs 23.819 million

According to Government of the Punjab, Finance Department letter³⁰ dated: 24-09-2007, qualification allowance will not be admissible to the teachers who are already in receipt of any kind of benefit of higher qualification either in shape of advance increments or higher pay scales.

Scrutiny of record of the following management of District Education Authority, Nankana Sahib for the Financial Year 2018-19, revealed that qualification allowance @ Rs400 and Rs600 per month was allowed to different teachers having BA and MA Degrees at the time of

³⁰ SO(S-III)2-16/2007

their appointment. On 01-01-2018, Government of the Punjab upgraded the posts of PST and EST from BS-9 to 14 and BS-14 to 16. The prescribed qualification of upgraded posts does not allow them to draw qualification allowance, hence this amount is recoverable from the date of up gradation of posts.

Sr. No.	Name of Department	Amount (Rs in million)
1	CEO DEA	11.159
2	Dy. DEO (MEE)	5.992
3	Dy. DEO (WEE)	6.668
Total		23.819

Audit holds that unauthorized payment on account of qualification allowance was made due to weak internal control and poor financial discipline.

This resulted in overpayment of Rs 23.819 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends for early recovery from the concerned besides fixing the responsibility of person at fault.

[PDP,7,7,4]

14.5.1.1.3 Unauthorized drawl of Inspection Allowance– Rs 10.644 million

According to School Education Department Government of the Punjab, Lahore letter ³¹dated 29th August 2012, inspection allowance will be payable on the basis of inspection of school. Inspection report prepared by AEO shall be submitted to Deputy DEOs concerned on monthly basis and inspection allowance shall be paid after verified inspection report by immediate \ controlling officer.

During the scrutiny of record of following offices of District Education Authority, Nankana Sahib for the Financial Year 2018-19, it was observed that Rs 10.644 million was paid as inspection allowance to different AEOs during the year. Neither verified inspection reports of schools by AEO's nor verifiable KPIs and daily visit notes were found on record whereas monthly inspection allowance Rs 25,000 was paid to the AEO's in violation of above instructions. This resulted in unauthorized

³¹ SO(ADP)/MISC-2012

payment of inspection allowance to AEOs amounting to Rs 6.550 million as per attached detail;

Sr. No.	Name of Department	Amount (Rs in million)
1	Dy. DEO (MEE)	6.550
2	Dy. DEO (WEE)	4.094
Total		10.644

Audit holds that non-compliance of rules were due to weak internal and financial controls.

This resulted in un-authorized payment for Rs 10.644 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends to probe the matter from competent authority with regularization of expenditure besides fixing of responsibility under intimation to Audit.

[PDP No.6, 9]

14.5.1.1.4 Non deduction of Conveyance Allowance for leave period - Rs 3.801 million.

According to Civil Service Rules Vol-I part I & II, Rules 8.60 read with Appendix 18. According to para 1.15(2) of Punjab Traveling Allowance Rules (Compendium 2008), conveyance allowance falling under Rule 1.14 (ii) 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.

During the scrutiny of record of following management for the Financial Year 2018-19, it was observed that conveyance Allowance of Rs 3.801 million was not deducted during winter vacations w.e.f. 24.12.18 to 31.12.18 and 01.01.19-07.01.19 when winter vacations increased due to fog.

Sr. No.	Name of Department	Amount (Rs in million)
1	Dy. DEO (MEE)	2.077
2	Dy. DEO (WEE)	1.535
3	Special Education (2017-19)	0.189
Total		3.801

Audit is of the view that payment of conveyance Allowance during winter leave was due to weak internal controls and poor financial management.

This resulted in overpayment of Rs 3.801 million to employees and loss to government.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

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

[PDP No.10,10,3)

14.5.1.1.5 Unauthorized payment of Social security benefit – Rs 3.577 million

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

Scrutiny of record of CEO DEA, Nankana Sahib for the Financial Year 2018-19, revealed that an amount of Rs 3.441 million was paid as “Social Security Benefit” to the employees of Education Department in “High and Higher Secondary Schools”. The amount was held unauthorized and overpaid because it was paid without admissibility as no record of their service was found available.

Further the following ESEs/ SESEs working under the administrative control of Deputy District Education Officer (MEE) Nankana Sahib for the Financial Year 2018-19, were regularized on 05.04.2019 vide DEO(M-EE) Nankana Sahib order No. 1000/ E-I dated 05.04.2019. After regularization, employees were not entitled to receive 30% SSB allowance that resulted in overpayment of pay and allowances for Rs 0.136 million.

Audit holds that unauthorized payment was made due to weak internal control and poor financial discipline.

This resulted in unauthorized payment of Rs 3.577 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends for early recovery of Rs 3.577 million besides fixing the responsibility of person at fault.

[PDP No.6, 13]

14.5.1.1.6 Irregular payment of Charge Allowance – Rs 2.322 million

According to Government of the Punjab, Finance Department Notification³² dated 5th April 2018, the Assistant Education Officers of School Education who are appointed as initial recruitment are not entitled to the grant of charge allowance as the subject allowance is admissible to the teachers working against administrative posts AEOs, Dy DEOs, DEOs, EDOs, (Education), Divisional Directors and DPIs. Further, according to Finance Department Notification dated 29.10.2009, Charge Allowance is only admissible to the teacher working against administrative posts of DEOs, Dy. DEOs, and Head of Institution (HM/Principal).

Scrutiny of record of following offices of District Education Authority Nankana Sahib for the Financial Year 2018-19, revealed that an amount of Rs 2.322 million was paid as Charge Allowance to the officers/officials without admissibility as detailed below:

Sr. No.	Name of Office	Amount (Rs in million)
1	CEO DEA	1.648
2	Dy, DEO (WEE)	0.674
Total		2.322

Audit holds that payment without admissibility was due to weak internal control and poor financial discipline.

This resulted in irregular payment of Rs 2.336 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor was DAC meeting convened till the finalization of this report.

Audit recommends for early recovery from the concerned besides fixing the responsibility of person at fault.

[PDP No.9, 13]

³² FD.PR.12-7/2007

14.5.1.1.7 Overpayment after expiry of contract– Rs0.753 million

According to Rule 9(b) of Punjab Local Government (Accounts) Rules 2017, the DDO and the 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 audit of CEO DEA Nankana Sahib for the period 2018-19, it was noticed that contract for five years was awarded to two teachers as detailed below. Scrutiny of their personal files revealed that their contract was not extended after expiry of five years but they were continuously drawing their salaries.

Name	Date of Award of Contract	Pers. No.	Amount (Rs in million)
Naveed Ahmad – SSE English	22-04-2014 – Five Years	31575275	0.099
Abdul Rehman Jawed – SSE Computer Sciences	09-03-2012 – Five Years	31563449	0.654
Total			0.753

Audit holds that overpayment was due to weak internal control and poor financial discipline.

This resulted in overpayment of Rs 0.753 million on account of salaries.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends for investigation of matter besides recovery.

[PDP No.12]

14.5.1.2 Procurement related irregularities

14.5.1.2.1 Irregular expenditure school councils – Rs 22.582 million

According to para 3.4 sub para 2 of the guidelines of NSB funds, the head of the school will submit a copy of development plan to the concerned AEO for scrutiny. Sub Para 8 of Para 3.4 states that after completion of development activities the head of the school will submit completion report to the concerned Dy. DEO.

During the scrutiny of record of following managements for the Financial Year 2018-19, it was observed that heads of elementary and primary schools spent Rs 22.582 million on construction and repair of buildings without approval of AEO and endorsement of completion certificate to Dy. DEO in violation of above instructions. Neither the estimates were prepared nor got approved from the building department. No area of construction was defined in length, width and breadth. The annual plan was also not prepared. The material of civil work was not entered in the relevant stock register.

Sr. No.	Name of Office	Amount (Rs in million)
1	Dy. DEO (MEE)	9.504
2	Dy. DEO (WEE)	13.078
Total		22.582

Audit was of the view that doubtful expenditure was incurred due to poor financial discipline and weak internal controls.

This resulted in doubtful expenditure from public exchequer Rs 22.582 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends investigation of the matter and fixing of responsibility against the person at fault besides regularization of expenditure under report to audit.

[PDP No.2, 3, 3, 4]

14.5.1.2.2 Irregular expenditure in violation of PPRA Rules - Rs 14.463 million

According to PPRA Rule 2014 (59)(b) a procuring agency may provide for petty purchases through at least three quotations where the

cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement; Further, according to rule 9 read with rule 12(1) of PPRA 2014, “procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA’S website in the manner and format specified by regulation by the PPRA’S from time to time.

During the scrutiny of record of following managements for the Financial Year 2018-19, it was observed that head of schools incurred an expenditure of Rs 14.463 million without quotations from vendors and by curtailing the amount of bills near to Rs 50,000 and Rs 100,000 just to avoid the PRRA rules which clearly shows the malicious intention.

Sr. No.	Name of Department	Amount (Rs in million)
1	Dy. DEO (MEE)	4.276
2	Dy. DEO (WEE)	10.187
Total		14.463

Audit holds that non-compliance of rules was due to weak internal controls.

This resulted in Irregular expenditure of Rs 14.463 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter besides fixing responsibility against the persons at fault under intimation to Audit.

[PDP No.8, 5]

14.5.1.2.3 Non imposition of penalty due to late completion of work – Rs10.473 million

As per clause 39 of contract agreement, the contractor shall pay, as compensation, an amount equal to one percent of the amount of the contract subject to the maximum of 10% or such smaller amount as the Engineer Incharge may decide, for delay in completion of work.

CEO DEA Nankana Sahib executed 12 Nos schemes of repair and reconstruction of school buildings during the financial year 2018-19. These schemes were not completed in stipulated time and no penalty @ 10% i.e Rs 10.473 million was imposed to Contractors.

Audit holds that payment without deduction LD Charges was due to weak internal control and poor financial discipline.

This resulted in loss/overpayment of Rs10.473 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends for recovery from contractors of Rs 10.473 million besides fixing the responsibility against person at fault.

[PDP No.5]

14.5.1.2.4 Non-deduction of GST & Income Tax – Rs 3.223 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person: (a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer. (b) For rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer. The Government of Pakistan (Revenue Division) Notification dated 30.06.2007 read with letter³³ dated 17.10.2006 provides that sales tax at the prescribed rates need to be deducted at source from those who do not submit the sales tax invoice with their bills.

Scrutiny of record of following management of District Education Authority, Nankana Sahib for the Financial Year 2018-19, revealed that DDOs/ head of schools incurred NSB Fund but GST Rs 2.600 million and Income Tax Rs 0.623 million was not deducted from the claims of suppliers.

(Rs in million)

Sr. No.	Name of Office	GST	Income Tax	Total
1	Deputy District Education Officer (MEE)	1.678	0.316	1.994
2	Deputy District Education Officer (WEE)	0.922	0.307	1.229
Grand Total		2.600	0.623	3.223

Audit holds that non-deduction of income tax and general sales tax was due to weak internal controls and defective financial management.

This resulted in non-deduction of GST and Income Tax Rs 3.223 million.

³³ 103-D (Vi) PD/2005/51

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends recovery of income and general sales tax from the concerned suppliers besides fixing responsibility against the officers at fault.

[PDP No.11, 11]

14.5.1.2.5 Irregular expenditure on purchase of uniform-Rs2.118 million

According to the PPRA 2014 rule 4. under Principles of procurements, 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. and as per rule 10 under heading of Specifications.–(1) 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. According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

During the audit of Special Education Center, Nankana Sahib for the Financial Year 2017-19, it was observed that uniforms of winter and summer seasons for students were purchased. Following irregularities were observed;

1. Specification of the uniform items were neither given in the tender documents nor mentioned in the Supply Order.
2. The demand in the form of estimate/ requisition and consumption through stock register was not maintained.
3. Bid submission date was not printed on letter head
4. Active Sales tax payer proof was not on record
5. Bid was not shown to be received by registered courier.
6. Record of collecting tender fees and deposit in to Govt. Treasury from the sale of tender was not shown to audit.

Inv/Bill#	Date	Head	Vendor	Item	Amount (Rs)
603	14-11-17	Uniform	Faisal Alliance	Uniform kits	225,992
604	15-11-17	Uniform	Faisal Alliance	Uniform kits	840,592
602	13-11-17	Uniform	Faisal Alliance	Uniform kits	444,520
6216	30-03-19	Uniform	Meeran Traders	Uniform kits	606,875
Total					2,117,979

Audit holds that due to weak internal controls, expenditure on purchase of uniform was incurred without completing regulatory requirements for procurement, resulting in irregular payments.

This resulted in irregular expenditures of Rs 2.118 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be regularized from the concerned authority besides fixing the responsibility of person at fault.

[PDP No.3]

14.5.1.2.6 Loss to government due to non-deduction of Income Tax and PST- Rs 1.774 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person: (a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer. (b) For rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer. Further, as per Sr. N.14 of Second Schedule of Punjab Revenue Authority, 5% Provincial Sales Tax without input tax credit/adjustment was required to be deducted at source on construction services provided by contractors of buildings. Moreover as per Finance Department Government of the Punjab, the input rates/MRS are market based rates inclusive of all taxes and royalties.

Scrutiny of record of following offices of DEA, Nankana Sahib for the Financial Year 2018-19, revealed that head of schools made payment for labour of civil work, paint and white wash but income tax and PST amounting to Rs 1.774 million was not deducted from their bills as detailed below:

(Rs in million)

Sr. No.	Name of Office	Expenditures Incurred	Income Tax & PST
1	Deputy District Education Officer (MEE)	4.938	0.741
2	Deputy District Education Officer (WEE)	6.889	1.033
Total		11.827	1.774

Audit holds that non deduction of Income tax and PST was due to weak internal controls and poor financial discipline.

This resulted in loss to the Govt. on account of Income and Provincial Sales Tax amounting to Rs 1.774 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit recommends for early recovery of Income Tax and PST from the suppliers under intimation to Audit.

[PDP 11,11]

14.5.1.2.7 Irregular expenditure on purchase of Furniture and machinery-Rs1.243 million

According to the PPRA 2014 “rules 8” Procurement planning, 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. More over the “rule 9” required that 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. According to Rule 15.2(c) & (d) of PFR Vol-I Purchase orders should not be split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

Special Education Center, Nankana Sahib purchased furniture, machinery and equipment for Rs 1.243 million during the Financial Year 2017-19 from different vendors. Requirement of the items were not displayed on PPRA website both on annual and indent basis. Orders were split up to avoid open tendering. Purchases were made from General Order Suppliers. Further the warranty Certificate and Price reasonability certificate was not obtained from the vendors.

Audit holds that due to weak internal controls, expenditure on purchase of assets was incurred without completing regulatory requirements for procurement, resulting in irregular payments.

This resulted in Irregular expenditure of Rs1.243 million on purchase of Furniture and machinery.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor DAC meeting convened till the finalization of this report.

Audit requires that expenditure be regularized besides making detailed inquiry into the matter under intimation to audit.

[PDP No.4]

14.5.2 Value for money and service delivery issues

14.5.2.1 Non utilization of NSB funds – Rs 21.905 million

According to instructions contained in Government of the Punjab Finance Department letter³⁴ dated 07-04-2006, unspent balances against the funds released to the accounts, are required to be taken back and credited to account-IV of the District government under relevant head of account.

Scrutiny of record for following management for the Financial Year 2018-19, revealed that some Schools did not utilize NSB budget up to 30-06-19. Audit noticed that due to poor financial management and lack of planning the education formations could not utilize the funds and hence deprived the community for getting better education facility.

Sr. No.	Name of Office	Amount (Rs in million)
1	Dy. DEO (MEE)	8.703
2	Dy. DEO (WEE)	13.202
Total		21.905

Audit held that due to weak financial controls NSB funds were not utilized.

This resulted in non-utilization of NSB funds of Rs 21.905 million.

The matter was reported to CEO/PAO in November 2019. Neither reply was furnished nor was DAC meeting convened till the finalization of this report.

Audit recommends probe into the matter besides fixing of responsibility against the person at fault under intimation to Audit.

[PDP No.4, 2]

³⁴ 1/944-Agri.1 (FD) 05-06

CHAPTER 15

DISTRICT EDUCATION AUTHORITY, NAROWAL

15.1 Introduction of the Authority

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

The functions of District Education Authorities, Narowal as delineated in the Punjab Local Government Act, 2013 are as under:

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

DEA Narowal manages following institutes:

Description	No. of entities
District Education officer (Secondary Education)	01
District Education Officer (EE-M)	01
District Education Officer (EE-W)	01
Deputy DEO (M-EE)	04
Deputy DEO (W-EE)	04
Secondary / Higher Secondary School	197

15.2 Audit Profile of District Education Authority, Narowal

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Narowal	207	5	1677.402	0.181

15.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 100.139 million were raised in this report during current audit of “District Education Authority, Narowal.” This amount also includes recoveries of Rs 6.883 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	82.109
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	-
	A. HR/Employees related irregularities	5.721
	B. Procurement related irregularities	12.309
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	-
Total		100.139

15.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	2	Not convened
2	2018-19	5	Not convened

15.5 AUDIT PARAS

15.5.1 Non-Production of Record

15.5.1.1 Non-production of Record – Rs 82.109 million

According to Rule 46 (1) (a) & (b) of Punjab District Authorities (Accounts) Rules 2017, the Auditor General, Pakistan shall certify the accounts of the Authority for each financial year and conduct 100% audit of the accounts of the Authority in such form and manner as he may deem appropriate. According to Finance Department's letter³⁵ dated 01.01.2001, on completion of the project, the DO Buildings will render a completion certificate and statement of accounts (i.e. complete vouched account) together with refund of residual balance of the amounts placed at his disposal, to the concerned DDO for his record.

During scrutiny of record of CEO (DEA) Narowal for the financial year 2018-19, auditor observed that an amount of Rs 98.473 million was transferred to XEN Buildings Narowal as deposit work; vide CEO development Cost Center NV 8996, out of which an expenditure of Rs 68.422 million was incurred. Similarly an amount of Rs 13.687 million was paid to the contractors for construction and rehabilitation of various original as well as dilapidated schools buildings. Details of tenders issued, TS estimates, vouchers, acceptance letters, work orders, PC-I, measurement books, completion certification / PC-IV of works was not produced for audit verification. Audit requested vouched account of Rs 82.109 million vide letter dated 28.10.2019, 04.11.19 and 05.11.2019 but no record was produced.

Audit held that non production of record may lead to misuse of public funds.

The matter was reported to PAO concerned in December 2019. The matter was discussed in DAC meeting held in January 2020. Department replied that funds were transferred to XEN Buildings Narowal. Department did not produce record for audit scrutiny. DAC directed to submit the case before Administrator, DEA for production of record for audit scrutiny within 2 months.

Audit recommends fixing responsibility for non-production of record.

(PDP No.03 & 04)

³⁵ IT(FD)3-7-2000

15.5.2 Irregularities

15.5.2.1 HR/ Employees related irregularities

15.5.2.1.1 Doubtful payment of arrears of pay & allowances - Rs 4.174 million

As per Rule 2.33 of PFR Vol-1, each and every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by government due to fraud or negligence on his part or on the part of any other government servant to the extent to which he contributed to the loss.

During scrutiny of accounts record of Deputy DEO (M-EE) Zafarwal, District Narowal for the financial year 2018-19, audit observed that arrears of pay and allowances were withdrawn from govt. treasury during the financial year 2018-19. Arrear bills amounting to Rs 4.174 million along with allied documents i.e. orders, sanction of additional budget and expenditure, due/drawn statements, salary slips of the arrears period, allocation of additional budget, vouchers, inactive statement due to stoppage of pay, change forms were not produced to audit for verification. Further, SAP data also revealed that Income Tax was not deducted from the payment of arrears.

Audit is of the view that due to defective financial management payments were made to the employees without supporting documents which resulted in doubtful drawl of Rs 4.174 million.

The matter was reported to PAO concerned in December 2019 The matter was discussed in DAC meeting held in January 2020. Department replied that arrear bills including all supporting documents were available for verification. However, department did not produce requisite record for audit scrutiny. Audit requires inquiry of the matter and fixing of responsibility besides regularization of the expenditure.

(PDP No.34)

15.5.2.1.2 Unauthorized payment of Pay & Allowance - Rs 1.547 million

According to Rule 2.33 of PFR Vol-1 every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part.

During Audit of Dy. District Education Officer (W-EE) Zafarwal, it was noticed that Miss Saida Kalsoom bearing personnel No. 31575566

was appointed as ESE BPS 14 in 2012. All the teachers were got regularized in August 2015 but Miss Saida kalsoom neither regularized nor was her contract renewed up till now but unauthorized payment of salary for Rs.1.547 million (29,179*53) was made.

Audit is of the view that due to defective financial management payment was made to the employee without supporting documents which resulted in unauthorized drawl of Rs 1.547 million.

The matter was reported to PAO concerned in December 2019. Department replied that the case of regularization of the teacher was under process. DAC decided to keep the para pending till regularization of the matter. Audit recommends investigation of the matter and fixing of responsibility besides regularization of the expenditure.

(PDP No.26)

15.5.2.2 Procurement related irregularities

15.5.2.2.1 Irregular cash payment to suppliers - Rs 3.418 million

According to clause 4(b) of Punjab District Authorities Accounts Rules 2017, the mode of payment from local fund of district authority shall be through cross non-negotiable cheque if amount exceed one thousand.

Scrutiny of accounts record of NSB funds of Government Schools under Dy. District Education Officer (W-EE) Zafarwal, audit observed that certain Government Schools incurred a sum of Rs 3.418 million from NSB funds and payment was made to various suppliers by cash instead of cross cheques. This resulted in irregular cash payment.

Audit holds that due to weak internal control, procurements were made through cash instead of cross cheques.

The matter was reported to PAO concerned in December 2019. Department replied that instructions were issued to the Incharge of the Schools for future compliance. DAC did not accept the reply of the department and directed Deputy Director (B&F) DEA to inquire the matter and submit report within 3 months.

Audit recommends fixing of responsibility besides regularization of expenditure.

(PDP No.19)

15.5.2.2.2 Non deduction of Income Tax and GST - Rs 2.820 million

According to Section 153 of Income Tax Ordinance 2001, at the time of making the payment, deduct tax from the gross amount @ 4.5% in case of other than companies (filer) and 9% from persons other than companies in case of goods purchases (non-filers) and 10% in case of services rendered from other than companies (filers) and 17.5% from the persons for other than companies (non-filers) respectively on account of supplies and services rendered.

During scrutiny of accounts record of Deputy DEO (M-EE) Zafarwal, District Narowal for the financial year 2017-19, audit observed that following schools purchased goods / supplies and services rendered amounting to Rs 12.370 million from NSB but Income Tax @ 9% Rs 0.947 million was not deducted from the shopkeepers / suppliers and the payment was made inclusive of Income Tax. Further, GST/ PST @ 17% Rs 1.873 million was not deducted/ deposited in Govt. treasury. This

resulted in non-deduction of Income Tax and non-deposit of GST of Rs 2.820 million in Govt. treasury.

Audit is of the view that due to weak administrative and financial controls GST of Rs 1.873 million on the supplies was not deposited by the suppliers and Income Tax Rs 0.947 million was not deducted from the payment of un-registered suppliers at source by the school councils.

This resulted in loss to the public exchequer of Rs 2.820 million.

The matter was reported to PAO concerned in December 2019. Department replied that recovery of GST and Income Tax will be made in future. DAC decided to keep para pending with the direction to recover the amount within 4 months.

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

(PDP No.36)

15.5.2.2.3 Irregular payments in the name of DDO - Rs 2.558 million

According to clause 4(b) of Punjab District Authorities Accounts Rules 2017, the mode of payment from local fund of district authority shall be through cross non-negotiable cheque if amount exceed one thousand.

During scrutiny of record of Head Master Government Special Education Center Shakargarh, audit observed that payments of cheques Rs 2.558 million was made in the name of DDO instead of concerned vendors. Further acknowledge payee receipts were also not available on record.

Audit holds that due to non-compliance of rules, disbursement record was not found in record.

The matter was reported to PAO concerned in December 2019. Department replied that electricity bills were paid itself by the management of the school and reimbursement was made in favor of DDO. Vendor was not issued to the supplier of POL. DAC did not accept the reply of the department and directed Deputy Director (B&F) DEA to enquire the matter and submit report within 3 months.

Audit recommends fixing of responsibility besides regularization of expenditure.

(PDP No.58)

15.5.2.2.4 Splitting of job orders to avoid quotations/ advertisement on PPRA website –Rs 2.413 million

According to Rule 12(2) read with 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 of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Scrutiny of accounts record of NSB funds of Government Schools under Dy. District Education Officer (W) Zafarwal, audit observed that an expenditure amounting to Rs 2.413 million was incurred by the government schools on single quotation by splitting indents for procurement of white wash, construction work, and furniture items etc. Indents were split up in order to avoid PPRA rules.

Audit is of the view that due to non-compliance of government rules, procurements were made by the School Councils.

The matter was reported to PAO concerned in December 2019. Department replied that instructions have been issued to the In-charge of the Schools for future compliance. DAC did not accept the reply of the department and directed Deputy Director (B&F) DEA to inquire the matter and submit report within 3 months.

Audit recommends fixing of responsibility besides regularization of expenditure.

(PDP No.22)

15.5.2.2.5 Irregular expenditure for maintenance of building - Rs 1.10 million

According to the contents of Punjab Finance Department letter³⁶ dated 01.01.2001, XEN Building was required to render a completion certificate and refund the residual balance if any, together with the statement of accounts to the concerned DDO after completion of the maintenance & repair of work, for audit/record.

Scrutiny of accounts record of Head Master Special Education Center, Narowal, auditor observed that Rs 1.10 million was drawn from Govt. treasury during 2018-19 for Special Repair & Maintenance of School buildings and placed at the disposal of the XEN Buildings, Narowal. Neither vouched accounts regarding repair work were submitted

³⁶ IT(FD)3-7-2000

by the Buildings Department nor were residual balance refunded into Govt. treasury. Repair work completion certificate was also not found on record due to expenditure on repair of building was Irregular. This resulted in irregular transfer of funds Rs 1.10 million.

Audit is of the view that due to non-compliance of rule, irregular expenditure for maintenance of buildings was incurred.

The matter was reported to PAO concerned in December 2019. Department produced completion certificate issued by the XEN Buildings Narowal. However, DAC did not accept the reply of the department and directed to submit the estimates along with the residual balance.

Audit recommends fixing of responsibility besides regularization of expenditure.

[PDP No.44]

CHAPTER 16

DISTRICT EDUCATION AUTHORITY, OKARA

16.1 Introduction of the Authority

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

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

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

DEA Okara manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3

High and Higher Secondary Schools	197
Elementary & Primary Schools	1209

16.2 Audit Profile of District Education Authority, Okara

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Okara	207	5	2884.429	27.852

16.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 58.071 million were raised in this report during current audit of “District Education Authority, Okara.” This amount also includes recoveries of Rs 12.889 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	
3	Irregularities:	-
	A. HR/Employees related irregularities	7.980
	B. Procurement related irregularities	20.161
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	29.930
Total		58.071

16.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	21	Not convened
2	2018-19	19	Not convened

16.5 AUDIT PARAS

16.5.1 Irregularities

16.5.1.1 HR / Employees related irregularities

16.5.1.1.1 Overpayment of qualification allowance - Rs 5.880 million

According to Government of the Punjab, Finance Department letter³⁷ dated 24-09-2007, qualification allowance will not be admissible to the teachers who are already in receipt of any kind of benefit of higher qualification either in shape of advance increments or higher pay scales.

Drawing & Disbursing Officers of following formations made overpayment of Rs 5.880 million during financial year 2018-19 on account of Qualification Allowance @ Rs 400 and Rs 600 per month to different teachers having BA and MA Degrees at the time of their appointment. On 01-01-2018 the Government of the Punjab upgraded the posts of PST and EST from BS-9 to 14 and BS-14 to 16. The prescribed qualification of upgraded posts does not allow them to draw qualification allowance, hence this amount is recoverable from the date of up-gradation of posts.

Sr. No.	Account Title	Amount (Rs in million)
1	Dy DEO MEE Depalpur	2.505
2	Deputy DEO WEE Depalpur	1.813
3	Deputy DEO MEE, Okara	0.986
4	Dy DEO MEE Depalpur	0.462
5	Deputy DEO WEE Depalpur	0.114
Total		5.880

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

This resulted in overpayment of qualification allowance of Rs 5.880 million.

The matter was reported to CEO/PAO in November, 2019. Department replied in DAC meeting held on 22.01.2020 that the teachers were appointed on the basis of lower qualification and they attained the higher degrees prior to up-gradation of posts/ up-gradation of eligibility criteria. DAC directed the CEO DEA Okara to obtain the clarification within 2 months from Finance Department, Government of the Punjab

³⁷ SO(S-III)2-16/2007

regarding grant of qualification allowance to the previous appointees on the basis of prescribed eligibility criteria of qualification of up-graded posts. In case of non-compliance of obtaining clarification within the period of 2 months, DAC further directed the CEO DEA Okara to make arrangements to stop the qualification allowance under intimation to Audit.

Audit recommends early clarification from FD or recovery from the concerned as the case maybe besides fixing responsibility for lapse and negligence under intimation to Audit.

[4,4,26,10,10]

16.5.1.1.2 Payment of honorarium without approval of Administrative Department – Rs 2.100 million

As per Government of the Punjab, Finance Department letter No. 1/9-7/2003 dated 27-12-2005, head of Administrative Department may sanction an honorarium up to one month basic pay. As per Punjab District Authorities (Delegation of Financial Powers) Rules 2017, Administrative Department means the school education department of the Government of the Punjab in respect of District Education Authorities and the Primary & Secondary Healthcare Department of the Government in respect of District Health Authorities.

During audit of CEO DEA Okara for the Financial Year 2018-19, it was noticed that payments on account of honorarium of Rs 2.100 million were made to different employees without approval of Administrative Department i.e the school education department of the government to of Punjab

Audit holds that unauthorized payment of honorarium was paid due to weak financial discipline.

The matter was reported to CEO/PAO in November, 2019. Department replied in DAC meeting held on 22.01.2020 that payment was made after fulfilling codal formalities. The reply was not satisfactory, being evasive. DAC directed the department to get ex-post facto sanction from competent authority.

Audit recommends that matter be looked into at appropriate level and responsibility be fixed against the person(s) at fault for incurring expenditure beyond delegated powers under intimation to Audit.

(PDP No.20)

16.5.1.2 Procurement related irregularities

16.5.1.2.1 Irregular expenditure by schools council over and above the authorized limit of School Management Council - Rs 8.551 million

According to para 4.9.1 of School Council Policy 2007 revised in 2017, School Council is authorized to incur maximum amount of Rs 400,000 during a financial year (From July to June).

Scrutiny of record of Deputy District Education Officer Male Elementary Education, Okara for the Financial Year 2018-19, revealed that the management of following schools, under the administrative control of Deputy DEO (MEE), made expenditure over and above the prescribed limit of Rs 400,000 in violation of finance department and school council policy.

Name of school	Amount (Rs in million)
GES 52/3-R, Okara	0.612
GPS 47/3R, Okara	0.476
GES 40/GD	1.348
GPS 39/3R	0.866
GPS 20/GD	0.454
GMCES Lalazar Colony	0.889
GBPS Siddiq Nagar	0.728
GES 5/4L	0.639
GPS 11/4-L	0.876
GPS 3/4-L	0.422
GPS Chak No.36/4L	0.455
GPS Chak No.23A/4L	0.786
Total	8.551

Audit is of the view that incurrence of expenditure beyond the prescribed limit was due to weak internal controls and poor financial indiscipline.

This resulted in irregular expenditure of Rs 8.551 million.

The matter was reported to CEO/PAO in November, 2019. The department replied in DAC meeting held on 22-01-2020 that funds were utilized after fulfilling codal formalities. DAC directed the department to get the sanction from the competent authority.

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

[PDP No. 10]

16.5.1.2.2 Overpayment on account of Taxes - Rs 7.009 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 6.50% respectively on account of supplies and services rendered. Further, according to Central Board of Revenue Notification³⁸ dated 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly registered under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill may be deducted at source and deposited it into Government Treasury. In case of non-availability of a registered firm, the purchases may be made from unregistered firm. The GST @ 19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

Management of schools under following Deputy DEO's made payment of Rs 7.009 million for Income Tax and GST out of NSB Funds instead of deducting the same at the time of payment to vendors. This resulted in undue benefit of Rs 7.009. to vendors at the expense of Government due to dual payment of Taxes for Rs 7.009 million.

FY	Account Title	Amount (Rs in million)
2018-19	Deputy DEO (W-EE) Depalpur	3.598
2018-19	Deputy DEO MEE Depalpur	3.411
Total		7.009

Audit is of the view that due to weak managerial and financial controls, the department paid income tax and sales tax from its budget instead of deducting from supplier.

This resulted in overpayment on account of taxes of Rs 7.009 million.

The matter was reported to CEO/PAO in November, 2019. Department replied in DAC meeting held on 22-01-2020 that taxes were paid as per rules. The replies were not satisfactory because management paid Income Tax (as in case of indirect taxes) to the supplier separately & specifically in the bills and then deducted at source and deposited into treasury. On the other hand, management also paid GST to unregistered firms in the bills and then deducted and deposited. DAC directed the

³⁸ SRO 660 (1)/2007

management to make the loss good within one two months under intimation to Audit.

Audit recommends for early recovery of taxes from the suppliers besides fixing responsibility for lapse and negligence.

(PDP No.11 & 11)

16.5.1.2.3 Irregular expenditure by splitting the indent to avoid advertisement at PPRA website – Rs 4.601 million

According to PPRA Rule 2014 (59)(b) a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement. Further, According to rule 9 read with rule 12 (1) of Punjab Procurement Rules of PPRA 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation branch of the PPRA from time to time.

Deputy District Education Officer (MEE) Okara made payment of Rs 4.601 million on account of purchase of miscellaneous items of furniture. Payments were held irregular because no tender was called neither advertisement was made at PPRA Website. The job orders were split in order to avoid competitive rates through advertisement at PPRA website. This resulted in non-transparent/ irregular expenditures of Rs 4.601 million

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred without proper tendering and estimates.

This resulted in irregular expenditure of Rs 4.601 million.

The matter was reported to the CEO/PAO District Education Authority Okara in November, 2019. Department replied in DAC meeting held on 22-01-2020 that expenditure was incurred with due regard to economy. The reply was not satisfactory, being evasive. DAC directed the department to get the expenditure regularized from competent authority.

Audit recommends for regularization of the expenditure besides fixing responsibility against the persons at fault under intimation to Audit.

(PDP No.9)

16.5.2 Others

16.5.2.1 Non-receipts of pension contribution from MC Employees - Rs 29.930 million

According to Finance Department, Government of the Punjab, letter No. FD(DG)1-Instructions-Act-13/2016 dated 31-10-2017, District Education Authority was required to contribute 40% of total funds to be paid to district council employee on account of pension funds.

During scrutiny of record of CEO District Education Authority Okara for the Financial Years 2018-19, it was observed that the management did not realize an amount of Rs 29.93 million on account of pension contribution outstanding since long from MC Okara regarding Zila Council/MC employees. Moreover, efforts were not made to recover the outstanding pension contribution.

Audit holds that non receipt of pension contribution was due to weak internal control and poor financial discipline.

This resulted in non-receipt of pension contribution amounting to Rs 29.93 million.

The matter was reported to CEO/PAO in November, 2019. The department replied in DAC meeting held on 22-01-2020 that reconciliation would be carried out with concerned local government. DAC directed the department to get the pension contribution reconciled with the concerned local government.

Audit recommends for realization of pension contribution besides fixing responsibility against the person(s) at under intimation to audit.

[PDP No. 06]

CHAPTER 17

DISTRICT EDUCATION AUTHORITY, RAWALPINDI

17.1 Introduction of the Authority

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

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

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

DEA Rawalpindi manages following schools / education offices:

Description	No. of offices / schools
CEO (District Education Authority)	1
DEO (Elementary Education)	2
DEO (Secondary Education)	2
Deputy DEO (WEE)	7
Deputy DEO (MEE)	7
Higher Secondary School	40

Description	No. of offices / schools
High School	370
Middle Schools	314
Primary Schools	1203

17.2 Audit Profile of District Education Authority, Rawalpindi

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Rawalpindi	451	6	740.788	5.977

17.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,776.130 million were raised in this report during current audit of “District Education Authority, Rawalpindi.” This amount also includes recoveries of Rs 321.095 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	6.144
	B. Procurement related irregularities	14.288
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	2,744.675
5	Others	11.023
Total		2,776.130

17.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meeting
1	2017-18	14	Not Convened
2	2018-19	19	Not convened

17.5 AUDIT PARAS

17.5.1 Irregularities

17.5.1.1 HR / Employee related irregularities

17.5.1.1.1 Non deduction of conveyance allowance – Rs 4.944 million

Government of the Punjab, Finance Department Notification³⁹ dated 21st April, 2014 clarified that the officers who are availing government vehicles including bikes (Sanctioned/Pool) are not entitled to the facility of conveyance allowance with effect from 1st March, 2014. This Department's instructions, whereby conveyance allowance was allowed on a certificate of not using vehicle from house to office and vice versa, are withdrawn accordingly. Further, According to Rule 7-A of Sub Treasury Rules, the conveyance allowance is not admissible during leave period.

During audit of various formations of District Education Authority it was observed that staff of those formations proceeded on earned leave but conveyance allowance of Rs 4.944 million was not deducted. This resulted in excess payment as detailed.

Sr. No.	Name of formation	Amount (Rs.)
1	DEO(SE) Rawalpindi	28,205
2	Dy. DEO (W-EE) Murree	140,893
3		93,800
4	CEO (DEA)	70,000
5	Dy. DEO (M-EE) Murree	4,581,002
6		29,989
Total		4,943,889

Audit is of the view that due to weak financial discipline management paid conveyance allowance, which resulted in loss to government.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that compliance will be shown but no compliance was shown till finalization of this report. DAC kept the para pending till recovery.

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

(AIR Para No. 9, 7, 14, 17, 6, 17)

³⁹ FD.SR/9-4/86(P) (PR)

17.5.1.1.2 Un-justified payment of inspection allowance - Rs 1.200 million

According to Government of the Punjab, Finance Department letter⁴⁰ dated January 15, 2018, inspection allowance @ Rs 25,000 per month was allowed to AEOs working in School Education Department subject to verifiable key performance indicator developed by SED. Further, according to School Education Department Notification⁴¹ dated 26.08.2012, the SOPs of inspection allowance are as under:

- Inspection allowance shall be payable on the basis of inspections of the schools in a month.
- In case of less than 100% school inspection, it shall be claim @ 100 per school.
- Inspection allowance shall be admissible during vacation subject to prior approval of competent authority.
- Inspection report prepared by AEOs shall be submitted to Deputy AEOs concerned along with follow up report of previous month inspection.

Inspection allowance shall be payable after verified Inspection report of immediate controlling officer of AEOs concerned.

Scrutiny of Payroll of Dy. District Education Officer (W-EE) Murree revealed that Rs 1.200 million was drawn by following AEOs during 2018-19. It was noticed by the audit that no key performance indicator was found on record against said payment in violation of above. This resulted in irregular payment amounting to Rs 1.200 million as detailed below:-

Sr. No.	Name of employee	Drawn during Month	Unjustified drawn (Rs.)
1	Mst. Robia Asif	July, Aug & Sep,18 Jan, Feb & March,19	150,000
2	Mst. Sereena Khalil		150,000
3	Mr.M. Kamran Naseer		150,000
4	Mr. M. Faisal Khan		150,000
5	Mst Huma Rab Nawaz		150,000
6	Mr. Sheraz Rashid		150,000
7	Mr. Afnan ul Hassan		150,000
8	Mr.Usman Khalid		150,000
Total			1,200,000

Audit is of the view that due to weak internal control the irregular payment of Rs1,200,000 was made.

⁴⁰ U.O No FD/SR-I/9-3322016

⁴¹ SO(ADP)MISC-409/2013

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that AEOs are directed to provide their key performance indicators of pointed out period but no compliance was shown. DAC kept the para pending till recovery.

Audit recommends recovery from concerned officer/officials.

(AIR Para No.5)

17.5.1.2 Procurement related irregularities

17.5.1.2.1 Irregular payment on purchase of sub-standard UPS – Rs 11.367 million

Government of the Punjab, School Education Department Notification⁴² dated 15.01.18 states the specifications for setting up IT LABs in Government Schools of Punjab, which were required to be followed strictly.

During audit it was observed that CEO (DEA), Rawalpindi made payment of Rs 11.367 million to purchase UPS for establishment of IT Labs in 66 elementary and higher school of district Rawalpindi during 2018-19. Scrutiny of the record revealed that purchases were made below specifications than the government's approved specifications. Detail is as under:

Specification of items Purchased	Prescribed Specification to be purchased	Amount (Rs. in million)
UPS (3KVA) For 16 computers Lab for High and Higher Schools	UPS (5KVA) For 16 computers Lab for High and Higher Schools	8.801
UPS (1KVA) For 05 computers Lab for Elementary School	UPS (3KVA) For 05 computers Lab for Elementary School	2.566
Total		11.367

Audit is of the view that due to weak financial discipline, below specifications procurement was made.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that purchase was made as per direction and specification approved by the competent authority and tender was floated as per specification accordingly. Reply of the department is not acceptable as the specification was violated. DAC kept the para pending till regularization.

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

(AIR Para No.5)

17.5.1.2.2 Irregular expenditure due to splitting indents – Rs 2.921 million

According to Rule 9 read with Rule 12(1) of Punjab Procurement Rules of PPRA 2014, procurement over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the website of PPRA in the light of procedure laid down from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement.

⁴² SO(ADP-III)9-3/2017

During audit of Dy. DEO (M-EE) Murree, it was observed that during 2017-19 expenditure of Rs 2.921 million was incurred by splitting the indents of similar nature in small orders to avoid tendering process. This resulted in irregular expenditure. **Annexure-G**

Audit is of the view that due to weak financial control, expenditure was made by splitting the purchases.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that all procurements were made by the school councils and purchase orders were made by the councils according to their requirement. Reply was not tenable as AEO and Dy. DEO has to monitor the progress of expenses regularly and specific instructions can be passed to the councils to avoid the irregularity. DAC kept the para pending till regularization.

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

(AIR Para. No. 08)

17.5.2 Value for money and service delivery issues

17.5.2.1 Non-realization of private schools registration fee and non-imposition of penalty– Rs 2,642.865 million

As per the Punjab Private Educational Institutions (Promotion and Regulation) ordinance 1984, an in-charge shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance. As per Rule 11(3) of the Punjab Private Educational Institutions (Promotion and Regulation) ordinance, 1984, if an in-charge runs the institution with registration under this ordinance, the in-charge shall be liable to punishment of fine which may extend to four million rupees but which shall not be less than three hundred thousand rupees.

During audit of DEO (SE), Rawalpindi for the financial year 2018-19, it was observed that registration of private schools in district Rawalpindi was the responsibility of DEO (Secondary Education) Rawalpindi. Audit observed that 684 unregistered private schools were working till 30.06.2018. According to the survey of Education Department Rawalpindi in 2019, 25 private schools were registered during 30.11.2018 to 30.06.2019 and 659 private schools were still working without registration. Neither these schools obtained registration nor the authority imposed penalty @ Rs 4.000 million per school. Further, authority did not obtain inspection fee @ Rs 7,500/ per school. This resulted in non-realization of Rs 2,642.865 million on account of inspection fee and penalty as detailed below:

No. of Schools	Total Penalty @ Rs 4 million	Inspection Fee @ Rs 7,500	Recoverable (2+3)
1	2	3	4
659	2,636.000	6.865	2,642.865

Audit holds that due to weak internal controls and negligence, neither the schools were registered nor the action was taken against the non-registered schools.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that this office has taken steps to get these private schools registered as and when the registration will be made the fine/penalty will be imposed and compliance will be shown. But no compliance was shown. DAC kept the para pending till compliance.

Audit recommends registration and imposition of penalty besides fixing responsibility against the person(s) at fault.

(AIR Para No.1)

17.5.2.2 Non-collection of security from private schools - Rs 56.400 million

According to clause 12-A(m) of Government of the Punjab, Education Department Notification, the institution shall deposit Rs 200,000 as security with the Registration Authority.

Audit of the accounts of DEO (SE) registration branch revealed that 282 Private Schools were registered in district Rawalpindi during 2018-19 but according to the registration branch record no one has deposited the security @ Rs 200,000 with the registration. This resulted in non collection of security of Rs 56.400 million.

Audit is of the view that due to weak internal control and financial mismanagement security was not obtained from private schools.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that no such notification received regarding security fee @ Rs 200,000. Reply of the department is not satisfactory as the same notification was retrieved from the record of the department. DAC kept the para pending till clarification from Secretary School Education Department.

Audit recommends deposit of security and fixing of responsibility against person (s) at fault.

(AIR Para No.7)

17.5.2.3 Excess payment due to purchases over and above the estimated cost-Rs 25.351 million.

Government of the Punjab school education department (Planning wing) No. SO(ADP-III) 9-3/2017 dated 15th January, 2018 issued specifications for establishment of IT Labs in Punjab along with estimated cost.

During audit of CEO (DEA), Rawalpindi for the year 2018-19 it was observed CEO purchased IT equipments for establishment of IT Labs in 66 Elementary and Higher Schools in District Rawalpindi against Rs 25.351 million. Scrutiny of the record reveled that purchases were made on exorbitant rates than the estimated cost issued / specified by the Punjab School Education Department (Planning wing). This resulted in excess payment as detailed below:

Items Purchased	Amount Inclusive of Sales tax 17% As per purchased per unit	Description of item as per Specification	Estimated Budget As per Specification	Total No of UNIT Purchase	Difference in price per unit as per actual purchased and as per specification	Excess payment (Rs.)
Server: HP Prodest 400 G4	87,292	Server: HP core-i5	55,000	49	32,292	1,582,308

Items Purchased	Amount Inclusive of Sales tax 17% As per purchased per unit	Description of item as per Specification	Estimated Budget As per Specification	Total No of UNIT Purchase	Difference in price per unit as per actual purchased and as per specification	Excess payment (Rs.)
Server: HP core-i7	83,648	Server: HP core-i5	55,000	17	28,648	487,016
Computer HP Core i7	82,392	Computer HP Core i5	55,000	784	27,392	21,475,328
Computer HP Core i7	81,569	Computer HP Core i5	55,000	68	26,569	1,806,692
Total						25,351,344

Audit is of the view that purchase was made at higher rates due to weak financial discipline.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that purchase was made as per direction and specification approved by the competent authority and tender was float as per specification accordingly. Reply of the department is not satisfactory. DAC kept the para pending.

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

(AIR Para No.3)

17.5.2.4 Less deduction of cost of old material – Rs 6.648 million

According to Rule 2.33 of PFR Vol-I, every government servant should realized 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 it was observed that CEO (DEA), Rawalpindi made payment for deposit work against the schemes during 2018-19 to XEN Buildings-1& XEN Buildings-2, Rawalpindi.

Scrutiny of vouched account revealed that these XENs, credited the cost of old material lump sum without giving detail. Further, cost was found credited on very low side as compare to the quantities excavated / dismantled. In light of the dismantled quantities, that deduction of cost of old material was less than the actual. Audit worked out the dismantled material cost and found the difference of Rs 6.648 million.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that all works related payments are being made to the contractor by the contracting agency as such, no mechanism of pre-audit in the District Education Authority. More over all the para related works may be shifted

to XENs Building Rawalpindi being executing agency for further clarification. Reply of the department is not tenable. DAC kept the para pending till compliance.

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

(AIR Para No.9)

17.5.2.5 Doubtful payment of quantities in foundation and plinth – Rs 6.014 million

According to Para I .49 of B&R code Superintending Engineers are responsible for the engineering character of every work which they approve, and, in submitting any report design, estimate, or other documents to the Regional Engineer officer will invariably state their own opinion and recommendations on the subjects, in particular as to the suitability of the designs and the reasonableness of the rates. They should also have estimates checked and compared with the drawings.

During of audit CEO (DEA), Rawalpindi it was observed that DDO transferred funds as deposit works against various schemes during 2018-19 to XEN Buildings-1& XEN Buildings-2, Rawalpindi. Study of vouched account and schedule of dismantling revealed that XENs has taken dismantling of old walls up to the DPC level. Neither dismantling of existing foundations taken in the estimates nor such dismantling was paid. While reconstruction, new excavation was paid and surplus earth was found adjusted under the floors, paid quantities of regular excavation for foundation and plinth just like a new work by showing earthwork excavation. Since, no dismantling of old foundation was taken, hence it is apprehended that new walls were rebuilt on old foundation instead of preparing new foundation. This resulted in doubtful payment of excavation quantity of foundation and plinth for Rs 6.014 million.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that all works related payments are being made to the contractor by the contracting agency as such, no mechanism of pre-audit in the District Education Authority. More over all the para related works may be shifted to XEN Building Rawalpindi being executing agency for further clarification. Reply of the department is not tenable. DAC kept the para pending till compliance.

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

(AIR Para No.8)

17.5.2.6 Irregular payment on rent of office building – Rs 4.167 million

Note V of Sr. No. 2 of Punjab District Authority, Delegation of Financial Rules 2017, hiring of buildings on rent would be subject to the conditions that (a) the accommodation is according to the scale approved by the Government, (b) the rent does not exceed the tax assessed by the Excise, Taxation and Narcotics Department for the purpose of Urban Immovable Property Tax, the CEO shall give rent reasonability certificate. and, (c) non-availability certificate that there is no official building available for housing a particular office.

During audit of Govt. Special Education Centre, Murree for the period 2015-2019, it was observed that DDO made payment of Rs 4.167 million to owner on account of rent of office building hired for school. The Building ownership documents were not available Building Map duly verified and approved from Municipal Corporation, Murree was also not available. Rent Assessment made by Excise and Taxation department was defective as, it was silent about detail of land area, covered area and approved rate per square foot. The approval from competent authority and complete case of rent of office building was not available in record Rent was mostly paid in cash instead of cross cheque in light of these facts payment of rent of building was irregular

Audit is of the view that due to weak managerial controls the irregular expenditure was made on account of rent of office building.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that the building is in village area and there is no trend to get maps of the building. Accordingly, per feet assessments of the covered area etc were not accustomed in the year 2005. Nobody asked for such requirements in past. When it was queried, we took assessment from the owner for the year 2019 to 2022. District Accounts Office never issued by name cheques to owner in the past. Only cheques made when the payment exceeds the limit of Rs 1 lac. As per request of the owner, we paid him in cash stamp paper is attached. Now, we are providing the rent through cheque. Reply of the department is not tenable as the requirement for hiring government buildings were violated and the cash payment was accepted in violation of rules. DAC kept the para pending till regularization.

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

(AIR Para No. 2)

17.5.2.7 Irregular payment on account of development work – Rs 3.230 million

According to Rule 7.12 of PFR Volume-1, the Head of an office is personally responsible for every pay drawn on a bill.

During audit it was observed that CEO(DEA), Rawalpindi made payment of Rs 3.230 million in July 2017 to Dy.DEO (M-EE), Murree under program “Missing facilities in schools (Drinking water & Toilet Blocks) for further payment to various schools for the construction of toilet and water bore. Scrutiny of the record revealed that open cheques were issued by the office of the Dy. DEO (M-EE), Murree and schools encashed them from bank in cash instead bank to bank clearance. Audit further observed that the amount draw by these schools was not shown in school councils cashbooks. Furthermore, proceeding registers of the council was also found silent over the transfer of amount from CEO/DDEO office to the school council. No scheme was executed till the date of audit and no physical inspection report was carried out by the concerned AEOs and Dy. DEO.

Audit is of the view that due to weak financial control, irregular payment was made.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that compliance is under process regarding executions of the schemes. Reply of the department is not tenable as no proof of execution or utilization of money was shown. DAC kept the para pending till regularization.

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

(AIR Para No. 07)

17.5.3 Others

17.5.3.1 Irregular drawing cash – Rs 7.265 million

Government of the Punjab, Finance Department amended Rule 4.49 (a) of Subsidiary Treasury Rules vide No. FD (FR) V-6/75(P) Dated Lahore the 4th March, 2010 “Payments of Rs.100,000/- and above to contractors and suppliers shall not be made in cash by the Drawing & Disbursing Officers (DDOs). At places where pre-audit cheques are issued, the sanctioning authority shall accord sanction to incur expenditure, under his own signature, in favour of contractor / supplier incorporating CNIC number of the contractor / supplier.

During audit of Dy.DEO (M-EE), Murree for the financial year 2017-19, it was observed that DDO drew cash of Rs.7.265 million from bank account in violation of above instructions. This resulted in irregular payment in cash.

Audit is of the view that due to weak financial control, irregular cash payment was made.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that compliance is under process. Reply of the department is not tenable as no document showing execution of the schemes was provided.. DAC kept the para pending till regularization.

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

(AIR Para No. 03)

17.5.3.2 Non imposition of penalty due to late supply - Rs 2.102 million.

As per Clause 2 of the contract agreement, supply be completed within 60 days from 16.03.2018 i.e. date of contract. Further as per Clause 10 ibid, liquidation charges @ 2% (Maximum) per month of the total value of the contract may be imposed.

During audit it was observed that CEO Education Rawalpindi purchased IT Equipments for Labs established in 66 elementary and higher school of district Rawalpindi during 2018-19 amounting to Rs. 105.138 million and the company was bound to deliver the IT Equipment on 14.05.2018, as per agreement. Whereas, as per goods declaration form GD-I and GD-II, date on bill of export for the consignment was of 26.06.2018. This resulted in late supply of equipment and non deduction of 2% penalty charges of Rs 2.102 million/ month.

Audit holds that due to weak financial control, the department failed to impose the penalty on late supply of equipment.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that purchase was made as per direction and specification approved by the Competent Authority and tender was floated as per specification accordingly. Reply of the department is not satisfactory. DAC kept the para pending till recovery.

Audit recommends recovery of liquidity damages from the firm, besides fixing responsibility against the person(s) at fault.

(AIR Para No.12)

17.5.3.3 Non deposit of sales tax and income tax – Rs 1.656 million

According to clause 153(a) of the Income Tax Ordinance 2001, income tax at prescribed rates should be deducted from payments made to suppliers of goods and services. According to CBR letter No.4(47) STB/98 (Vol-I) dated 04-08-2001, all departments and organizations are required to purchase taxable goods only from registered persons against prescribed sales tax invoices and forwarded an intimation to the concerned sales Tax collect orate for the purpose of Audit / verification of deposit of tax. It is the responsibility of a withholding agent, intending to make purchases of taxable goods, shall indicate in an advisement or notice for this purpose that the sales tax to the extent as provided in these rules shall be deducted from the payment to the supplier. A withholding agent shall deduct an amount equal to one-fifth of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him according to Para 2 of S.R.O. No.660(1)/2007 dated 30th June, 2007.

During audit of various formations it was observed that expenditure was made without necessary deductions of 20% of the amount of sales tax paid and income tax at prescribed rates was also not recovered. This negligence resulted in loss of Rs 1.656 million.

(Amount in Rs.)

Sr. No.	Name of formation	Income Tax	GST	Total Amount
1	Dy. DEO (W-EE) Murree	33,702	73,740	107,442
2	Dy. DEO (M-EE) Murree		1,086,801	1,086,801
		461,590		461,590
Total		495,292	1,160,541	1,655,833

Audit is of the view that due to weak internal control compulsory deductions of the taxes were not made.

The matter was reported to PAO concerned in August 2019. DAC meeting was held on 20.11.2019, in which the department replied that concerned head teachers and firms are directed to provide detail of GST

and Income tax but no proof was provided. DAC kept the para pending till recovery. No compliance was reported till finalization of this report.

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

(AIR Para No. 13, 9, 11)

CHAPTER 18

DISTRICT EDUCATION AUTHORITY, SARGODHA

18.1 Introduction of the Authority

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

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

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

DEA Sargodha manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (W-EE)	1
DEO (M-EE)	1
Dy. DEO (M-EE)	7
Dy. DEO (W-EE)	7

High and Higher Secondary Schools	338
Elementary & Primary Schools	1339

18.2 Audit Profile of District Education Authority, Sargodha

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Sargodha	376	5	582.520	

18.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 11,191.647 million were raised in this report during current audit of “District Education Authority, Sargodha.” This amount also includes recoveries of Rs 14.527 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	
	A. HR/Employees related irregularities	10,946.635
	B. Procurement related irregularities	2.421
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	174.071
5	Others	68.520
Total		11,191.647

18.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	10	Not convened
2	2018-19	19	Not convened

18.5 AUDIT PARAS

18.5.1 Irregularities

18.5.1.1 HR / Employee Related Irregularities

18.5.1.1.1 Irregular expenditure on pay and allowances in absence of schedule of establishment – Rs 10,840.0 million

According to Rules 4 & 6 (K) of District Authorities Budget Rules, 2017, the Chief Executive Officer of district authority being PAO shall ensure monthly reconciliation of district offices and institutions expenditure with the Accountant General, Punjab or District Accounts Office and provide strategic guidance and oversight on generation and publication of monthly budget execution reports by the budget and accounts officer. The budget and accounts officer shall be responsible to maintain schedule of establishment of the District Authority, offices and its institutions.

Scrutiny of record of CEO DEA, Sargodha for the Financial Year 2018-19 revealed that schedule of establishment duly approved by the Finance Department was not maintained in the office of Chief Executive Officer. Audit could not verify authenticity of expenditure incurred on account of pay & allowances without approved sanctioned strength. In absence of schedule of establishment of the District Education Authority, expenditure on pay & allowances of the authority amounting to Rs 10,840.0 million could not be authenticated.

Audit holds that due to weak financial and internal controls, schedule of establishment approved by Finance Department was not maintained.

This resulted in irregular expenditure due to non-maintenance of schedule of establishment.

The matter was discussed in DAC meeting held on 19.11.2019. The department could not provide approved schedule of establishment of the District Education Authority. DAC pended the para till the provision of approved schedule of establishment. No compliance was shown to audit till the completion of this report.

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

[AIR Para # 8]

18.5.1.1.2 Non-payment of pension/gratuity to MC employees - Rs 85.824 million

According to Rules 6 (K) of District Authorities Budget Rules, 2017 read with para 5 of Government of the Punjab, Finance Department Notification⁴³ dated 25.05.2016, the budget and accounts officer shall be responsible to maintain pension fund for the Government employees of Education sector adjusted in the District Authority. The Authority shall deposit the monthly pension contribution @ 40% of pay of the employees of the defunct MC/ZC adjusted in authority w.e.f. 01.01.2017 onward to the District Education Authority Pension Funds.

During audit of CEO, District Education Authority, Sargodha for Financial Year 2018-19, it was observed that since the establishment of the District Education Authority, neither pension contribution fund was created for the Municipal Committees cadre teachers of defunct MCs nor allocation was put in the budget for this purpose.

Audit holds that due to financial mismanagement the pension contribution fund was not maintained.

This resulted in nonpayment of pension to retired /retiring teachers of MCs cadre Rs 85.824 million.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that an amount of Rs 40.152 million was deposited on account of pension contribution but relevant record in the support of his reply was not produced. DAC pend the para till the production of relevant record and deposit of total pointed amount to pension contribution fund. No compliance was shown to audit till the finalization of this report.

Audit recommends fixing of responsibility and recovery of outstanding pension funds from MC.

[AIR Para No. 13]

18.5.1.1.3 Irregular payment of Pay due to Shifting of Headquarter - Rs 6.284 million

As per Finance Department, Government of Punjab letter No.FD.SR.IV-8-1/76(Prov) dated 16th March 1988, 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.

⁴³ FD(DG)1/Instruction-Act-13/2016

During audit of following formations of DEA Sargodha it was noticed that Rs 6.284 million was drawn and disbursed on account of pay and allowance without performing official duties in respective offices. This indicated that official was performing duty at place other than his headquarter in violation of above instructions of the Finance Department as detailed below;

Sr. No	Department	Name	Designation	Place of Posting	Gross Pay	Net Amount (Rs in million)
1	Govt. Spl. Edu. Centre Bhalwal	Ms. Uzma Rehman	Special Education Teacher (BS.17)	Govt. Special Education Centre Sargodah	70,518	1.692
2	-do-	Ms. Aafial Nida Mumtaz	Psychologis(BS.17)	Directorate of Special Education Punjab Lahore	79,993	1.920
3.	Spl. Edu. Center HIC Sargodha	Mrs. Rabia Bint e Akbar	Sr. Teacher		86,241	1.035
4.	-do-	Fayyaz Ahmed	Steno typist		98,108	1.177
5.	-do-	Azhar Ali	LDC		38,376	0.461
Total						6.285

Audit holds that payment of salaries without performing duties at place of posting was due to weak internal control.

This resulted in irregular drawl of pay Rs 6.284 million.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that officers were transferred with the orders of DG/Secretary special education. DAC pended the para till the regularization from Finance Department. No compliance was shown to audit till the finalization of this report.

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

18.5.1.1.4 Non recovery of pay & allowances from ghost employees - Rs 9.030 million

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

Scrutiny of record of CEO (DEA), Sargodha revealed that some ghost employees were drawing pay & allowances without actually performing duties. The inquiry committee pointed out irregular payment of Rs 9.030 million on account of pay & allowances to the said ghost employees but the recovery is still outstanding.

Audit holds that due to weak administrative and financial controls recovery of stated amount was not realized.

This resulted in serious negligence on the part of the DDO.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that said issue of payment to ghost employee has already been taken for further necessary action/compliance as per law. DAC pended the para till recovery of loss from the concerned. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery of stated amount from the defaulter under report to audit.

[AIR Para # 23]

18.5.1.1.5 Overpayment on account of 30% SSB-Rs 5.497 million

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

During desk audit of CEO Education, Sargodha for the Financial Year 2018-19, it was observed from HR data that the services of contract staff were regularized but social security benefit allowances @ 30% were not deducted from the pay of the contract staff after their regularization. Government sustained loss of Rs 5.497 million.

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

This resulted in over payment of social security benefits of Rs 5.497 million

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that necessary directions will be issued to DEO concerned for compliance. DAC pended the para for recovery within 60 days. No compliance was shown to audit till the finalization of this report.

Audit recommends recovery besides fixing lapse and negligence against the persons at fault under report to audit.

[AIR Para # 22]

18.5.1.2 Procurement related Issues

18.5.1.2.1 Irregular Expenditure in violation of PPRA -Rs 2.421 million

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Following formations of District Education Authority, Sargodha expended Rs 2.421 million for the purchase of different store items and repair of vehicles during financial year 2015-16 to 2018-19. Job orders were split up in order to avoid open tender on PPRA website and to make the purchase economical and transparent.

Sr. No.	Department	Description	Amount (Rs in million)
1	CEO DEA, Sargodha	Stationery	0.389
2	Govt. Special Education Centre Bhalwal	Purchase of uniform	0.764
3	Special Education Center HIC Sargodha	Repair of transport	1.118
4	Special Education Center HIC Sargodha	Purchase of furniture	0.150
Total			2.421

Audit holds that payment for purchase of store items without advertisement on PPRA website was due to weak internal control.

This resulted in irregular expenditure of Rs 2.421 million.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that budget was released on quarterly installments and expenditure was incurred on need basis. Department could not produce the signed copies of quarterly releases. DAC pended the para till regularization. No compliance was shown to audit till finalization of this report.

Audit recommends regularization of expenditure from the competent authority/forum under intimation to Audit.

[AIR para # 04, 42, 51, 63]

18.5.2 Value for money and service delivery issues

18.5.2.1 Misuse of development funds - Rs.174.071 million

According to rules 5 (i) & rule 6 (f) of District Authorities Budget Rules, 2017, the head of offices will be responsible for ensuring that the funds allotted shall be spend on the activities for which the they were provided. The budget and accounts officer shall be responsible to monitor expenditure and ensure utilization of funds as approved by the District Authority.

Scrutiny of the account record of CEO DEA Sargodha for the Financial Year 2018-19 revealed that the DEA allocated Rs 355.615 million as development fund. The authority released Rs 68.783 million during the year. The closing balance should be Rs 286.832 million whereas the closing balance of development funds was reported as Rs 112.761 million. This lead to misuse of development funds to the tune of Rs 174.071 million and non-achievement of development goals.

Audit holds that incurrence of irregular expenditure was due to weak financial and administrative control.

This resulted in misuse of funds allocated for development schemes.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that Account-V of DEA is consolidated fund account in which there is no segregation for salary and development fund. However the amount of salaries were transferred from the above mentioned account to the concerned employees bank accounts by the DAO Sargodha and as per the decision of the honorable Supreme Court salaries could not be stopped. DAC did not accept the contention of the department and directed for regularization from competent forum. Para was deferred. No compliance was shown to audit till the finalization of this report.

Audit recommends fixing of responsibility for lapse and negligence against the person(s) at fault.

[AIR Para # 3]

18.5.3 Others

18.5.3.1 Excess expenditure over and above budget allocation Rs 16.111 million

According to Rule 55C (ii) of the Punjab District Authorities Budget Rules 2017, DDO should ensure to expend the allocation in conformity with the Schedule of Authorized Expenditure. According to rule 8 (d) of Punjab District Authorities (Budget) Rules 2017, DDO is responsible to prepare and furnish Excess & Surrender Statement after completion of eight months of the financial year.

DDOs of following formations of District Education Authority, Sargodha expended Rs 67.404 million against the budget of Rs 51.293 million. This resulted in expenditure over and above the authorized budget of Rs 16.111 million.

Rs in million					
Sr. No.	Year	Department	Budget	Exp.	Excess
1	2017-18	DEO (SEC), Sargodha	8.912	11.589	2.677
2	2016-18	Govt. Special Education Centre Bhalwal	4.740	6.895	2.155
3	2015-19	Principal Special Education Center HIC Sargodha	37.641	48.920	11.279
Total			51.293	67.404	16.111

Audit holds that due to weak administrative controls, the funds were utilized over and above the budget.

This resulted in expenditure over and above budget allocation of Rs 16.111 million.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that excess expenditure was adjusted in the revised budget estimates but department did not provide a signed copy of revised budget estimates. DAC pended the para regularization. No compliance was shown to audit till the finalization of this report.

Audit recommends that matter may be investigated at an appropriate level and responsibility may please be fixed against the persons at fault besides regularization of the matter from the competent authority/forum under intimation to Audit.

[AIR Para # 26, 38, 54]

18.5.3.2 Cash Payment Instead of Cross Cheque - Rs 6.448 million

According to Punjab Local Government Accounts Rules 2017, Chapter-II, Rules 4(b), all the payments exceeding Rs 100,000 should be made through cross cheques of vender account.

During audit of following formations of DEA, Sargodha it was revealed that an amount of Rs 6.448 million was drawn from government treasury by preparing cheques in the name of the DDOs instead of venders and payment was made in cash in violation of rule ibid. The chance of misuse of cash, less payment to venders, drawl of amount by way of fake bills cannot be ignored.

Sr. No.	Period	Department	Cash drawn (Rs in million)
1	2018-19	Govt. Special Education Centre Bhalwal	5.381
2	2014-19	Special Education Center HIC Sargodha	1.067
Total			6.448

Audit holds that cash payment to suppliers was due to poor financial discipline.

This resulted in irregular payments of Rs 6.448 million

The matter was discussed in DAC meeting held on 19.11.2019. The departments replied that compliance will be made in future. DAC pended the para for regularization of expenditure. No compliance was shown to audit till the finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[AIR Para # 37, 48]

18.5.3.3 Non-utilization of Tied Grants – Rs 21.884 million

According to rules 5 (i) & rule 6 (f) of District Authorities Budget Rules, 2017, the head of offices will be responsible for ensuring that the funds allotted shall be spend on the activities for which the they were provided. The budget and accounts officer shall be responsible to monitor expenditure and ensure utilization of funds as approved by the District Authority.

Chief Executive Officer, District Education Authority, Sargodha did not utilize / spend Rs 21.884 million received as tied grant on account of Brick Kiln's from Finance Department Government of the Punjab. The

funds were to be utilized to educate the children of brick kilns only. The funds remained un-utilized throughout the financial year 2018-19 due to negligence of the management.

Audit holds that due to weak internal controls funds were not utilized.

This resulted in non-utilization of tied grants of Rs 21.884 million.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that the amount in question was allocated during the financial year 2018-19 which was now shifted in the budget of 2019-20 for utilization. DAC pended the para till the achievement of the desired objectives of the funds. No compliance was shown to audit till the finalization of this report.

Audit recommends lapse and negligence on the part of the person(s) responsible beside utilization of expenditure under report to audit.

[AIR Para # 9]

18.5.3.4 Non-utilization of IT labs due to non-appointment of IT Teachers costing – Rs 10.044 million

According to rule 2.33 of PFR Vol-I, every government servant should fully realize that he will be held personally responsible for any loss sustained by government through fraud or negligence.

During audit of DEO (SE) for the financial years 2017-19 it was noticed that the authority incurred an expenditure of Rs 10.044 million on the establishment of 09 IT labs in the schools under the jurisdiction of DEO (SE). The IT labs remained non-functional due to non-appointment of IT teachers by the School Education Department. In absence of specialized IT teachers, the labs could not be utilized efficiently and effectively and the warranty period of the IT equipment was expired without utilization.

Sr. No.	Name of School	Expenditure (Rs in million)
1	Govt. Boys High School Turti pur Tehsil Bhera	1.116
2	GBHS Chak No/52 Tehsil Sargodha	1.116
3	GGHS Mela Tehsil Kotmoman	1.116
4	GGHS Chak No.25/SB Tehsil Sargodha	1.116
5	GBHS Kolowal Tehsil Sargodha	1.116
6	GBHS Jehanian Shah Sahiwal	1.116
7	GGHS Chak No.96/NB Tehsil Sargodha	1.116
8	GGHS Gondal Tehsil Shahpur	1.116
9	GGHS Chak No. 115/SB Tehsil Sargodha	1.116
	Total	10.044

Audit holds that due weak internal and financial controls IT teachers were not appointed.

This resulted in wasteful expenditure by depriving the students from efficient and effective utilization of IT labs.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that the IT labs are operational as IT personal manage the available human resources were deployed to the labs. However letters were written to higher authorities for creation of posts/posting of IT teachers. The evidence of deployment of human resources was not produced to audit DAC kept the para pending till the deployment of human resources or approval of SNE/ posting of IT teachers.

Audit recommends the posting of IT teacher at the earliest.

[AIR Para # 25]

18.5.3.5 Non-crediting of public receipts in local government fund—Rs 7.00 million

According to Section 68 of the Punjab District Authorities (Budget) Rules 2017, 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 fund and to record entries under proper receipt head. The head of offices or institutions shall supervise and take corrective measures in respect of the activities of the collecting officers. Further as per Rule 7 (h) of Punjab District Authorities Accounts Rules, 2017, all cash transactions shall be entered in Receipts Register and Cash book as soon as they occur and attest in token check. Accounts of receipts and expenditure of District Authority shall be maintained in such form and in accordance with such principles and methods as given in new accounting model (NAM) duly prescribed by the Auditor General of Pakistan, from time to time.

CEO, District Education Authority, Sargodha realized local receipt of Rs 7.00 million during the Financial Year 2018-19, but the receipts were credited into Provincial A/C-I instead of Education Authority A/C-V.

Audit holds that due to weak internal and financial controls the management did not credit the receipt into District Education Authority Accounts.

This resulted in non-credit of receipt under proper account of DEA of Rs 7.0 million.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that para does not relates with the CEO DEA Sargodha. DAC did not accept the reply of the department and directed that receipt of education authority may be deposited in the account of education authority i.e Account-V. Para was pended till re-verification. No compliance was shown to audit till the finalization of this report.

Audit recommends that receipt needs to be realized, reconciled and credited to the District Education Authority Fund.

[AIR Para # 11]

18.5.3.6 Non disposal of off road vehicles – Rs 1.200 million

According to Rule 78(1) read with Rule 77, 78 & 79 of Punjab District Authorities Budget Rules, 2017 the primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the authority's account under the proper receipt head.

During scrutiny of record of Principal Special Education Center HIC, Sargodha it was noticed that following vehicles were lying off road since 2006. Neither these vehicles were got repaired nor declared condom / auctioned. The vehicles were standing in the open sky and losing its value due to seasonal wear and tear as detailed below;

Sr. No.	Department	Vehicles	Period of off road	Estimated residual value (Rs)
1	Special Education Center HIC Sargodha	SGL-9537	2006	700,000
2	Govt. Secondary school for deaf & defective hearing (boys) Sargodha	SGC-9232 Mazda, SGM-9432 Dong Feng	2006	500,000
Total				1,200,000

Audit holds that off road vehicle was neither repair nor auctioned due to weak internal controls.

This resulted in loss to Govt. of Rs 1.20 million.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that Mazda bearing No. SGC-9232 was auctioned for Rs 0.980 million and the remaining vehicle Dong Feng bearing No. SGM-9432 was repairable and additional funds was demanded. DAC reduced the para up to the amount of Rs 5,00,000 and pended the para with the direction to repair/Auction of the vehicle within 6 months. No compliance was shown to audit till the finalization of this report.

Audit recommended that responsibility be fixed and action initiated against the responsible(s) for not initiating appropriate action with regard to condemnation / repair of vehicles.

[AIR Para # 65,72]

18.5.3.7 Undue retention of public money-Rs 5.833 million

According to rule 2.10(b) (5) of PFR Vol-1, no money shall be drawn from the treasury unless it is required for immediate disbursement.

Following DDOs of District Education Authority, Sargodha drew an amount of Rs 12.789 million from government treasury on account of scholarship and placed the amount in the official bank account during the Financial Year 2017-18 and 2018-19. An amount of Rs 6.956 million was disbursed and remaining amount of Rs 5.833 million was not disbursed after the close of the Financial Year 2018-19. This resulted in undue retention of public money in violation of rule ibid. The DDOs neither made reconciliation with the bank nor unknown balance credited into government treasury after disbursement of scholarship to the deserving student as detailed below;

Rs in million				
Sr. No.	Department	Amount drawn	Amount disbursed	Amount retained
1	DEO (Sec) Sargodha	9.107	3.360	5.747
2	Govt. Special Education Centre Bhalwal	3.682	3.596	0.086
Total		12.789	6.956	5.833

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

This resulted in undue retention of Rs 5.833 million in DDO account.

The matter was discussed in DAC meeting held on 19.11.2019. The department replied that distribution of scholarships is under process. DAC directed to distribute the scholarships otherwise the amount in question be deposited into Govt. treasury. Para was pended. No compliance was shown to audit till the finalization of this report.

Audit recommends early distribution of scholarship under report to audit.

[AIR Para # 40, 53]

CHAPTER 19

DISTRICT EDUCATION AUTHORITY, SHEIKHUPURA

19.1 Introduction of Authority

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

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

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

DEA Sheikhupura manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	5
Dy. DEO (WEE)	5

High and Higher Secondary Schools	168
Elementary & Primary Schools	917

19.2 Audit Profile of District Education Authority, Sheikhpura

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Shaikhupura	182	3	2,662.575	7.095

19.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 517.759 million were raised in this report during current audit of “District Education Authority, Sheikhpura.” This amount also includes recoveries of Rs 2.356 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	475.220
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	-
	A. HR/Employees related irregularities	0.060
	B. Procurement related irregularities	7.386
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	-
5	Others	35.093
Total		517.759

19.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	18	Not convened
2	2018-19	15	Not convened

19.5 AUDIT PARAS

19.5.1 Non-Production of Record

19.5.1.1 Non-production of record – Rs 469.163 million

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

The Chief Executive Officer Education Shiekhupura transferred the funds of Rs 367.148 million and 102.014 million to different schools under NSB and to Building Department under deposit work respectively during the Financial Year 2018-19. Vouched accounts were obtained neither from school councils nor from building department. In the absence of record, authenticity and genuineness of expenditure could not be verified.

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

The matter was discussed in DAC meeting held on 27.01.2020. The department replied that NSB funds had been transferred to the schools. The reply was not satisfactory because no record was produced to Audit. DAC directed the CEO DEA Sheikhpura to arrange the vouched account in order to verify the genuineness of expenditure.

Audit recommends production of the record for audit scrutiny besides fixing responsibility against the officers at fault.

19.5.1.2 Non-production of record of Insaaf Program – Rs 6.057 million

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

During audit of CEO (DEA) Sheikhpura for the period 2018-19, it was observed that an amount of Rs 6.057 million was transferred to different schools under “Insaaf Program” but relevant record was not provided to audit. In the absence of the record, propriety of the expenditure could not be verified.

Cheque No./Date	Amount (Rs in million)
536221	4.770
536222	1.287
Total	6.057

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

The matter was discussed in DAC meeting held on 27.01.2020. The department replied that amount was released to Insaaf Schools as per list provided and said amount had not been utilized because of clear guidelines. The reply was not satisfactory because record for spending money on account of provision of transport facilities to the students was not provided. The DAC directed to inquire the matter.

Audit recommends production of the record for audit scrutiny besides fixing responsibility against the officers at fault.

[AIR para # 3]

19.5.2 Irregularities

19.5.2.1 HR / Employees related irregularities

19.5.2.1.1 Non recovery of conveyance allowance - Rs 0.060 million

According to Letter No FD.SR.1.9-4/66(P)(PR) dated 21-04-2014 of Government of Punjab Finance Department, Conveyance Allowance is not allowed to officers availing facility of official vehicle / Motor Cycle and conveyance allowance earlier allowed on the basis of certificate of not using vehicle from house to office was withdrawn with immediate effect.

Management of the following offices under the District Education Authority, Sheikhpura for the period 2018-19, it was observed that it was observed that Conveyance Allowance of Rs 0.60 million was not deducted in violation of rule above as detailed below:

Sr. No.	Name of Formation	Description	Amount (Rs in million)
1	Deputy DEO (M-EE) Muridke	CA for using vehicle	0.60
Total			0.60

Audit was of the view that payment of conveyance allowance was due to poor financial indiscipline and weak internal controls.

This resulted in loss of Rs 0.60 million to the public exchequer.

The matter was discussed in DAC meeting held on 27.01.2020. The department replied that Letter no. 1431/E-II dated 27.11.2019 sent to CEO DEA Lahore and also copy to DEO SE Lahore and to officer concerned serving as Senior Headmaster, GHS Sheran Wala Gate Lahore, for recovery of CA. The reply was not satisfactory. DAC directed for regularization of expenditure.

Audit recommends recovery from the employees besides fixing responsibility against officers at fault under intimation to Audit.

[PDP 10]

19.5.2.2 Procurement related irregularities

19.5.2.2.1 Irregular expenditure on purchase of software CDs – Rs 3.954 million

According to rule 2.10(a) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money

During audit of CEO DEA Sheikhpura for the period 2018-19, it was noticed that 37 New Computer Labs were established in different schools. For this purpose, 528 Computers were purchased along with printers and networking material. This package involved 528 CDs of Licensed Microsoft Office @ Rs7,488 per CD having total value of Rs 3,954 million. The expenditure was held irregular because licensed MS Windows was the part of purchase price of computers and there was no need of purchase of licensed MS Office for each computer separately. The suppliers of computer systems provide this software free of cost as evident from all previous supply orders attached with the bidding documents of bidders. None of these quoted separate cost of MS Office. Same nature of project was initiated and completed in 2015-16 where 208 computer systems were provided by the same supplier i.e. M/s Ora-Tech vide EDO Education Sheikhpura supply order No.16/D-I/4770 dated: 28-05-2016. It was observed that 528 No. of Licensed CDs of MS Office @ Rs7,488 were not even supplied along with other accessories to the concerned schools as evident from stock register of schools checked on sample basis.

Audit holds that purchase of software without requirement was due to weak internal controls and poor financial management.

This resulted in irregular purchase of Rs 3.954 million,

The matter was discussed in DAC meeting held on 27.01.2020. The department replied that purchase of Licensed MS Office / online Media Kit from Microsoft website was essential because pirated version gets expired after few weeks which hinders the smooth functioning of educational activities and tender was awarded to lowest bidder in financial bid as compared to other bidders. DAC directed to the CEO to constitute a committee to inquire the matter under intimation to Audit.

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

[AIR para # 6]

19.5.2.2.2 Less imposition of GST – Rs 2.476 million

According to Section 3(1) of Sales Tax Act 1990, there shall be charged, levied and paid a tax known as sales tax at the rate of seventeen per cent of the value of (a) taxable supplies made by a registered person in the course or furtherance of any taxable activity carried on by him; and (b) goods imported into Pakistan, irrespective of their final destination in territories of Pakistan.

During audit of CEO DEA Sheikhpura for the period 2018-19, it was noticed that an amount of Rs 56.060 million was incurred for purchase of Computer Labs (including furniture). The expenditure was held irregular because item was GST invoice not issued by the supplier. As per financial bid and supply order an amount of Rs 3.423 million was included as GST on different items for which Rs684,580 was required to be withheld as 1/5th while payment to supplier. But actual GST invoice shows Rs946,862 as GST without any detail of items and one fifth withheld amount of Rs189,372. This resulted in less charge of GST amounting to Rs2,476,037 (Rs3422899 – Rs946,862) which gone in the pocket of supplier.

Audit is of the view that less imposition and non-recovery of GST was due to weak internal controls

The matter was discussed in DAC meeting held on 27.01.2020. The department replied that firm supplied the imported items for IT Labs and according to section 148 of the Income Tax Ordinance 2001, tax has been deducted at source and under Chapter-x section 58A and 58B of Sales Tax Special Procedures Rules 2007 sales tax had been collected at import stage. The reply was not satisfactory. DAC directed the department for recovery.

Audit recommends to inquire the matter at competent forum and effect the amount of GST from supplier besides fixing of responsibility against the person(s) under intimation to Audit.

[AIR para # 7]

19.5.2.2.3 Irregular expenditure in violation of PPRA Rules-- Rs 0.956 million

According to Rule12(1) of Punjab Procurement Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These

procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

During audit of Deputy DEO (M-EE) Tehsil Muridke District Sheikhupura for the period 2018-19, it was noticed that following schools incurred expenditure Rs 0.956 million on purchases of various items in violations of rules *ibid*. **Annexure-H**.

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

This resulted in irregular expenditure of Rs 0.956 million.

The matter was discussed in DAC meeting held on 27.01.2020. The department admitted the irregularity of expenditure. DAC directed for regularization of the matter.

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

[PDP-7]

19.5.3 Others

19.5.3.1 Pension Contribution of Defunct MC - Rs29.656 million

According to Government of the Punjab, LG&RD Department letter dated:15-04-1991, employees of erstwhile zila Council were adjusted in Town w.e.f 01-08-2002, the pension contribution @ 40% of pay was required to be transferred to Local Government Pension Fund Account from the budget of the respective government where they were working.

During audit of CEO (DEA) Sheikhpura for the period 2018-19, it was observed that an amount of Rs29.656 million was transferred as pension contribution of employees of defunct MC. The expenditure was held unauthorized and irregular because pension was made out of pension contribution of in-service employees. Share of fund was not transferred by the concerned Metropolitan Corporation and shifted its liability to CEA DEA Sheikhpura. Detail is as under:

Cheque No.	Date	Amount (Rs in million)
54228	03.06.2019	1.965
54421	22.06.2019	17.838
54407	21.06.2019	9.853
Total		29.656

Audit holds that unauthorized payment of pension contribution was due to weak internal controls and poor financial discipline.

This resulted in unauthorized payment of Rs 29.656 million

The matter was discussed in DAC meeting held on 27.01.2020. The department replied that Secretary School Education issued instructions dated 25-06-2017 for the payment of MC cadre employees from A/C V. DAC directed to take up the matter with Finance Department regarding non receipt of share from MC and non-handing over of pervious outstanding balance of District Governments.

Audit recommends that monthly share may be collected from MCs and deposited into pension contribution Fund besides fixing of responsibility on person(s) at fault under intimation to Audit.

[PDP-5]

19.5.3.2 Excess expenditure over budget allocation – Rs 5.437 million

According to Rule 13(1)(a) of Punjab Local Government Accounts Rules 2017, the head of office shall ensure that object wise expenditure is kept within authorized appropriation.

During audit of Govt. Deaf & Defective Higher Secondary School Sheikhpura for the period 2017-19, it was noticed that an amount of Rs9.952 million was incurred against budget allocation of Rs 4.515 million. This resulted in excess expenditure of Rs 5.437 million as detailed below:

Rs in million				
Year	Head	Budget	Expenditure	Excess
2017-18	Contingencies	2.390	6.513	4.123
2018-19	POL Charges	2.000	2.847	0.847
	Superannuation	0	0.367	0.367
	Transport	0.125	0.225	0.100
Total		4.515	9.952	5.437

Audit holds that excess expenditure than budget allocation was due to weak internal controls.

The matter was discussed in DAC meeting held on 27.01.2020. The department replied that budget during the fiscal year 2017-18 was released and all the expenditure was made after fulfilling the codal formalities from the account office. However, during 2018-19, the budget was got re-appropriated for above said heads from competent authority. DAC directed to provide the authentic copy of revised budget.

Audit recommends fixing of responsibility against the person(s) at fault for excess expenditure than budget allocation.

[PDP-2]

CHAPTER 20

DISTRICT EDUCATION AUTHORITY, SIALKOT

20.1 Introduction of the Authority

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

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

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

DEA Sialkot manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	2
Dy. DEO (MEE)	4
Dy. DEO (WEE)	4

Description	No. of offices / schools
High and Higher Secondary Schools	274
Elementary & Primary Schools	1550
Any other institute	7

20.2 Audit Profile of District Education Authority, Sialkot

Rs in million

Sr. No.	Description	Total No. of Formations	Audited	Expenditure Audited	Receipts Audited
1	DEA Sialkot	287	3	1147.926	1.880

20.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 86.475 million were raised in this report during current audit of “District Education Authority, Sialkot.” This amount also includes recoveries of Rs 16.477 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

Sr. No.	Classification	Amount Placed under Audit Observation (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement, and misappropriation	-
3	Irregularities:	-
	A. HR/Employees related irregularities	-
	B. Procurement related irregularities	24.998
	C. Management of accounts with commercial banks	-
4	Value for money and service delivery issues	58.434
5	Others	3.043
Total		86.475

20.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	2	Not convened
2	2018-19	6	Not convened

20.5 AUDIT PARAS

20.5.1 Irregularities

20.5.1.1 Procurement related irregularities

20.5.1.1.1 Non-deduction of Income Tax and General Sales Tax- Rs 4.674 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person: (a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer. (b) For the rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer. Moreover, as per Government of Pakistan (Revenue Division) Central Board of Revenue (Sales Tax Wing) letter⁴⁴ dated 04th August 2010, purchases should be made by the Government Departments from the suppliers registered with Sales Tax Department and payment shall be made to the suppliers / contractors only on the bills supported with sales tax invoices.

Audit of CEO (DEA), Sialkot noticed that an amount of Rs 20.325 million was incurred on purchase of I.T equipment from M/S Technosol during financial year 2018-19 for establishment of Computer Labs in 24 schools of district Sialkot. The supplier claimed the exemption of Income Tax and General Sales Tax by producing the certificates that all supplied items were imported. Scrutiny of documents of Goods Declaration revealed that the supplied items were not mentioned in the said documents. CEO (DEA) Sialkot granted undue exemption of Rs 4.674 million on account of Income Tax and Sales Tax which was required to be deducted while making payment to the supplier as detailed below:

Rs in million				
Description	Amount	Income Tax	GST	Total
I.T labs Articles for H/S & E/S	20.325	1.219	3.455	4.674

Audit holds that due to weak internal control, government taxes were not deducted from suppliers.

This resulted into non deduction of income tax and GST of Rs 4.674 million.

⁴⁴ 4(47)STB/98(Vol.I)

The matter was reported to the management in November, 2019. DAC meeting was not convened despite till the finalization of this report.

Audit recommends recovery of government dues under intimation to Audit.

[PDP No 03, 5]

20.5.1.1.2 Supply of IT equipment without Technical Inspection - Rs 20.324 million

As per rule 2.22 and 15.7 of PFR Vol-I, 15.4 (a) 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.

CEO (DEA) Sialkot purchased I.T Lab equipment for establishment of computer labs in 24 schools of District Sialkot amounting Rs 20.324 million during the financial year 2018-19. Purchase committee was constituted by Administrator of the Authority.. The successful bidder had to supply and install all required equipment in the concerned school. Following irregularities were noted during the scrutiny of record:

- i. There was no I.T Professional member in constituted Purchase Committee. The chance of mis-procurement cannot be ignored in term of quality and price of I.T equipment.
- ii. The supplier made supply to the concerned school and at the time of supply the quantity and quality of the equipment was not checked. The head of school was not so competent to check the equipment according to specifications
- iii. At the time of receiving and installation of equipment, no technical person was available to inspect the equipment. School Head just written the word “received” and affix his signatures.
- iv. Even after the installation, no technical inspection was made by the department.

Audit holds that due to weak internal control, supply of IT equipment was accepted without technical inspection.

This resulted into unjustified acceptance of IT equipments supply without technical inspection worth Rs 20.324 million.

The matter was reported to the amangement in November, 2019. DAC meeting was not convened till the finalization of this report.

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

[PDP No 09]

20.5.2 Value for money and service delivery issues

20.5.2.1 Wasteful expenditure on development scheme Rs 58.434 million

According to rule 64 of Punjab Local Government Budget rules 2017, each Local Govt. shall manage the resources made available to it efficiently and effectively.

CEO (DEA) Sialkot transferred an amount of 58.434 million to XEN Buildings department for under mentioned schemes during the financial period 2018-19. After the lapse of considerable time the works could not be completed. Due to non-execution of the schemes, local community was deprived of the benefits of the schemes. . The detail is as under;

ADP Plan	Total Scheme	Incomplete Scheme	Fund Utilized
2017-18 (Missing Facilities	25	01	4.889
2017-18 (Dilapidated School)	24	02	19.250
2018-19 (ADP)	31	10	34.295
Total	30	10	58.434

Audit holds that due to weak financial controls wasteful expenditure was incurred.

This resulted into wasteful expenditure.

The matter was reported to the management in November, 2019. DAC meeting was not convened till the finalization of this report.

Audit recommends that matter be justified under intimation to Audit.

[PDP No 14]

20.5.3 Others

20.5.3.1 Non-Recovery of Registration Fee from Private Schools– Rs 1.867 million

According to Section 3(1) of Punjab Private Educational Institutions (Promotion and Regulation) Ordinance 1984, an in-charge shall before the commencement of business by the institution, register the institution with the registering Authority under this Ordinance and Section 11 (3) states, if an in-charge run the institution without registration under this Ordinance, the in-charge shall be liable to punishment of fine for Rs 300,000 to Rs 4,000,000.

Audit of CEO (DEA), Sialkot noticed that there are 2,769 schools working in District Sialkot (as per Censuses 2018 of School Education Department government of the Punjab) and 2424 private schools had got registered with the authority and remaining 345 schools did not register. Therefore, registration fee @ Rs. Rs 7,000 & 5,000 was not recovered from the concerned schools, detail is as under:-

Level of School	Private Schools	Registered School	Un Registered School	Amount @ Rs 5,000
High/Higher	950	948	02	14,000
Middle	1210	1141	69	483,000
Primary	609	335	274	1,370,000
Total	2,769	2424	345	1,867,000

Audit holds that due to weak internal control, registration fee was not recovered from the private schools.

This resulted into loss of revenue of Rs 1,867,000.

The matter was reported to the Administrator in November, 2019. No DAC was convened despite till the finalization of this report.

Audit recommends that matter be investigated besides recovery of the amount under intimation to Audit.

[PDP No 02]

20.5.3.2 Unjustified drawl of funds in cash-Rs1.176 million

According to Rule 4.49 of Punjab Sub Treasury Rules “Payments of Rs 100,000 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/DAO 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”.

Management withdrew cash of more than one hundred thousands each in various instances from DDO bank accounts. Aggregate of such amount was calculated Rs1.176 million.. Cash drawl was also split up in the same month in violation of rule..

Sr. No.	Date	Cheque No.	Amount (Rs)
1	22.07.2016	0000131250363	316,831
2	27.10.2016	0000131250365	54803
3	05.11.2016	0000131250366	54703
4	27.01.2017	00001312250368	54803
5	28.01.2017	00001312250369	278044
6	07.07.2017	0000131250371	416755
Total			1,175,939

Audit holds that due to weak financial and internal controls of management cash withdrawals were made from DDO account and paid to the supplier/contractors.

This resulted into unjustified drawl of funds in cash in violation of the govt. instructions.

The matter was reported to the Administrator in November, 2019. DAC meeting was not convened till the finalization of this report.

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

[PDP No 27]

ANNEXURES

PART-I

Memorandum for Departmental Accounts Committee
Paras pertaining to Current Audit Year 2019-20

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
District Education Authority Attock				
1	CEO Education Attock	Overpayment on account of brick work	Value of money and service delivery	0.168
2		Irregular addition & then deduction of 5% PST, over payment		0.401
3		Irregular Payment of Price Variation		0.972
4		Over payment on account of Inspection Allowance		0.5
5		Payments of Steel without Mandatory Quality Test Report		3.092
6	DEO (W-EE) Attock	Lavish consumption of Sui Gas	-do-	0.611
7		Irregular expenditure in violation of PPRA	Procurement related irregularities	0.167
8		Non maintenance of Log Book		0.227
9		Non maintenance of History Sheet	Value of money and service delivery	0.245
10		Irregular expenditure without record of disbursement	-do-	0.123
11		Procurement of computer without mentioning of specification	Procurement related irregularities	0.0497
12		Irregular drawl on account of pay and allowances from DEO (EE-W) office	HR /Employees related irregularities	20.295
13		Non-surrendering of Saving	Value of money and service delivery	6.48
14		Irregular Expenditure in Excess of Budget Provision	-do-	7.713
15		Non-transparent payment of Leave encashment	HR /Employees related irregularities	1.694
16	Dy. DEO (W-EE) Attock	Purchase without specification	Value of money and service delivery	1.18
17		Inadmissible drawl of Charge Allowance	HR /Employees related	0.173

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
			irregularities	
18		Lavish consumption of Sui Gas	Value of money and service delivery	0.111
19		Non-transparent payment of Leave encashment	HR /Employees related irregularities	0.74
20	DEO (SE) Attock	Wastage of utilities	Value of money and service delivery	0.5
21		Defective maintenance of Cash book of NSB & FTF	Non-compliance	2.666
22		Non-maintenance of stock registers for store items	Value of money and service delivery	1.004
23	Dy. DEO W-EE) Jand	Doubtful expenditure due to defective maintenance of record	-do-	0.569
24		Irregular expenditure incurred ignoring basic need of water	Value of money and service delivery	0.186
25		Non-recovery of pay and allowances during Leave without pay	HR /Employees related irregularities	0.153
District Education Authority Bhakkar				
1	CEO DEA Bhakkar	Doubtful drawl of pay without date of joining	Irregularity	34.557
2	DEO (W) Bhakkar	Un-authorized drawl of inspection allowance	Recovery	0.075
3	DEO (W) Bhakkar	Service books not maintained properly	Non compliance of rules	-
4	CEO DEA Bhakkar	Non auction/ non disposal of 5 th & 8 th class examination stationary/ Raddi Rs 1.00 million	Recovery	1.00
District Education Authority Chakwal				
1		Unjustified Distribution of NSB to Schools	Others	214.403
2	CEO (DEA)	Un-authorized drawl of money on DDO's name instead of vender's name and made payment in cash -	Others	4.726
3		Un-authorized Excess/ without budget expenditure	Service delivery issues	5.924
4		Over payment on account of mileage allowance	Others	0.144
5		Non-obtaining of 10% performance guarantee / security for the successful bidders	Service delivery issues	3.507

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
6		Non-surrendering of Anticipating Savings	Service delivery issues	19.447
7		Non-verification of Sales Tax	Procurement related irregularities	0.935
8		Less-utilization of Development Funds	Service delivery issues	39.76
9		Un-justified payment of 30% SSB due to non-regularization of contract staff	HR/Employees related irregularities	2.9
10		Non-obtaining of vouched account of civil work against deposit work	Service delivery issues	78.744
11		Irregular expenditure on civil work – Rs 78.744 million	Service delivery issues	78.744
12	DEO(SE)	Non-maintenance of Cash Book, doubtful drawl and disbursement of money	Service delivery issues	13.914
13		Non-surrendering of Savings	Service delivery issues	2.003
14		Doubtful expenditure on purchases due to non-maintenance of stock registers	Procurement related irregularities	0.289
15		Excess expenditure than budget	Service delivery issues	0.442
16	Dy DEO (EE-M) Tehsil Kallar Kahar	Unjustified provision of extra funds in NSB Account	Others	2.499
17		Irregular expenditure on Civil Work	Service delivery issues	2.942
18		Defective maintenance of Cash book of NSB	Service delivery issues	0.950
19		Irregular expenditure beyond financial competency of School council	Others	0.424
20		Irregular payment of salary to temporary teachers	Service delivery issues	0.302
21		Irregular expenditure without approval of School Council	Service delivery issues	0.379
22		Irregular expenditure without approval of “School Base Action Plan” from AEO	Others	15.265
23	Dy DEO (EE-W) Tehsil Kallar Kahar	Non surrender of savings amounting	Service delivery issues	19.697
24		Irregular Expenditure in Excess of Budget Provision	Service delivery issues	1.131

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
25		Over payment	Others	0.034
26	DEO (Literacy)	Expenditure of Rs 0.684 million over and above then budget allocation	Service delivery issues	0.684
27		Non-utilization of funds	Service delivery issues	2.204
28		Misclassified Expenditure	HR/Employees related irregularities	50.961
29		Non-availing the services of NGOs and Philinthropists	Service delivery issues	0
30		Low participation of learners and pass out in the PEC Examination	Service delivery issues	0
31		Appointment of teachers without verification of credentials	Service delivery issues	0
		Less opening of Non-formal basic institutions	Service delivery issues	0
District Education Authority Gujranwala				
1	CEO(DEA)	Unauthorized payment of PST	Internal Control Weaknesses	0.580
2		Non-verification of annual inspection fee collected from private schools –	Non-Compliance	0.175
3		Non verification of receipt of Rs (approx.) on account of Tender Fee	Non-Compliance	0.280
4		Non deduction of old steel from Dismantled RCC	Non-Compliance	0.252
5		Non maintenance of proper tender fee register and stock tender register	Non-Compliance	
6		Unauthorized payment without approval of the rate from the Chief Engineer (Buildings	Internal Control Weaknesses	4.273
7		Irregular expenditure on steel without steel test reports	Non-Compliance	1.469
8		Non deduction of harrow sand rate recovery thereof	Non-Compliance	0.712
9		Unjustified Payment on account of Earth Filling/Work	Non-Compliance	0.775
10		Non imposition of penalty due to non submission of programme	Internal Control Weaknesses	4.51
11		Recovery on account of non-deduction of brick rate dueto using bricks of less	Non-Compliance	1.288

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		PSI		
12	DEO (M-EE) Gujranwala	Excess payment on account of pay & allowances	Non-Compliance	0.085
13	DEO (F-EE) Gujranwala	Irregular expenditure on repair of vehicles	Internal Control Weaknesses	0.290
14		Irregular expenditure on repair of Machinery & Equipment	Internal Control Weaknesses	0.212
15		Excess Payment of charge allowance for	Internal Control Weaknesses	0.024
16	Dy. DEO (EE-M) Kamoke District Gujranwala	Recovery of pay and allowances	Non-Compliance	0.087
17		Excess payment	Internal Control Weaknesses	0.268
18		Overpayment of due charging higher rates	Non-Compliance	0.267
19		Unauthorized expenditure on account of purchase of furniture	Internal Control Weaknesses	0.481
20		Unjustified drawl of funds in cash Rs3.24 million	Non-Compliance	3.24
21		Recovery of pay & allowances (GI, GPF, BF) Rs102,262	Internal Control Weaknesses	0.102
District Education Authority Gujrat				
1	CEO Education Gujrat	Non-Recovery Of Inspection Fee From Private	Internal Control Weaknesses	0.340
2		Registration of Schools More Than Prescribed Period-Loss to Government	Non-Compliance	0.3715
3		Doubtful Drawl From NSB & FTF Bank Accounts of PEF Schools	Non-Compliance	3.779
4		Non Verification of GST	Non-Compliance	1.044
5		Less Deduction of Income Tax	Internal Control Weaknesses	0.1228
6		Mis-procurement of Furniture	Non-Compliance	3.512
7		Non Forfeited the Performance Security	Non-Compliance	0.175
8		Excess drawl of Daily Allowance	Internal Control Weaknesses	0.00732
9		Non Maintenance of Telephonic Record of School Councils Members at CEO (DEA) Office	Non-Compliance	-
10		Non Provision of Training Regarding Utilization of NSB Funds	Non-Compliance	-

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
10-A		Non utilization of NSB Funds	Non-Compliance	2.669
11	Dy. DEO MEE Gujrat	Unauthorized Drawl of 50% Adhoc Relief Allowance 2010	Internal Control Weaknesses	0.15149
12		Irregular payment of arrears of pay & allowances	Internal Control Weaknesses	0.94
13		Unjustified/ Doubtful drawl of Honoraria	Internal Control Weaknesses	0.394
14		Unjustified /Doubtful drawl of medical charges	Internal Control Weaknesses	0.343947
15		Doubtful expenditure on Repair of vehicle	Non-Compliance	0.92
16		Unjustified/Doubtful payment of Pay & allowances	Internal Control Weaknesses	0.070
17		Unjustified/Doubtful payment of Pay & allowances	Internal Control Weaknesses	0.244
18	Dy. DEO (WEE) Gujrat	Recovery of Conveyance Allowance Paid during Winter Vacations	HR/Employees related irregularities	1.648
19		Doubtful drawl of Pay and Allowances	Internal Control Weaknesses	0.12132
20		Unauthentic payments on account of pay & allowances	HR/Employees related irregularities	
21		Irregular drawl of Qualification Allowance	HR/Employees related irregularities	4.875
22		Non deduction of Income Tax and Sales tax	Internal Control Weaknesses	0.312517
23		Expenditure over and above the budget allocation	Non-Compliance	16.653
24		Lapse of budget	Non-Compliance	6.533
25		Creating pending liability	Non-Compliance	0.447
26		Unjustified adjustment of conveyance Allowance	Non-Compliance	1.547
27		Low enrollment due poor performance of the teaching staff	Internal Control Weaknesses	
28		Unjustified Utilization of NSB and FTF Funds	Internal Control Weaknesses	
29		Irregular repair of Vehicle	Non-Compliance	0.07667
30		Irregular expenditure on account of Stationary	Non-Compliance	0.085
31		Irregular expenditure on repair of Machinery &	Non-Compliance	0.0240

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		Equipment		
32		Irregular expenditure on account of cost of other store	Non-Compliance	0.0785
33		Irregular expenditure on repair of Furniture & Fixture	Non-Compliance	0.020
34		Unjustified expenditure on Travelling Allowance	Internal Control Weaknesses	0.0482
35		Non maintenance of Trunk Call register	Non-Compliance	0.4661
36		Irregular expenditure on POL	Non-Compliance	0.338
37		Non maintenance of record	Non-Compliance	-
38	Dy. DEO WEE Kharian	Unjustified drawl of qualification allowances	HR/Employees related irregularities	
39		Unjustified payment	Internal Control Weaknesses	0.32885
40		Overpayment to the employees due to SSB	HR/Employees related irregularities	0.281
41		Recovery of pay and allowances	Internal Control Weaknesses	0.094
42		Recovery due non-imposition of major penalty	Internal Control Weaknesses	0.466135
43		Overpayment due to charging higher rates	Internal Control Weaknesses	0.345
44		Unjustified drawl of funds in cash	Internal Control Weaknesses	1.943
45		Non recovery of conveyance allowance	HR/Employees related irregularities	0.0375
46		Unjustified drawl of qualification allowance	HR/Employees related irregularities	0.294
47		Overpayment of pay and allowances	HR/Employees related irregularities	0.926
District Education Authority Hafizabad				
1	DEO (EE-Male)	Non-accountal of POL consumed	Others	0.666
1	Hafizabad	Doubtful expenditure on account of Repair of Transport	Others	0.449
2		Irregular expenditure on account of Purchase of Machinery Equipment	Procurement related irregularities	0.324
3		Irregular expenditure on	Others	0.354

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		account of Cost of other stores		
4		Irregular expenditure on account of purchase of stationery	Procurement related irregularities	0.246
5		Irregular payment of arrears of pay & allowances	HR/Employees related irregularities	0.142
6		Non-recovery of fine	Others	0.083
7		Excess expenditure than budget allocation	Others	0.099
8	DO (SE) Hafizabad	Recovery of 30% SSB paid to contract employees	HR/Employees related irregularities	0.317
9		Undue retention of Government money in DDO's Bank Account	Others	0.866
10		Unauthorized payment of previous year liability	Others	0.150
11		Unauthorized repair of vehicle	Others	0.087
12		Wasteful expenditure on purchase of refrigerator	Procurement related irregularities	0.049
13		Irregular drawl of Arrears of pay and allowances due to nonavailability of whereabouts	HR/Employees related irregularities	0.157
14	HM Special Education Center Hafizabad	Inferior Quality of Furniture Purchase	Procurement related irregularities	0.323
15		Irregular expenditure by splitting Indents of Stationery Items	Procurement related irregularities	0.288
16		Irregular expenditure by splitting Indents of Uniform Items	Procurement related irregularities	0.290
17	DDEO (W) Pindi Bhattian	Unauthorized expenditure on stationery	Procurement related irregularities	0.562
18		Less Deduction of Income Tax Amounting	Procurement related irregularities	0.287
19		Non Verification of Sales Tax Paid to Supplier	Procurement related irregularities	0.591
20		Doubtful Drawl for Repair of Furniture	Procurement related irregularities	0.319
21		Unjustified drawl of qualification allowances	HR/Employees related	0.260

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
			irregularities	
22		Non deduction of conveyance allowance during Winter vacations	HR/Employees related irregularities	0.059
23		Non deduction of conveyance allowance during Summer vacations	HR/Employees related irregularities	0.083
24		Unjustified drawl of Pay and Allowances	HR/Employees related irregularities	0.016
District Education Authority Jhelum				
1	CEO (DEA)	Un-Justified Distribution of NSB to Schools without Demand	Others	182.209
2	DEO MEE Jhelum	Non-Surrendering of Anticipating Savings	Service delivery issues	4.99
3		Over and Above Expenditure against Allocated Budget	Service delivery issues	0.046
4		Improper maintenance of stock registers for store items-	Service delivery issues	0.115
5		Un-authorized drawl of SSB Allowance,	HR/Employees related irregularities	0.140
6		Overdrawn of Pay & Allowance due to non-fixation on regularization	HR/Employees related irregularities	0.091
7		Govt. Special Education Centre, PD Khan	Less provision of funds	Service delivery issues
8	Non-Surrendering of Anticipating Savings		Service delivery issues	1.360
9	Over and Above Expenditure against Allocated Budget		Service delivery issues	1.143
10	Doubtful expenditure on account of uniform		Procurement related irregularities	0.242
11	Un-authorized payment of allowances		HR/Employees related irregularities	0.238
12	Unauthorized drawl of inadmissible allowances-		-do-	0.092
13	Overpayment of Conveyance Allowance during leave period		-do-	0.032
14	Govt. Institute of Slow Learner Jhelum	Excess expenditure than budget	Service delivery issues	0.177
15		Non- Surrendering of Savings	-do-	0.817
16		Irregular purchase through	Procurement	0.698

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		splitting	related irregularities	
17		Un authorized shifting of head quarter and irregular payment of pay & allowance	HR/Employees related irregularities	0.229
18		Doubtful Drawl of POL due to Non-maintenance of log books	Service delivery issues	0.224
19		Non accountal of consumable items valuing	Procurement related irregularities	0.054
20		Irregular repair of vehicle	Service delivery issues	0.211
21		Difference in FI Data and Expenditure statement	Service delivery issues	0.386
22		Overpayment on account of conveyance allowance	HR/Employees related irregularities	0.066
23		Overpayment on account of allowances	HR/Employees related irregularities	0.095
24		Over payment of pay	HR/Employees related irregularities	0.042
District Education Authority Kasur				
1	CEO DEA Kasur	Un-authorized Retention of cash balance	Non-Compliance	6.023
2		Non Recovery of Penalty	Embezzlement	0.186
3	Dy DEO (WEE) Kasur	Overpayment of General Sales Tax	Overpayment	0.824
4		Overpayment of Income Tax	Overpayment	0.181
5		Unauthorized retention of Bank Balances By Schools	Non-Compliance	3.692
6	Government Special Education Centre Chunian	Blockage of funds due to non provision of uniforms to the special children	Non-Compliance	0.998
7	Dy DEO (MEE) Kasur	Irregular payment due to non-rationalization of the teachers	Non-Compliance	10.168
8		Unauthorized drawl of IA and CA during summer vacation	Non-Compliance	1.373
District Education Authority Khushab				
1	CEO DEA, KHB	Non collection of imposed late delivery charges	Non-compliance	0.231
2	DEO (SEC)	Unjustified purchase	Irregularity	0.218
3	Dy. DEO (EE-W)	Irregular payment by head of schools on account of	Recovery	0.515

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
	Khushab	miscellaneous services acquired and non-deduction of PST		
4	DDEO (W-EE) Quaidabad	Non-deduction of general sales tax and income tax	Recovery	0.273
5	DDEO (EE-W) Khushab	Irregular purchases of furniture	Irregularity	0.220
District Education Authority Lahore				
1	DEO(M-EE), Lhr	Irregular payment of pay and allowances	Irregularity	0.912
2	Dy.DEO (M-EE) Tehsil City, Lahore	Irregular expenditure without post audit	Irregularity	25.353
3		Misclassified expenditure on pay and allowances incurred under A01270 – Other	Irregularity	20.022
4		Irregular expenditures without approval of annual action plan	Irregularity	14.148
5		Irregular payment due to drawl of cheque in favour of DDO instead of vendor	Irregularity	1.927
6		Irregular expenditure by schools council over and above the authorized limit of School Management Council	Irregularity	8.922
7		Irregular expenditure in violation of PPRA rules	Irregularity	6.168
8		Non-deduction of GST & Income Tax	Irregularity	3.511
9		Irregular execution of civil works	Irregularity	2.085
10		Irregular expenditure on Civil work due to splitting	Irregularity	1.728
11		Irregular expenditure in violation of PPRA rules	Irregularity	1.107
12	DEO SE (DEA) Lahore	Unauthorized use of POL	Irregularity	0.144
13	GBHS Saraich Lahore	Un justified repair of classroom wiring, fans and computers	Irregularity	1.250
14		Un authorized drawl of stopped allowances	Irregularity	0.366
15		Excess Expenditure incurred over and above budget allocation	Irregularity	1.065
16		Non reconciliation of expenditure	Irregularity	5.631
17		Doubtful purchases	Irregularity	5.197

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)	
18		Un-classified booking of allowances	Irregularity	0.297	
19		Non-production of record	Irregularity		
20		Payment of salaries without approved sanctioned strength	Irregularity	3.997	
21		Overpayment on account of allowances	Irregularity	0.173	
22		Loss due to purchase made at exorbitant rates	Irregularity	0562	
23		Irregular and non-transparent purchases	Irregularity	1.334	
24		Misclassification of expenditure	Irregularity	0.666	
25		Irregular purchase process	Irregularity		
26		Doubtful condition of stocks and stores	Irregularity		
27		Likely mis-appropriation of government taxes	Irregularity	0.548	
28		Non-deduction of income tax	Irregularity	0.317	
29		Non preparation of School Based Action Plan	Irregularity		
30		Loss due to non-levy of sales tax on Services	Irregularity	0.161	
31		Doubtful payments due to non-availability of APRs	Irregularity	0.737	
32		Non-conducting of Physical Verification & Internal Audit	Irregularity		
33		Un-justified and irregular expenditure on paint	Irregularity	0.781	
34		Irregular expenditure on leave encashment	Irregularity	0.344	
35		CEO DEA LHR	Non recovery of Fine/Penalties	Irregularity	0.137
36			Unauthentic/unverified General Sales Tax	Irregularity	0.488
37			Unauthorized retention of Bank Balances	Irregularity	11.005
38	Difference between Cash book and bank Balance		Irregularity	11.005	
39	Unauthenticated expenditure due to non submission of certificate of transfer of NSF and Non submission of vouched account		Irregularity	617.071	
40	Non utilization of Tied Grants		Irregularity	7.500	
41	Loss due to non deduction		Irregularity	55.540	

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		and overpayment of Income Tax on NSB		
42		Loss due to overpayment of General Sales Tax	Irregularity	52.450
43	GCGH S, Nisbat Road Lahore	Non-deduction of GST	Irregularity	0.136
44		Non-utilization of Budget	Irregularity	0.253
45		Non-Verification of Documents/ Degrees	Irregularity	0.528
46		Loss due to non-deposit of proceeds of canteen rent in government treasury	Irregularity	0.362
47	GHS Gulshan Ravi, Lahore	Non conducting of physical verification of stores	Irregularity	
48		Non recovery of conveyance allowance	Irregularity	280.044
49		Non-deduction and non-verification of sales tax	Irregularity	0.181
50		Non-accounting of store items	Irregularity	0.859
51		Irregular expenditure on repairs	Irregularity	0.412
52		Un authorized drawl of stopped allowances	Irregularity	1.383
53		Un-classified booking of allowances	Irregularity	1.209
54		Un authorized drawl of Senior Post Allowance	Irregularity	0.187
55		Non-preparation of School Based Action Plan	Irregularity	3.591
56		CDG GHS Shadman Lahore	Non-deduction of GST/ PST and Income Tax	Irregularity
57	Irregular Expenditure due to Misclassification		Irregularity	0.073
58	Doubtful payment due to want of acknowledgement		Irregularity	0.553
59	Non-deduction/ Non-verification of GST/ PST and Non-deduction of Income Tax		Irregularity	0.130
60	Non-deduction/ Non-verification of GST/ PST and Non-deduction of Income Tax		Irregularity	0.026
61	Non-verification of GST and Non-deduction of Income Tax		Irregularity	0.200
62	Deputy DEO(WEE) Lahore city	Irregular drawl of conveyance allowance during leaves	Irregularity	0.063
63		Overpayment of conveyance allowance during Winter	Irregularity	.0795

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		vacations		
64		Overpayment of General Sales Tax	Irregularity	.0756
65		Overpayment of Income Tax	Irregularity	0.461
66		Unauthorized retention of Bank Balances	Irregularity	16.280
67		Misclassified expenditure	Irregularity	.0208
68		Blockage of funds due to non surrender of savings	Irregularity	11.093
69		Irregular expenditure on purchase of stationary	Irregularity	0.491
70		Irregular expenditure due to violations of PPRA Rules	Irregularity	1.385
71		Blockage of funds due to non surrender of savings	Irregularity	11.093
72		Unauthorized retention of bank balance	Irregularity	25.930
73	DEO (WEE) Lahore	Temporary Misappropriation of Funds	Irregularity	0.236
74		Doubtful expenditure on repair	Irregularity	.602
75		Irregular expenditure on purchase of stationary	Irregularity	0.616
76		Difference between Cash book and bank Balance	Irregularity	1.070
77		Non-deduction of Income Tax and Non-verification of GST and Income Tax	Irregularity	0.125
78	GGHS Wahdat Road Lahore	Non Recovery of Bills from Contractor of Canteen	Irregularity	0.355
79		Non Accounting of Store	Irregularity	0.064
80		Splitting of Job Orders to Avoid Advertisement on PPRA Website	Irregularity	0.629
81		Non-verification of GST	Irregularity	0.072
District Education Authority Mandi Baha-u-Din				
1		Unauthorized expenditure on account of tuff tiles	Others	0.209
2		Unauthorized payment	Procurement related irregularities	0.106
3	CEO DEA MB DIN	Undue favor to the contractor	Irregularity	0.537
4		Non Transfer Unspent Balance of Deposit Work into Account 'V'	Others	7.912
5		Non-transfer of funds from PEF school to account V	Others	1.176
6		Non Collection of Performance Security	Procurement related	0.520

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
			irregularities	
6-A		Improper/Non Maintenance of store and stock register	others	5.76
7	DDEO (EE-W) Malakwal	Useless payment of inspection allowance of	HR/Employees related irregularities	1.30
8		Non Recovery of Over Payment	Others	0.136
9		Defective execution of civil works	Procurement related irregularities	9.827
10	DDEO (EE-W) Phalia	Useless payment of inspection allowance of	HR/Employees related irregularities	3.100
11		Defective execution of civil works	Others	1.178
12		Fraudulent Drawl of Pay & Allowances	HR/Employees related irregularities	0.699
13		Recovery of Pay & Allowances Due to Termination of Appointments	HR/Employees related irregularities	0.335
14		Recovery of Pay & Allowances Due to Spurious Appointment	HR/Employees related irregularities	0.294
15		Likely Misappropriation of NSB funds	Procurement related irregularities	0.040
16	HM Govt. Special Education Centre MB Din	Students Uniform Received Without Technical Inspection	HR/Employees related irregularities	1.597
17		Doubtful consumption of POL	Others	2.448
18		Likely Misappropriation in Repair of School Buses	Procurement related irregularities	0.159
19		Non Approval Route Plan	Irregularity	2.447
District Education Authority Mianwali				
1	CEO DEA, Mianwali	Un-authorized payment of Science Teaching Allowance	Irregularity	0.185
2		Irregular Payment of inadmissible allowances to OSDs created posts	Non compliance of rules	0.248
3		Expenditure Against Zero Budge	Non compliance of rules	5.368
4		Non-imposition of penalty on private schools operated illegally without registration,	Recovery	0

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
5		Overpayment of qualification allowance	Recovery	30.910
6		Award of Higher Scale to ESTs in Excess of Prescribed Ratio, Resulting in Extra Burden on Public Exchequer	Non compliance of rules	23.616
7		Less recovery of GST	Recovery	0.018
8	Dy DEO (WEE) Piplan	Expenditure in excess of budget allocation	Irregularity	0.133
9	DEO SE	Non-recovery of conveyance allowance	Recovery	0.478
10		Non-recovery of conveyance allowance	Recovery	0.458
11	Deputy DEO (WEE), Mianwali	Non-deduction of income tax	Recovery	1.536
12		Loss due to Excessive Consumption of POL	Irregularity	0.103
13		Non Traceable Whereabouts of Government Money	Irregularity	0.912
14		Non Recovery of Unjustified Paid Charge Allowance	Recovery	0.555
15		Non-deduction of PST on services	Recovery	0.521
16		Non Transparent Purchase of Furniture, Stationery, Paint Material and Tabs	Irregularity	9.340
17		Excess Payment of House Rent	Irregularity	0.023
18	GHSS Chakrala	Non-deduction of PST on Services Rs	recovery	0.076
19		Unjustified expenditure on Civil Works	Irregularity	0.267
20		Non Maintenance of Stock Register Resulting in Doubtful Purchase of Material	Irregularity	1.017
21		Doubtful Payment on Account of Leave Encashment	Irregularity	2.915
22		Doubtful Payment of SSB	Irregularity	0
23	Deputy DEO (WEE), Piplan	Blockage of public funds due to non-utilization of NSB funds by school councils and – Rs 4.729 million	Non compliance	4.729
24	Dy. DEO WEE- Mianwali	Blockage of public funds due to non-utilization of NSB funds by school councils and – Rs 8.879	Non compliance	8.879

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		million		
25	Deputy DEO (WEE), Piplan	Irregular expenditure on pay and allowances due to non-rationalization of student teacher ratio –Rs 37.260 million	Irregularity	37.260
District Education Authority Nankana Sahib				
1	CEO District Education Authority	Excess expenditure than Budget Allocation	Non compliance	19.428
2		Irregular Payment of Leave Encashment of LPR	Non Compliance	1.704
3		Unjustified amount lying in bank account since long	Non Compliance	0.889
4		Non verification of Receipts	Non Compliance	0.857
5		Loss due to Non registration of schools	Non Compliance	0.444
6		Non deduction of income tax on off-cycle payments	Overpayment	0.191
7		Non recovery due to use of Local Sand in RCC	Overpayment	0.162
8		Unauthorized grant of annual increments	Overpayment	0.134
9		Non recovery of Penalties imposed due to poor performance	Overpayment	0.113
10		Non Deduction of Income Tax	Overpayment	10.082
11	Dy. DEO (MEE)	Non accounting of store items	Non Compliance	29.792
12		Irregular expenditure on Personal Allowances.	Overpayment	6.741
13		Irregular expenditure by schools council over and above the authorized limit of School Management Council	Non Compliance	2.113
14		Overpayment of Pay and Allowances	Overpayment	0.039
15	Dy. DEO (WEE)	Non accounting of store items	Non Compliance	27.388
16		Irregular expenditure by schools council over and above the authorized limit of School Management Council	Non Compliance	8.150
17		Irregular expenditure on Personal Allowances	Non Compliance	5.036
18		Irregular expenditure on Personal Allowances	Non Compliance	0.123
19	Special	Irregular retention of	Non	1.003

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
	Education Center	government funds	Compliance	
20		Booking of expenditure in the next financial year	Non Compliance	1.117
21		Overpayment on account of pay & allowances	Overpayment	0.011
22		Misclassification of Expenditure	Non Compliance	0.522
23		Un-justified payment on account of Electricity Bills	Non Compliance	0.536
24		Excess consumption of POL	Non Compliance	0.765
District Education Authority Narowal				
1	CEO (Education) Narowal	Unauthorized and doubtful payment of arrears of pay and allowances	HR/Employees related irregularities	0.079
2		Verification of Pay & Allowances/HR/Off Cycle	HR/Employees related irregularities	0.203
3		Unauthorized payment of financial assistance	HR/Employees related irregularities	2.500
4		Non collection of annual inspection fee from private schools	Others	0.396
5		Non-verification of registration and renewal fee	Others	0.181
6		Non verification of GST	Irregularity	0.068
7		Unauthorized drawl of TA/DA	irregularity	0.048
8		Non maintenance of store and stock register	Service delivery	-
9		Doubtful payment of civil work	Others	0.499
10		Unauthorized payment of civil work recovery thereof	Irregularity	0.199
11		Irregular expenditure on civil work	Others	-
12		Overpayment due to excess measurement of quantities	Irregularity	0.331
13		Overpayment due to excess measurement of quantities	Service delivery	0.180
14		Overpayment due to excess paid quantities	Others	0.644
15		Irregular expenditure on civil work	Irregularity	0.092
16		Irregular expenditure on civil work	Others	0.066
17		Dy. DEO (W-EE) Zafarwal	Non deduction of GST	Irregularity
18	Non deduction of income tax		Irregularity	0.222
19	Non deduction of PST			0.058

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
20		Unauthorized expenditure by school councils	Weak Internal Control	1.843
21		Unauthorized payment of conveyance allowance	Irregularity	0.030
22		Un-justified payment of financial assistance	Others	3.400
23	Dy. DEO (M-EE) Zafarwal	Non verification of GST	Irregularity	0.036
24		Undue retention of Govt. money in designated account	Irregularity	1.933
25		Irregular drawl utility bills in the name of DDO		0.100
26		Improper/Non maintenance of store and stock register	Weak Internal Control	0.170
27		Doubtful drawl of leave encashment	Irregularity	2.274
28		Doubtful payment	Others	0.304
29		Non-deduction of conveyance allowance during summer vacations	HR/Employees related irregularities	0.128
30		Non deduction of conveyance allowance during winter vacations	HR/Employees related irregularities	0.292
31		Doubtful payment of demand notice of electricity	Irregularity	0.420
32		Verification of Pay & Allowances/HR/Off Cycle	Others	0.274
33		HM Govt. Special Education Centre, Narowal	Non recovery of conveyance allowance	Irregularity
34	Non deduction of 5% house rent charges & conveyance allowance		Irregularity	0.017
35	Overpayment due to non fixation of pay on regularization		Irregularity	0.154
36	Overpayment of special education allowance		Others	0.147
37	Unjustified drawl of conveyance allowance during summer vacations		Irregularity	0.195
38	Un-justified payment of personal allowance		Irregularity	0.135
39	Irregular drawl of POL		Irregularity	1.691
40	HM Govt. Special Education Centre, Shakargarh	Non Recovery of conveyance allowance during winter vacations	Others	0.023
41		Non deduction of conveyance allowance during LFP	Irregularity	0.040
42		Un-authorized drawl of pay and allowances during	Irregularity	0.145

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		absent period		
43		Non deduction of conveyance allowance during summer vacations	Others	0.087
44		Excess drawl of pay & allowances	Weak Internal Control	0.033
45		Irregular payment on account of scholarship	HR/Employees related irregularities	0.700
46		Doubtful expenditure on repair of furniture and transport	Irregularity	0.666
47		Irregular drawl of POL	Irregularity	0.699
48		Irregular expenditure on uniform	Procurement related	1.088
49		Difference in verified expenditure and FI Data	Irregularity	2.719
50		Improper/Non maintenance of store and stock register	Irregularity	0.227
District Education Authority Okara				
1	CEO DEO Okara	Unauthorized block allocation	Non-Compliance	86.740
2		Irregular expenditure due non-obtaining of vouched account	Non-Compliance	678.953
3		Non Verification of pass book	Non-Compliance	562.087
4		Overpayment of Science Teaching Allowance	Non-Compliance	0.016
5		Unjustified Payment of Honorarium	Non-Compliance	2.100
6		Unauthentic Receipts due to non-Conducting of Survey Census of Private Schools	Non-Compliance	1.13
7		Non Verification of Receipt	Non-Compliance	0.845
8		Non-Deduction/ Verification of GST invoices	Non-Compliance	6.602
9		Unjustified Transfer of Pension Contribution into Pension Contribution Fund Account Disregarding Imperatives of Apportionment	Non-Compliance	29.870
10		Non Transfer of deposit work balance to Education Authority	Non-Compliance	10.19
11		Unrealistic Budget Estimates	Non-Compliance	86.74
12		Unauthorized Expenditure	Non-	0.105

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)	
		of Telephone	Compliance		
13	Dy DEO (MEE) Okara	Irregular expenditure on Weather Shield Paint	Non-Compliance	0.317	
14		Overpayment on account of stopped allowances	Non-Compliance	0.186	
15		Non-intimation of the sales tax paid to tax authorities.	Non-Compliance	0.111	
16		Non utilization of NSB funds		4.305	
17		Improper accounting of stores	Non-Compliance	4.601	
18		Irregular payment due to appointment of over-aged employees	Non-Compliance	2.852	
19		Irregular procurement due to lack of planning process	Non-Compliance	1.218	
20		Irregular expenditure on pay & allowances	Non-Compliance	1.179	
21		Doubtful payments due to non-availability of record	Non-Compliance	0.858	
22		Irregular expenditure due to booking in next Financial Year	Non-Compliance	51.871	
23		Irregular Drawl of Payments in favour of DDO instead of vendor	Non-Compliance	2.821	
24		Doubtful expenditure on development works	Non-Compliance	2.236	
25		Dy DEO (WEE) Okara	Irregular payment of Adhoc Allowance 50%	Non-Compliance	0.103
26			Unauthorized payment of Leave Encashment of LPR	Non-Compliance	4.929
27	Non utilization of NSB funds		Non-Compliance	8.566	
28	Irregular payment of leave encashment and financial assistance.		Non-Compliance	18.808	
28	Unauthorized payment of Personal Allowance		Non-Compliance	4.115	
30	Dy DEO (MEE) Depalpur	Non utilization of NSB funds	Non-Compliance	26.650	
31		Unauthorized payment of Leave Encashment of LPR	Non-Compliance	20.564	
32		Unauthorized payment of Leave Encashment of LPR	Non-Compliance	02.821	
33		Unauthorized payment of Personal Allowance	Non-Compliance	3.494	
District Education Authority Rawalpindi					
1	DEO(SE)	Centralized payment of Financial Assistance to families of Govt. Servant	Non-compliance	39.633	

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
2		Over and Above Expenditure against Allocated Budget		3.452
3		Loss to Government due to non / less imposition of penalty		741.792
4		Non recovery of penalty amount from the private schools		32.300
5		Non-Surrendering Of Anticipating Savings		1.330
6		Unauthorized and unauthentic drawl of Pay & Allowances		0.106
7		Poor Control of Registration Authority		0.000
8		Poor performance on account of private school registration		0.000
9		Inadmissible payment of Inspection Allowance		0.050
10		Mis-classified & Irregular Expenditure		30.758
11		Un-justified deduction of income tax by Bank		0.077
12		Over and Above Expenditure against Allocated Budget	Non-compliance	0.160
13	DEO(Literacy)	Non-Surrendering Of Anticipating Savings		3.355
14		Non availability of Store and Stock of Closed Centers		0.106
15		Non-refund of teacher's remuneration to the project Fund	Performance	0.629
16		Misclassified Payment of Pay and Allowances from Head A01270		26.721
17		Over and Above Expenditure against Allocated Budget		17.240
18		Non-Surrendering Of Anticipating Savings	Non-compliance	7.455
19	Dy. DEO (W-EE) Murree	Non-utilization of NSB Funds		3.443
20		Inadmissible payment of Inspection Allowance		0.490
21		Non-accountal of Stock and Store		0.541
22		Unauthorized Payment of Allowances		0.242

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
23		Un-authorized payment of Health Professional Allowance		0.249
24		Inadmissible drawl of Incentive allowance		0.150
25		Irregular purchase of electronic items without specifications		0.444
26	GSEC, Murree	Non-Surrendering Of Anticipating Savings	Non-compliance	4.135
27		Mis-classified & Irregular Expenditure		1.237
28		Over and Above Expenditure against Allocated Budget		0.420
29		Irregular Expenditure on purchase of winter uniform		0.384
30		Irregular purchase of electronic items without specifications		0.184
31		Wasteful expenditure		0.127
32		Un-authorized payment of allowances		0.253
33		Non refund of un-spent balance of scholarship		0.180
34		Non recovery of overpaid pay & allowances against leave sanctioned without pay		0.130
35	CEO (DEA)	Non-Surrendering Of Anticipating Savings	Non-compliance	21.848
36		Over and Above Expenditure against Allocated Budget		3.851
37		Excess payment due to applying high specification in CR Masonry		0.123
38		Excess payment due to wrong fixation and un-authorized award of higher grade without observing Rules		0.399
39		Irregular payment without physical inspection reports		106.500
40		Non obtaining of performance security		0.332
41	Dy. DEO (M-EE) Murree	Over and Above Expenditure against Allocated Budget	Non-compliance	267.946
42		Non-Surrendering Of Anticipating Savings		41.148

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)	
43		Non Utilization of School Council Funds		6.157	
44		Un-authorized expenditure from NSB in violation of NSB instructions		0.354	
45		Non deduction of 1/5 th of sales tax payment from school council	Performance	0.217	
46		Overpayment for making payment of PST to contractors instead of deduction		0.108	
47		Non recovery of overpayment made to regularized employees		0.081	
48		Non-deduction of Punjab Sales tax from the supplier		0.049	
49		Unjustified drawl of Merged Allowance		0.152	
49		Inadmissible payment of Integrated Allowance		0.054	
50		Overpayment of leave encashment in lieu of LPR		0.041	
51		Non recovery of overpaid pay & allowances against leave sanctioned without pay		0.306	
District Education Authority Sargodha					
1	CEO DEA, SGD	Loss to government due to non recovery of annual inspection fee from private managed education institutions		Non compliance of rules	0.657
2	CEO DEA, SGD	Non-imposition of penalty for late registration of school.	Non compliance of rules	0.510	
3	CEO DEA, SGD	Un-authorized payment of charge allowance	Irregularity	0.924	
4	CEO DEA, SGD	Overpayment of Science Teaching Allowance.	Recovery	0.037	
5	CEO DEA, SGD	Overpayment of house rent allowance @ 45% instead of 30%	recovery	0.655	
6	DEO (SE) Sargodha	Lapsed of Funds amounting to Rs 902,471	Non compliance of rules	0.902	
7	-do-	Irregular payment of repair of Furniture & Fixture and Machinery and Equipment Rs 108,346	Irregularity	0.108	
8	-do-	Loss to Government due to non-deduction of	Recovery	0.020	

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		conveyance Allowance Rs 20,000		
9	Govt. Special Education Centre Bhalwal	Lapsed of Funds amounting to Rs 4.926 million	Non compliance of rules	4.926
10	Special Education Center HIC Sargodha	Lapsed of Funds amounting to Rs 1.789 million	Non compliance of rules	1.789
11	-do-	Irregular Expenditure due to Misclassification–Rs 207,118	Irregularity	0.207
12	Govt. Secondary school for deaf & defective hearing (boys) Sargodha	Loss on purchase of food items - Rs 45,012	Recovery	0.045
13	Special Education Centre Bhalwal	Irregular Expenditure on repair of vehicle in violation of PPRA	Non compliance of rules	0.653
14	Special Education Centre Bhalwal	Irregular Expenditure on repair of vehicle in violation of PPRA	Non compliance of rules	0.165
15	Special Education Center HIC Sargodha	Irregular Expenditure on purchase of uniform in violation of PPRA	Non compliance of rules	0.410
16	Special Education Center HIC Sargodha	Splitting of job order on account of purchase of furniture & fixture to avoid advertisement on PPRA website-Rs 149,801	Non compliance of rules	0.149
17	Govt. Special Education Centre Bhalwal	Non-transparent expenditure on repair of transport	Non compliance of rules	0.761
18	Special Education Center HIC Sargodha	Non-transparent expenditure on repair of transport	Non compliance of rules	1.018
19	CEO DEA	Un-reconciled difference between bank balance and cash book	Irregularity	-
20	CEO DEA	Non refund of deposit work balance.	Irregularity	-
District Education Authority Sheikhpura				
01	CEO DEA	Non Reconciliation of	Non-	94.940

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
	SKP	Expenditure	Compliance	
02	Govt. Deaf & Defective HSS	Non Reconciliation of Expenditure	Non-Compliance	14.596
03	SKP	Savings not surrendered in time	Non-Compliance	0.773
04	Deputy DEO (M-EE) Tehsil MDK Distt SKP	Overpayment of Charge Allowance	Non-Compliance	0.598
05	CEO DEA SKP	Fine imposed after enquiry but not recovered	Recovery	1.153
06		Unauthentic receipts without Survey of Private Schools	Non-Compliance	0.430
07	Deputy DEO (M-EE) Tehsil MDK Distt SKP	Overpayment of General Sales Tax	Non-Compliance	0.418
08		Overpayment of Income Tax	Non-Compliance	0.378
09	Govt. Deaf & Defective HSS SKP	Non deduction of Inadmissible Allowances	Non-Compliance	0.327
10	Deputy DEO (M-EE) Tehsil MDK Distt SKP	Loss due to non-deduction of Income Tax	Non-Compliance	0.127
11	Deputy DEO (M-EE) Tehsil Muridke	Unauthorized retention of Bank Balances	Non-Compliance	7.735
12	Deputy DEO (M-EE) Tehsil Muridke	Non utilization of NSB funds	Non-Compliance	6.821
13	Govt. Deaf & Defective Higher Secondary School Sheikhpura	Unauthorized use of POL	Non-Compliance	4.398
14	Deputy DEO (M-EE) Tehsil Muridke	Irregular drawl of cash instead of payments through cross cheques to vendors	Non-Compliance	1.407
15	CEO (DEA) Sheikhpura	Unauthorized payment of leave encashment of LPR	Non-Compliance	1.301
District Education Authority Sialkot				
1	CEO (DEA) Sialkot	Non-Recovery Of Inspection Fee From Private Schools	Irregularity	0.733
2		Doubtful Drawl From NSB & FTF Bank Accounts of PEF Schools	Irregularity	5.261
3		After Sale Service	Irregularity	-

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		Agreement Not Made With Supplier		
4		In complete Stock Entries of Computer other Equipments	Irregularity	-
5		Non Refund of NSB (Non Salary Budget) to CEO (DEA) Sialkot	Irregularity	0.200
6		Defective Maintenance of Log Book	Irregularity	0.174
7		Non Maintenance of Telephonic Record of School Councils Members at CEO (DEA) Office	Irregularity	-
8		Non Provision of Training Regarding Utilization of NSB Funds	Irregularity	-
9		Non Obtaining the Quarterly Bank Statements from School Councils by CEO (DEA)	Irregularity	-
10		Physical verification not carried out	Irregularity	-
10 A		Non transfer of NSB funds	Irregularity	5.262
11		Unauthorized drawl of POL	Irregularity	1.985
12		Irregular expenditure by splitting Indents of Uniform Items	Irregularity	0.142
13	HM Deaf Defective School Sialkot	Unauthorized Repair of vehicles	Irregularity	0.757
14		Unauthorized expenditure on stationery	Irregularity	0.152
15		Less Deduction of Income Tax	Irregularity	0.019
16		Unauthorized Payment through DDO in Cash	Irregularity	6.602
16 A		Irregular transfer and non provision of vouched accountyt	Irregularity	1.00
16 B		Irregular payment of stipend	Irregularity	3.103
17		Non accountal of items	Irregularity	0.101
18		Unauthorized payment	Irregularity	0.235
19		Non recovery of conveyance allowance	HR/Employees related irregularities	0.116
20	HM Special Education Center Pasrur	Non deduction of GPF, BF and GI	HR/Employees related irregularities	0.136
21		Unauthorized drawl of qualification allowance	Irregularity	0.135
22		Non Approval Route Plan	Irregularity	0.487
23		Un-due retention of	Irregularity	1.021

Sr. No.	Name of Formation	Title of Para	Nature of Para	Amount (Rs in million)
		Government money in bank		
24		Unauthorized payment of pending liabilities	Irregularity	0.218
25		Unjustified expenditure	Irregularity	0.208
26		Payment of GST without S.T invoices & unjustified expenditure	Irregularity	0.565

Annexure-B

Summary of Revenue Receipts in 2017-18 and 2018-19

District Education Authority Attock

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.127	0.00	1.187	0.00
Non-Tax Revenue	18.033	0.39	13.766	0.39
Share of PFC/ Grants from Provincial Govt.	4588.556	99.61	6842.257	99.61
Other receipts	0.033	0.00	0.093	0.00
Total	4,606.749	100.00	4,606.749	100.00

District Education Authority Bhakkar

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.953	0.02	-0.099	0.00
Non-Tax Revenue	94.277	2.18	25.069	0.44
Share of PFC/ Grants from Provincial Govt.	4236.423	97.80	5614.933	99.54
Other receipts	-0.007	0.00	1.166	0.02
Total	4,331.646	100.00	5,641.069	100.00

District Education Authority Chakwal

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.346	0.01	-0.275	0.00
Non-Tax Revenue	14.729	0.33	32.496	0.53
Share of PFC/ Grants from Provincial Govt.	4394.984	99.66	6154.837	99.48
Other receipts	0.000	0.00	0.000	0.00
Total	4,410.059	100.00	6,187.058	100.00

District Education Authority Gujranwala

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	1.551	0.02	3.313	0.03
Non-Tax Revenue	33.649	0.44	29.563	0.30
Share of PFC/ Grants from Provincial Govt.	7476.847	97.94	9822.359	99.18

Other receipts	122.337	1.60	48.260	0.49
Total	7,634.384	100.00	9,903.495	100.00

District Education Authority Gujrat

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	-0.014	0.00	0.153	0.00
Non-Tax Revenue	28.002	0.43	33.522	0.42
Share of PFC/ Grants from Provincial Govt.	6487.725	99.57	7917.945	99.58
Other receipts	0.159	0.00	0.000	0.00
Total	6,515.872	100.00	7,951.620	100.00

District Education Authority Hafizabad

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.695	0.03	0.841	0.02
Non-Tax Revenue	3.410	0.14	0.473	0.01
Share of PFC/ Grants from Provincial Govt.	2436.924	99.64	3448.593	99.90
Other receipts	4.581	0.19	2.030	0.06
Total	2,445.610	100.00	3,451.937	100.00

District Education Authority Jhelum

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	-0.340	-0.01	0.323	0.01
Non-Tax Revenue	153.473	4.09	8.265	0.18
Share of PFC/ Grants from Provincial Govt.	3603.323	95.91	4509.179	99.80
Other receipts	0.356	0.01	0.272	0.01
Total	3,756.812	100.00	4,518.039	100.00

District Education Authority Kasur

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.293	0.00	0.433	0.01
Non-Tax Revenue	0.671	0.01	0.094	0.00
Share of PFC/ Grants from Provincial Govt.	7622.733	99.87	5426.740	96.65

Other receipts	9.171	0.12	187.779	3.34
Total	7,632.868	100.00	5,615.046	100.00

District Education Authority Khushab

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.331	0.01	-0.015	0.00
Non-Tax Revenue	0.722	0.02	3.120	0.07
Share of PFC/ Grants from Provincial Govt.	3182.565	99.65	4443.991	100.13
Other receipts	10.081	0.32	-8.862	-0.20
Total	3,193.699	100.00	4,438.234	100.00

District Education Authority Lahore

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	8.043	0.06	2.706	0.02
Non-Tax Revenue	1.878	0.01	0.734	0.01
Share of PFC/ Grants from Provincial Govt.	13872.771	99.91	11489.622	99.97
Other receipts	2.401	0.02	0.546	0.00
Total	13,885.093	100.00	11,493.608	100.00

District Education Authority M.B Din

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.408	0.01	0.156	0.00
Non-Tax Revenue	0.538	0.02	14.639	0.31
Share of PFC/ Grants from Provincial Govt.	3310.626	99.95	4644.337	99.68
Other receipts	0.739	0.02	0.043	0.00
Total	3,312.311	100.00	4,659.175	100.00

District Education Authority Mianwali

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.740	0.02	0.849	0.01
Non-Tax Revenue	241.667	6.16	-15.632	-0.28
Share of PFC/ Grants from Provincial Govt.	3680.512	93.82	5676.694	100.26

Other receipts	0.070	0.00	0.067	0.00
Total	3,922.989	100.00	5,661.978	100.00

District Education Authority Nankana Sahib

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	2.035	0.06	1.430	0.03
Non-Tax Revenue	25.159	0.75	19.169	0.44
Share of PFC/ Grants from Provincial Govt.	3315.572	99.03	4366.325	99.43
Other receipts	5.334	0.16	4.552	0.10
Total	3,348.100	100.00	4,391.476	100.00

District Education Authority Narowal

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.166	0.00	0.204	0.00
Non-Tax Revenue	18.916	0.37	49.197	0.74
Share of PFC/ Grants from Provincial Govt.	5043.409	99.03	6612.180	99.26
Other receipts	30.189	0.59	0.000	0.00
Total	5,092.680	100.00	6,661.581	100.00

District Education Authority Okara

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.138	0.00	0.773	0.01
Non-Tax Revenue	30.932	0.56	38.935	0.46
Share of PFC/ Grants from Provincial Govt.	5456.862	98.26	8360.236	99.53
Other receipts	65.463	1.18	0.080	0.00
Total	5,553.395	100.00	8,400.024	100.00

District Education Authority Rawalpindi

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	0.425	0.01	-0.428	0.00
Non-Tax Revenue	59.004	0.70	57.215	0.46
Share of PFC/ Grants from Provincial Govt.	8415.751	99.23	12117.401	97.49

Other receipts	5.978	0.07	254.611	2.05
Total	8,481.158	100.00	12,428.799	100.00

District Education Authority Sargodha

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	-0.252	0.00	0.030	0.00
Non-Tax Revenue	-0.224	0.00	0.118	0.00
Share of PFC/ Grants from Provincial Govt.	7520.798	100.01	11585.880	100.00
Other receipts	-0.473	-0.01	0.000	0.00
Total	7,519.849	100.00	11,586.028	100.00

District Education Authority Sheikhpura

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	2.396	0.05	5.972	0.08
Non-Tax Revenue	0.610	0.01	1.644	0.02
Share of PFC/ Grants from Provincial Govt.	4381.709	97.29	7519.498	99.90
Other receipts	119.082	2.64	0.010	0.00
Total	4,503.797	100.00	7,527.124	100.00

District Education Authority Sialkot

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	-0.443	-0.01	-0.041	0.00
Non-Tax Revenue	0.105	0.00	-0.329	0.00
Share of PFC/ Grants from Provincial Govt.	8304.587	100.20	10571.104	100.02
Other receipts	-16.087	-0.19	-1.888	-0.02
Total	8,288.162	100.00	10,568.846	100.00

Total

Description	2017-18		2018-19	
	Amount	%	Amount	%
Tax Revenue	17.598	0.02	17.512	0.01
Non-Tax Revenue	725.551	0.67	312.058	0.23
Share of PFC/ Grants from Provincial Govt.	107332.677	98.98	137124.111	99.41

Other receipts	359.407	0.33	488.759	0.35
Total	108,435.233	100.00	137,942.440	100.00

Annexure-C

Sr. No.	Name of District	DEA			
		Budget	Expenditure	Saving	% age Saving
1	Attock	8,355.297	6,754.294	1,601.003	19.16
2	Bhakkar	5,822.229	5,511.063	311.166	5.34
3	Chakwal	8,380.129	6,111.887	2,268.242	27.07
4	Gujranwala	11,797.986	9,641.527	2,156.459	18.28
5	Gujrat	9,408.486	7,976.712	1,431.774	15.22
6	Hafizabad	3,432.597	3,420.997	11.600	0.34
7	Jhelum	5,051.457	4,455.490	595.967	11.80
8	Kasur	8,704.286	7,670.143	1,034.143	11.88
9	Khushab	4,883.163	4,451.560	431.603	8.84
10	Lahore	17,481.320	13,686.670	3,794.650	21.71
11	M.B.Din	4,783.614	4,661.429	122.185	2.55
12	Mianwali	7,795.969	5,568.325	2,227.644	28.57
13	Nankana Sahib	5,059.094	4,355.612	703.482	13.91
14	Narowal	6,969.869	6,596.787	373.082	5.35
15	Okara	8,500.901	8,241.226	259.675	3.05
16	Rawalpindi	13,155.147	12,234.861	920.286	7.00
17	Sargodha	14,632.996	11,333.461	3,299.535	22.55
18	Sheikhupura	7,829.374	7,607.358	222.016	2.84
19	Sialkot	10,248.156	10,294.900	(46.744)	-0.46
	Total	162,292.070	140,574.302	21,717.768	13.38

Annexure-D

Name of Schemes	T.S Cost Rs in million	Agreement Amount Rs in million	2% penalty Rs.
Up-Gradation of Govt: Mian Rehmat Ali (Commissioner Colony) Ali Garh High School, Distt: Gujranwala.	24.633	22.738	0.455
Rehabilitation of Re-Construction of Govt:High School Talwandi Musa Khan Distt: Gujranwala.	45.370	42.6717	0.853
Construction of Additional class rooms Govt:Girls & Boys High School, Mangoke Vdsirkan, Govt:Elementary School, Lala Pur	14.90	14.210	0.284
Up-Gradation of Govt: High School Nathu Sevia to Higher Secondary level Tehsil Nowshera Virkan.	28.741	26.656	0.533
Up-Gradation of Govt:Girls Elementary School Jagowala to Higher level Tehsil Nowshera Virkan.	7.123	7.1198	0.142
Re-construction of Govt: Primary School, Chak Lakhian Kalan Tehsil Kamoke.	2.716	2.512	0.050
Up-Gradation of Govt Elementary School to High level at Audo Ray District Gujranwala.	6.827	6.517	0.130
Re-Construction of Govt: Model High School, sattlite Town, Gujranwala.	68.96	64.922	1.298
Establishment of Govt: Girls High School at Rahwali.	11.100	9.349	0.187
Re-Construction of dangerous buildidsng at Govt: Primary School Sohian.	5.203	5.202	0.104
Up-Gradation of Govt: Boys P/S Kot Jaffar to Middle level Tehsil Wazirabad.	10.616	8.724	0.174
Up-Gradation of Govt: Girls Elementary School, Kot Hara to High level Tehsil Wazirabad.	10.084	8.528	0.171
Re-Construction of Dangerous School buildingin Govt: Primary School, Chianwali Gharbi Tehsil Kamoke.	2.699	2.5128	0.050
Construction of Govt: Girls High School at Z-Block Peoples Colony, Gujranwala.	42.541	3.9734	0.079
Total		225.6357	4.51

Annexure-E

Sr No	Name of Scheme	Date of Start	Completion Period	Total Cost	Penalty 10%
1	Up-gradation of Govt. Girls Middle School Fateh Pur to High Level Tehsil & District Kasur	28-11-2017	6 Months	12,954,700	1,295,470
2	Up-gradation of Govt. Girls Elementary School Mudkay to High Level Tehsil KRK	14-10-2017	6 Months	9,562,500	956250
3	Up-gradation of GGES Chabbar to High Level	14-10-2017	6 Months	10,552,600	1,055,260
4	Reconst. Of Dangerous Class Rooms GBPS Bhadian Usman District Kasur	14-10-2017	3 Months	2,107,100	210,710
5	Reconst. Of Dangerous Class Rooms in GGPS haveli Munshi Khan KRK	14-10-2017	3 Months	2,272,300	227,230
6	Reconst. Of Dangerous Class Rooms in GGHS Muhalla Talab Wala Chunian	04-10-2017	3 Months	2,802,800	280,280
7	Reconst. Of Dangerous Class Rooms GPS Soray Tehsil Kasur	31-10-2017	3 Months	2,254,900	225,490
8	Reconst. Of Dangerous Class Rooms GPS Pial Kalan No.2	01-06-2018	2 Months	2,626,100	262,610
9	Up-gradation of GGPS Mian Kay More	14-10-2017	6 Months	7,994,700	799,470
10	Reconst. Of Dangerous Class Rooms GPS Badar Pur Kasur	14-11-2017	3 Months	2,254,100	225,410
11	Const. / Reconst. of Rooms GGHS Gulzar Jageer Pattoki	02-11-2017	6 Months	10,253,200	1,025,320
12	Reconst. Of Dangerous Class Rooms GGES Chak 59-60 KRK	30-12-2017	3 Months	4,549,400	454,940
13	Up-gradation of GGPS Rosa Bail KRK	14-10-2017	6 Months	7,206,800	720,680
14	Reconst. Of Dangerous Class Rooms GMES Attari Ajeet Singh KRK	14-10-2017	3 Months	3,114,500	311,450
	Total			80,505,700	8,050,570

Annexure-F

Invoice date	Description of Purchase	Supplier	Amount (Rs)
11-05-16	Steel Almirah and Cabinet 4 Drawz	Ali Traders	99,976
16-05-16	P/O Furniture	Ali Traders	27,998
	Sub total		127,974
25-03-16	Repair of class room and machines	Ali Traders	99,992
19-05-16	Repair of class room and machines	Ali Traders	99,992
26-05-16	Repair of class room	Ali Traders	4,000
	Sub total		203,984
24-05-16	Repair of furniture	Ali Traders	99,992
21-04-16	Repair of furniture	Ali Traders	99,992
	Sub total		199,984
	Grand Total		531,942

Annexure-G

Sr. No.	Name of School	Name of Firm	Bill No	Date	Gross Bill (Rs)
1	GPS Allama Iqbal Model Murree	Al-Hayat traders	Rwpb750	nil	49,000
		Al-Hayat traders	rwpb751	nil	45,000
2	GPS Arp Trimna	Al-Hayat traders	Rwp 2444	27.12.17	48,500
		Al-Hayat traders	Rwp 2445	08.01.18	46,300
		Hassan Traders	Rwp 3777	12.01.19	48,280
		Al-Hayat traders	Rwp 2446	22.01.18	21,600
		Hassan Traders	Rwp 3778	24.01.19	46,750
		Hassan Traders	Rwp 3779	27.01.19	19,600
		Al-Hayat traders	Rwp 2620	03.03.18	40,000
		Al-Hayat traders	rwp 2808	26.03.18	25,300
		Al-Hayat traders	Rwp 2809	14.04.18	24,280
3	GPS GalaraGali	Al-Hayat traders	Rwp 2716	23.08.17	48,000
		Al-Hayat traders	Rwp 2717	12.09.17	10,000
		Al-Hayat traders	Rwp 2718	14.09.17	30,000
		Al-Hayat traders	Rwp 2719	16.09.17	30,000
		Al-Hayat traders	Rwp 2720	Nil	26,000
4	GPS Sakari	Al-Hayat traders	Rwp 2721	18.05.19	19,000
		Al-Hayat traders	Rwpb 578	21.03.19	25,000
		Al-Hayat traders	Rwpb 579	15.05.19	14,000
		Al-Hayat traders	Rwpb 580	21.05.19	24,000
		Al-Hayat traders	Rwp714	22.04.18	40,000
		Al-Hayat traders	Rwp715	10.05.18	90,000
5	GPS Sorasi	Al-Hayat traders	Rwp716	20.10.18	9,500
		Al-Hayat traders	Rwpb 868	14.12.18	42,000
		Al-Hayat traders	Rwpb 867	14.12.18	5,000
		Al-Hayat traders	Rwpb 866	17.02.17	42,000
		Al-Hayat traders	Rwpb 865	23.01.17	20,000
		Al-Hayat traders	Rwpb 864	04.12.17	20,000
		Al-Hayat traders	Rwpb 863	10.09.17	44,000
6	GPS JandalaPotha	Al-Hayat traders	Rwpb 862	19.08.17	50,000
		Al-Hayat traders	Rwpb 594	31.05.19	39,000
7	GES Sihanna	Al-Hayat traders	Rwpb 595	23.05.19	45,000
		Al-Hayat traders	Rwpb 562	08.04.19	45,000
		Al-Hayat traders	Rwpb 563	20.04.19	45,000
		Al-Hayat traders	Rwpb 564	22.05.19	45,000
		Al-Hayat traders	Rwpb 565	31.05.19	25,000
		Al-Hayat traders	Rwpb 566	15.06.19	49,000
		Al-Hayat traders	RW3P427	Nil	30,000
		Al-Hayat traders	RW3P428	Nil	49,500
		Al-Hayat traders	RW3P429	Nil	49,500
		Al-Hayat traders	RW3P430	Nil	49,500
8	GES Dewal	Al-Hayat traders	RW3P431	Nil	36,000
		ABS Traders	3832	17.09.19	45,000
		ABS Traders	3831	22.02.19	65,000
		ABS Traders	3803	21.01.19	25,000
9	GES Taloot	ABS Traders	3802	17.09.19	25,000
		Al-Hayat traders	Rwpb 254	02.04.19	40,000
		Al-Hayat traders	Rwpb 255	02.04.19	40,000
		Al-Hayat traders	Rwpb 256	06.04.19	40,000
10	GPS Keri	Al-Hayat traders	Rwpb 257	06.04.19	40,000
		Al-Hayat traders	RWP 1364	28.04.18	49,000
11	GES Sanj	Al-Hayat traders	RWP 1365	20.05.18	48,045
		Al-Hayat traders	Rwp 166	04.04.19	49,000
		Al-Hayat traders	Rwp 167	15.04.19	49,000
		Al-Hayat traders	Rwp 168	23.04.19	49,000
		Al-Hayat traders	RWP 3365	02.05.18	49,000

Sr. No.	Name of School	Name of Firm	Bill No	Date	Gross Bill (Rs)
		Al-Hayat traders	RWP 3366	19.05.18	49,000
12	GPS Perh	Al-Hayat traders	AR2P 1363	04.09.17	48,000
		Al-Hayat traders	AR2P 1364	20.10.17	12,000
		Al-Hayat traders	RWP 3885	20.03.18	45,000
		Al-Hayat traders	RWP 3886	nil	49,000
		Al-Hayat traders	RWP 3887	nil	28,000
13	GES Deghel	Al-Hayat traders	RWP 2387	10.07.17	30,000
		Al-Hayat traders	RWP 2388	31.07.17	50,000
		Al-Hayat traders	RWP 2390	11.12.17	40,000
		Al-Hayat traders	RWP 2391	20.11.17	40,000
		Al-Hayat traders	RWP 1131	12.11.18	44,000
		Al-Hayat traders	RWP 1132	1.11.18	44,000
		Al-Hayat traders	RWP 1133	08.03.19	48,000
		Al-Hayat traders	RWP 1135	28.03.19	40,000
14	GPS Dhak Murree	Al-Hayat traders	RWP 3465	28.04.18	45,000
		Al-Hayat traders	RWP 3464	23.04.18	45,000
15	GPS Culyara	Al-Hayat traders	Rwp 232	02.04.18	45,000
		Al-Hayat traders	Rwp 233	26.04.18	45,000
		Al-Hayat traders	rwp 215	10.02.19	25,000
		Al-Hayat traders	rwp 216	01.05.19	25,000
				Total	2,920,655

(Annexure- H)

Name of School	Name of Supplier	Bill No	Date	Description	Amount
GES No.01 Muridke	Orkon piping solutions	10	28.02.2019	MS Pipe Benches	45,560
GES No.01 Muridke	Sulman Associates	1395	14.01.2019	Student Benches	98,280
GPS Shehzad Town	Waseem Traders	141	14.01.2019	Schools Chairs	75,450
GPS Shehzad Town	Waseem Traders	151	21.01.2019	Schools Chairs	22,750
GGPS Qila Maseeta	Mughal Steel Works	10	17.01.2019	Benches	72,500
GGPS Qila Maseeta	Mughal Steel Works	15	29.01.2019	Benches	58,000
GPS Firdous Colony	Munawar Bros Paint	0	0	Paint	94,000
GPS Firdous Colony	Tariq Brothers		12.10.2018	Desk & Benches	46,500
GPS Firdous Colony	Tariq Brothers		02.10.2018	Desk & Benches	69,750
GPS Loharan wala	Al Raheem Trades	0	11.09.2018	Royal Audionic	20,000
GPS Loharan wala	Abdullah Centre	869	11.09.2018	LCD	25,000
GPS Loharan wala	Indus Electric	1249	13.08.2018	Ceiling Fans	30,000
GPS Chohay wali kalan	Hasnain Electric Store	329	17.07.2018	Electric Goods	12,200
GPS Chohay wali kalan	Jillani Traders	1	10.07.2018	Fans	32,100
GPS Chohay wali kalan	Pak Electronics MDK	4	13.09.2018	Computer Hard	20,000
GES Narang	Allah Rakha Timber Mer	0	03.09.2018	Wood Works	60,400
GES Narang	Mughal Brothers	0	10.09.2018	Chairs	21,300
GPS Muhammad Pura	Unique Trading Corp.	78	31.08.2018	Electric Goods	59,261
GPS Ucha Pind	Madni Traders	750	30.08.2018	Chairs	19,375
GPS Ucha Pind	Data Furniture House	0	09.10.2018	Chairs	11,500
GPS Ucha Pind	Abbas M Welding	0	11.10.2018	Desk & Benches	36,900
GPS Ucha Pind	Salfi Iron Merchant	0	09.11.2018	Steel Doors	24,990
			Total		955,816