



**AUDIT REPORT
ON
THE ACCOUNTS OF
GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2013-14**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

AARI	Ayub Agriculture Research Institute
APO	Annual Plan of Operations
APR	Actual Payee Receipt
ASA	Academic Staff Association
ATM	Automated Teller Machine
B&R Code	Building and Road Code
BHV	Bahawal Victoria Hospital
BISE	Board of Intermediate and Secondary Education
BLPRI	Barani Livestock Production Research Institute
BOG	Board of Governor
BOM	Board of Management
BOP	Bank of Punjab
BPS	Basic Pay Scale
BRI	Buffalo Research Institute
C&W	Communication and Works
CA	Conveyance Allowance
CDR	Cash Deposit Receipt
CNG	Compressed Natural Gas
CPO	City Police Officer
CSR	Civil Service Rules
CTD	Counter Terrorism Department
DAC	Departmental Committee
DDO	Drawing and Disbursing Officer
DFO	Divisional Forest Officer
DFR	Departmental Financial Rules
DGPR	Director General Public Relation
DPO	District Police Officer
DTL	Drug Testing Laboratory
FBR	Federal Board of Revenue

FIEDMC	Faisalabad Industrial Estates Development and Management Company
FIR	First Investigation Report
FJMC	Fatima Jinnah Medical College
GLF	Government Livestock Farm
GoPb	Government of Punjab
GPF	Government Poultry Farm
GST	General Sales Tax
HEC	Higher Education Commission
HRA	House Rent Allowance
LC	Letter of Credit
LD Charges	Late Delivery Charges
LES	Livestock Experimental Station
LGH	Lahore General Hospital
LP	Local Purchase
LPC	Last Pay Certificate
LPR	Leave Preparatory to Retirement
LRRA	Lahore Ring Road Authority
LSTC	Livestock Training Centre
M&M	Mines and Minerals
M&R	Maintenance and Repairs
MO	Medical Officer
MW	Mega Watt
NEO	Non Government Organization
NESPAK	National Engineering Services of Pakistan
NOC	No Objection Certificate
NPA	Non Practicing Allowance
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission-I
PDP	Proposed draft para
PECS	Punjab Engineering Consultancy Services

PEEDA	Punjab Employees Efficiency and Disciplinary Act
PEEF	Punjab Educational Endowment Fund
P-Deposits	Pending Deposits
PFR Vol-I	Punjab Financial Rules Volume-I
PFSA	Punjab Forensic Science Agency
PGMI	Post Graduate Medical Institute
PLA	Personal Ledger Account
PLDC	Punjab Land Development Company
PLDDB	Punjab Live Stock and Dairy Development Department Board
PMC	Punjab Medical College
PMU	Project Management Unit
POL	Petrol, Oil and lubricants
PP Bags	Poly Propylene Bags
P-bags	Polythene bags
PPDCL	Punjab Power Development Company Limited
PPRA	Punjab Procurement Regulatory Authority
PPWA	All Pakistan Women Association
PQR	Police Qaumi Razaqar
PRC	Procurement Reserve Center
PRISM	Pakistan Real Time Inter Bank Settlement Mechanism
PRISM	Poultry Research Institute
PSIC	Punjab Small Industries Corporation
PTCL	Pakistan Telecommunication Company Limited
PUCAR	Punjab Council of Arts
PVTC	Punjab Vocational Training Council
QMC	Quaid-e-Azam Medical College
RPO	Regional Police Officer
RTGS	Real Time Gross Settlement
SBP	State Bank of Pakistan
SDA	Special Drawing Account
SEMS	Strengthening of Emergency Medical Services

SIMS	Services Institute of Medical Sciences
SNE	Schedule of New Expenditure
SOP	Standard Operating Procedures
SPU	Semen Production Unit
SZPGMI	Sheikh Zayed Post Graduate Medical Institute
TA	Travelling Allowance
TMA	Tehsil Municipal Administration
TTS	Tenure Track System
UAF	University of Agriculture Faisalabad
USD	US Dollar
UVAS	University of Veterinary and Animal Sciences
VC	Vice Chancellor
WHT	Withholding Tax
WMO	Women Medical Officer

PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor General of Pakistan to conduct audit of the accounts of the Federation and of the Provinces, and the accounts of any authority or body established by the Federation or a Province.

The report is based on audit of the accounts of various departments and organizations of Government of the Punjab for the Financial Year 2012-13 and accounts of some formations for previous years. The Directorate General of Audit Punjab conducted audit during 2013-14 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings. Relatively less significant issues are listed in Annexure-I of the Audit Report. The audit observations listed in Annexure-I shall be pursued with the Principal Accounting Officers at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

Most of the observations included in this report have been finalized in the light of decisions made in the DAC meetings and departmental replies. The response of some of the auditee departments was not up to the mark

despite the fact that observations included in this report were issued to them from July to November 2013 and reminders were also issued to all the Principal Accounting Officers to convene DAC meetings.

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

Dated:

(Muhammad Akhtar Buland Rana)
Auditor General of Pakistan

EXECUTIVE SUMMARY

Audit Report on the Accounts of Government of the Punjab

This Report contains nineteen chapters incorporating the results of regularity audit and certification audit of the accounts for Financial Year 2012-13 and previous financial years of various departments and autonomous bodies of the Government of the Punjab.

The report in general highlights the issues of weak internal controls, inappropriate use of public funds, disregard to prescribed regularity framework, ineffectiveness of systems to curb irregularities, poor record management, lack of transparency and objectivity in public procurement and mismanagement of public receipts. The report also emphasizes the need of strengthening the overall capacity of the public officials to carry out the financial transactions in an efficient way.

Audit has been conducted in accordance with International Public Sector Auditing Standards, adopted by Department of the Auditor General of Pakistan. Desk Audit exercise was carried out to identify high risk entities and specific transactions that formed universe of our audit sample. The exercise enabled us to bring more focus in our field work and also helped us to achieve efficiency in time utilization. This year's audit activities were conducted within framework of integrated audit approach which required that an auditee formation should be visited once by an audit team to complete its audit activities. Audit samples for this exercise were drawn through use of Audit Command Language (ACL) apart from relying on the judgment of the auditors in the field to cover high value items as well as high risk areas. Audit results have been drawn and recommendations made, taking into consideration the responses of the departments audited.

Objectives

Audit was conducted on test check basis with the objectives to:

- ascertain whether the moneys shown as expenditure in the accounts were authorized for the purpose for which they were spent;
- see that the expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money;
- see that every item of expenditure was incurred with the approval of the competent authority for expending the public money;
- see that the canons of financial propriety were observed while spending the public funds; and
- review, analyze and comment on various government policies relating to different sectors.

a. Scope of Audit

Out of total expenditure of the Punjab Government for the Financial Year 2012-13, auditable expenditure under the jurisdiction of Directorate General of Audit Punjab was Rs. 710,379 millions covering 32 PAOs and 2,070 formations. The auditable expenditure of the formations audited was Rs. 143,374 millions which is 20.2% of the total auditable expenditure. In addition, Directorate General of Audit Punjab conducted audit of seven Foreign Aided Projects. Moreover, one Environmental Audit, two Performance Audits, two Special Studies, and one Information System Audit have been planned to be conducted. Audit Reports of these Audits will be published separately.

b. Recoveries at the instance of audit

Recovery of Rs. 6,458.370 millions was pointed out by audit, out of which an amount of Rs. 157.308 millions was recovered during the year 2013-14 at the time of compilation of this report. Out of the total recovery effected, an amount of Rs. 26.280 millions was not in the notice of the executive before audit.

c. Audit Methodology

The audit year 2013-14 witnessed intensive application of desk audit techniques in the Directorate General of Audit Punjab. This was facilitated by access to SAP/R3 data, internet facility and availability of permanent files. Desk review helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

d. Audit Impact

Food department executes commodity financing with various scheduled banks for the procurement of wheat during wheat schemes. Previously, this act was done through an arranger i.e., the Bank of Punjab. During audit for the period 2011-12, the commodity financing through an arranger was objected to by Audit and the system of competitive bidding as per PPRA was recommended. On the instance of audit the Government of the Punjab has constituted a committee to bring the system of commodity financing in line with PPRA Act and Rules for procurement of wheat.

e. Comments on Internal Controls:

Internal controls in government departments comprise of systems, processes, culture and tasks, that, taken together support management in

achieving the government's policy objectives. The ultimate objective of an internal control system is to ensure integrity of information, compliance with law, observance of rules, regulations, safeguarding assets and economical operations.

The report identifies control failure in the following areas:

- Maintenance of records
- Delegation of powers
- Purchase handling and storing
- Contract administration and execution
- Inventory management of tools and equipments
- Payroll procedures
- Fraud awareness
- Asset management
- Budgeting & financial control
- Purchase procedure
- Appointment/extension procedures
- Utilization of grants and development funds

Critical accounting areas which need special attention of the Drawing and Disbursing Officers are:

- Receipts
- Payroll
- Stocks and stores
- Contracts for construction works
- Loans & advances
- Public procurement
- Adherence to rules and regulations

f. The key audit findings of the report:

1. Unauthorized payments of Rs.195.40 millions were noticed in eight cases¹.
2. Eleven cases amounting to Rs.5,349.11 millions pertained to non production of record².
3. Embezzlements, misappropriations and fraud amounting to Rs.115.20 millions were noticed in seven cases³.
4. There were thirteen cases of irregular expenditure/ payments and violation of rules amounting to Rs.903.03 millions⁴.
5. Recovery pointed out in twenty six paras amounting to Rs.2,220.81 millions⁵.
6. Lack of internal controls was noted in eight cases amounting to Rs.720.75 millions⁶.
7. There were three cases pertaining to non protection of assets amounting to Rs.83.79 millions⁷.
8. Non adjustment of advances was noticed in two cases amounting to Rs.15.33 millions⁸.

1. Para: 6.4.4; 7.4.15; 7.4.16; 9.4.11; 9.4.22; 9.4.29; 9.4.32; 16.4.2

2. Para: 2.4.3; 5.4.2; 7.4.3; 8.4.2; 9.4.2; 9.4.3; 10.4.1; 13.4.1; 17.4.1; 18.4.1; 19.4.1

3. Para: 2.4.2; 5.4.1; 7.4.1; 7.4.2; 8.4.1; 9.4.1; 11.4.1

4. Para: 6.4.1; 7.4.8; 8.4.3; 8.4.4; 9.4.6; 9.4.12; 9.4.14; 10.4.3; 12.4.1; 13.4.2; 13.4.3; 17.4.2

5. Para: 2.4.10; 2.4.11; 5.4.14; 5.4.15; 6.4.8; 7.4.25; 7.4.26; 7.4.27; 7.4.28; 7.4.29; 7.4.30; 8.4.11; 8.4.12; 9.4.27; 9.4.28; 9.4.30; 9.4.31; 9.4.33; 9.4.34; 9.4.35; 10.4.6; 10.4.7; 11.4.2; 13.4.8; 13.4.9; 14.4.2

6. Para: 3.4.1; 6.4.5; 8.4.10; 9.4.20; 9.4.21; 9.4.23; 9.4.34; 18.4.6

7. Para: 2.4.1; 5.4.11; 6.4.9

8. Para: 2.4.19; 13.4.10

g. Recommendations

- Ensuring production of relevant record for audit in respect of cases of non-production of record pointed out in the report besides taking disciplinary action in terms of Section 14(3) of Auditor General's Ordinance, 2001.
- Strengthening of internal control mechanism to prevent recurrence of irregularities of similar nature.
- Investigation of cases regarding embezzlements/frauds and suspected misappropriation of public money. Taking necessary remedial and preventive measures also.
- Ensuring prompt recovery of government dues and overpayments, wherever applicable, and their deposit into the government treasury.
- Adherence to canons of financial propriety, rules and regulations, especially in autonomous institutions.
- Capacity building of financial managers.
- Uniform interpretation and application of Acts, Statutes and Rules in Autonomous bodies.
- Monitoring of progress regarding holding of DAC meetings by respective Principal Accounting Officers and their output.
- Improving compliance with directives of Public Accounts Committee by the departments.
- Initiation of disciplinary action against the officers/officials responsible for losses to government/ institutions.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rupees in millions)

Sr. No.	Description	No.	Budget
1	Total Entities (PAOs)	32	894,546.66
2	Total Formations	2070	894,546.66
3	Total Entities (PAOs) Audited	22	802,991.58
4	Total Formations Audited	657	200,977.97
5	Audit & Inspection Reports	657	200,977.97
6	Special Audit Reports	-	-
7	Performance Audit Reports	2	1,467.283
8	Other Reports(FAP/Special Studies)	11	13,567.718

Table 2: Audit observations classified by categories

(Rupees in millions)

Sr. No	Description	Monetary Value of Audit Observations
1	Unsound asset management	106.64
2	Weak financial management	8,604.37
3	Weak Internal controls relating to financial Management	904.66
4	Others	5,833.95
Total		15,449.62

Table 3: Outcome Statistics*(Rs. in millions)*

Sr. No	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current Year	Total Last Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Outlays Audited	5,323.40	1,560.05	-	147,046.41	153,929.87	195,160.31
2.	Monetary Value of Audit Observations	22.98	31.42	-	15,395.22	15,449.62	9,565.98
3.	Recoveries Pointed Out at the instance of Audit	812.59	30.41	-	5,615.37	6,458.37	4,019.47
4.	Recoveries Accepted/ Established at the instance of Audit	6.68	-	-	2,375.26	2,381.94	2,197.34
5.	Recoveries Realized at the instance of Audit	-	-	-	157.31	157.31	96.70

Table 4: Irregularities pointed out*(Rupees in millions)*

Sr. No	Description	Monetary Value of Audit Observations
(1)	(2)	(3)
1.	Violation of Rules and regulations and violation of principles of propriety and probity in public operations	6,199.62
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources	220.96
3.	Accounting Errors (accounting policy departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements	-
4.	If possible quantify weaknesses of internal control systems	790.34
5.	Recoveries and overpayments, representing cases of established overpayments or misappropriations of public money	2,381.94
6.	Non-production of record	5,399.11
7.	Others, including cases of accidents, negligence etc.	507.65

Table 5: Cost Benefit*(Rupees in millions)*

Sr. No	Description	Amount	
		2013-14	2012-13
(1)	(2)	(3)	(4)
1	Outlays audited (Item-1 of Table-3)	188,136.14	208,423.17
2	Expenditure on audit	98.18	80.18
3	Recoveries realized at the instance of audit	261.10	156.19
4	Cost-benefit ratio	1:2.66	1:1.95

Note: The above table shows collective figures and ratios of expenditure and receipt wings.

CHAPTER 1

Public Financial Management Issues (Accountant General Punjab and Director Budget & Accounts Forest Department)

1.1 AUDIT PARAS

1.1.1 Unjustified negative balances of foreign debt-Rs. 41,543.55 millions

Risk Categorization: High

Observation:

There was negative foreign debt balance appearing in Annexure II (E03302) of Finance accounts Rs. 41,543.55 millions.

Implications:

- Leads to financial indiscipline.
- Misleads the user of the Financial Statements about the true and fair position of the state of affairs of financial data of the Government.

Management response:

The negative balance was due to the fact that the disbursements under Foreign Loan were made by the donor agencies in foreign currency to the Federal Government, whereas the Federal Government credits the equivalent rupees to the account of the Provincial Government. The Federal Government repaid the Foreign Loan to donor agencies in foreign currency and recovered it from the Provincial Government in installments. Moreover, receipt figures pertaining to Third Party Payments were not being accounted for. Whereas repayment was being made for the whole amount including receipts pertaining to Third Party Payments as well. All

of these factors result in negative balances appearing in the Finance Accounts of the Government of the Punjab.

Recommendation:

Debt balances were required to be updated on regular basis according to the figures of Finance Department and Economic Affairs Division. Moreover, the debt balances need to be reconciled with lenders on priority basis for accurate accounting.

1.1.2 Excess payment against domestic debt-Rs.13,015.91 millions

Risk Categorization: High

Observation:

Excess paid Domestic Loans amounting to Rs.13,015.91 millions were appearing in Annexure-1 of Finance Accounts. Moreover, Domestic Loans were already appearing excess paid despite the fact that further payments of Rs. 1,008.10 millions were made during the financial year 2012-13.

Implications:

- Leads to financial indiscipline.
- Misleads the user of the Financial Statements about the true and fair position of financial data of the Government.

Management response:

The matter had been referred to the Finance Department for clarification.

Recommendation:

Debt balances were required to be updated on regular basis according to the figures of Finance Department and Economic Affairs

Division. Moreover, the debt balances needed to be reconciled with lenders on priority basis for accurate accounting.

**1.1.3 Difference of cash balances between book and bank-
Rs. 7,926.72 millions**

Risk Categorization: High

Observation:

There was a difference of Rs. 7,926.72 millions between Closing Cash Balance as per Finance Accounts and Closing Cash Balance as per State Bank of Pakistan during the Financial Year 2012-13.

Implications:

- Doubt in the accuracy and reliability of the data used by the Government in preparing the Financial Statements.
- Misleads the user of the Financial Statements about the true and fair position of financial data of the Government.

Management response:

Difference between Book and Bank for the year was only Rs. 405.88 millions. The remaining difference was progressive and related to historic cash balance difference between manual accounts of Accountant General Punjab and State Bank of Pakistan. Efforts were being made to get the old difference identified and rectified.

Recommendation:

The issue needs to be looked to rectify the discrepancies timely with a view to enable accurate reporting.

1.1.4 Non-clearance of pre audit civil cheques-Rs. 4,782.27 millions

Risk Categorization: High

Observation

According to Trust Accounts-Others as on 30th June, 2013 there was excess payment of cheques of Rs. 4,782.27 millions, which may be rectified.

Implication:

Doubt in the accuracy and reliability of the data used by the Government in preparing the Financial Statements.

Management response:

Balances have been long outstanding. Efforts are being made to identify and rectify the outstanding balance.

Recommendation:

Un-presented/Excess payments of cheques be reconciled.

1.1.5 Expenditure against zero budget allocations-Rs. 2,567.89 millions

Risk Categorization: High

Observation:

As envisaged in Para 15.1 & 15.2 of Punjab Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of Rs.2,567.89 millions including pay & pension of Rs. 115.23 millions, and other than pay & pension Rs.2,452.66 millions, was incurred without any budgetary

provision in the original estimates/supplementary grants and without any re-appropriation made to this effect.

Implications:

- Occurrence of unauthorized expenditure.
- Leads to financial indiscipline.

Management response:

Budget was released by Finance Department in SAP R-3 system whereas the same had not been shown in revised budget book.

Recommendation:

Management needed to take effective steps and ensure that no payments were against zero budget allocation.

1.1.6 Expenditure excess than budget allocations-Rs.8,929.38 millions

Risk Categorization: High

Observation:

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred for any purpose should not exceed the grant or grants provided for that purpose. However, expenditure of Rs. 8,929.38 millions including pay & pension of Rs. 8,457.53 millions, and other than pay & pension Rs.471.85 millions, had not been got regularized so far. This was breach of legislative control over appropriations.

Implications:

- Non compliance of Budget Manual.
- Lack of control over expenditure against allocated budget by the A.G. Punjab.

Management response:

Budget was released by Finance Department in SAP R-3 system whereas the same had not been shown in revised budget book.

Recommendation:

Management needed to take effective steps to apply checks over expenditure to keep it within budget allocations.

1.1.7 Unjustified supplementary provision-Rs.2,231.69 millions

Risk Categorization: High

Observation:

Supplementary provisions of Rs. 2,231.69 millions were allocated on demand against grants mentioned below. Whereas there was saving of Rs. 3,985.83 millions at the end of the financial year. Un-necessary demand of supplementary grant needed justification, especially when there was saving ranging from 130% to 596%.

Grant #	Description	Supplementary Grant	Saving	%age
PC21001	Opium	100,000	595,867	596
PC24010	General Administration	6,813,000	31,515,150	463
PC21012	Jails and Convict Settlements	58,748,000	132,623,879	226
PC21016	Health Services	1,865,219,000	3,064,606,503	164
PC21018	Agriculture	108,507,000	140,916,480	130
PC21023	Miscellaneous Departments	83,690,000	112,009,991	134
PC13033	State Trading in Food Grain & Sugar	108,616,000	503,560,328	464
Total		2,231,693,000	3,985,828,198	

Implications:

- Non compliance of Punjab Budget Manual.
- Inefficient utilization of Government funds
- Incorrect budget estimations

Management response:

The observation had been communicated to Finance Department vide this office letter No.PAC/App-A/C-I/2012-13/CD-124 dated 23.09.2013 and reply would be submitted to Audit when received from Finance Department.

Recommendation:

Audit recommends that the Government resources be efficiently and effectively utilized for the intended purposes.

1.1.8 Un-utilized budget-Rs.170,791.08 millions

Risk Categorization: High

Observation:

According to the Punjab Budget Manual, “all anticipated savings should be surrendered to Government immediately they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time and no savings should be held in reserve for possible future excess”. While scrutinizing Appropriation Accounts it was observed that a sum of Rs. 1,133,771.23 millions was allocated in the annual budget for the year 2012-13 and placed at the disposal of departmental authorities but funds amounting to Rs. 170,791.08 millions i.e. 15.06% were not utilized for the intended purposes.

Implications:

- Non compliance of Punjab Budget Manual
- Inefficient utilization of Government funds
- Incorrect budget estimations

Management response:

The department concerned shall be answerable for the savings before the Public Accounts Committee.

Recommendation:

Audit recommends that the Government resources be efficiently and effectively utilized for the intended purposes.

1.1.9 Excess payment against pay & allowances-Rs.11.06 millions

Risk Categorization: High

Observations:

- It was observed that a suspected misappropriation of Rs. 900,200 had occurred in District Accounts Office Gujranwala due to failure of pre-audit checks. However amount pointed out by the audit had subsequently been recovered.
- Further erroneous over payments of Rs.10.157 millions were made in District Accounts Office Sahiwal due to miscalculations. The said amount has also been recovered.

Implication:

Weak internal controls on the part of entity could lead to further fraud.

Management responses:

- The matter of overpayment at DAO Gujranwala in respect of non-gazetted Police employees was under investigation and the final report was still to be provided by the inquiry officer. However recovery of Rs. 900,200 had been made from the DDO.

- As regards wrong payment in respect of District Accounts Office Sahiwal the amount of Rs. 10.157 millions was subsequently recovered. The matter was being investigated by inquiry team of Accountant General Punjab, Lahore.

Recommendations:

The matter be probed in detail and any further excess/fraudulent expenditure be recovered.

1.1.10 Non-reconciliation of receipts and payments

Risk Categorization: High

Observations:

- Receipts of Rs. 51,540 millions pertaining to Provincial Government were not reconciled by the Principal Accounting Officers (PAOs)/Drawing & Disbursing Officers (DDOs).
- Expenditure of Rs. 8,550 millions pertaining to Provincial Government was not reconciled by the Principal Accounting Officers (PAOs)/Drawing & Disbursing Officers (DDOs).

Implications:

- Un-authentic expenditure because reconciliation is the primary requirement of quality financial statements.
- Un-reconciled records may result in errors in the financial statements leading to misstatements.
- Doubt in the accuracy and reliability of the data used by the Government in preparing the Financial Statements.

Management responses:

Efforts were being made to reconcile the figures of receipts and expenditure.

Recommendations:

Reconciliation of receipts/payments at all level be ensured.

1.1.11 Unjustified forest advance-Rs.248.78 millions

Risk Categorization: High

Observation:

An amount of Rs. 248.78 millions was disbursed as Forest Advance which was contrary to the spirit of the rule and principle of Financial Control.

Implications:

- Leads to financial indiscipline.
- Weak internal controls on the part of entity and potential of further fraud.

Management response:

The concerned field formations had been directed to stop this practice at once and probe the matter thoroughly. In this regard necessary instructions had been issued. Said irregularities would not be repeated in future.

Recommendation:

The matter be probed and excess/fraudulent expenditure if any be recovered.

1.1.12 Pre audit civil cheques-Forest Department-Rs.1,077.41 millions

Risk Categorization: High

Observation:

According to Trust Accounts-Others as on 30th June, 2013 there were un-presented cheques of Rs. 1,077.41 millions of Punjab Forest Department.

Implication:

Doubt in the accuracy and reliability of the data used by the Government in preparing the Accounts.

Management response:

Outstanding balance of Forest cheques of Rs. 1,077.41 millions up to June 30, 2013 pertained to previous years and had been wrongly booked by the DAO's. The reconciliation of cheques had been made from 2002-03 to 2010-11 and the concerned DAO's and A.G. Punjab had already been requested repeatedly for rectification thereof. The remaining years would be reconciled on provision of the Civil Accounts and detailed books by the A.G. Punjab.

Recommendation:

Un- presented cheques be reconciled and cleared.

1.1.13 Unjustified negative balance of Forest Department-Rs. 2,827.72 millions

Risk Categorization: High

Observation:

According to Trust Accounts-Others, Negative closing balance of Rs.2,827.72 millions was appearing against head G10402-Forest Remittances as on 30th June, 2013 which needs reconciliation.

Implication:

Existence of such negative balance leads to incorrect reporting.

Management response:

Outstanding balance of Forest Remittance of Rs. 2,827.72 millions up to June 30, 2013 pertained to previous years and had been wrongly booked by the DAO's. The reconciliation of remittances had been made from 2002-03 to 2010-11. The concerned DAO's and A.G. Punjab had already been requested repeatedly for rectification thereof. The remaining years would be reconciled on provision of the Civil Accounts and detailed books by the A.G. Punjab.

Recommendation:

Negative balances be reconciled and rectified.

CHAPTER 2

AGRICULTURE DEPARTMENT

2.1 *Introduction*

As per Rules of Business, 1974 (amended to-date), the department has been assigned the business of:-

- Agricultural education training & research.
- Soil fertility & soil conservation.
- Agricultural loans / subsidies.
- Water courses conveyance- efficiency through improvement of watercourses.
- Market committees & regional markets were set up under the Punjab Agricultural Produce Market Ordinance, 1975 and rules made there under during 1979.
- Production, multiplication and marketing of the certified seed through Punjab Seed Corporation.
- Development of Culturable Waste-land by Punjab Land Utilization Authority.
- Service matters except those entrusted to Services and General Administration Department Purchase of stores and capital goods for the Department.
- Agriculture Department is comprised of four attached departments and six autonomous bodies.

2.2 *Comments on Budget & Accounts (Variance Analysis)*

Introduction

The Appropriation Accounts for the year 2012-13 of Agriculture prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of four grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	79.12	(10.24)	68.88	66.33	(2.55)
PC21018	5,562.82	108.51	5,671.33	5,530.41	(140.92)
PC22036	6,874.37	(4,177.68)	2,696.69	2,610.14	(86.55)
PC12038	39.04	0.00	39.04	12.47	(26.57)
Total	12,555.35	(4,079.41)	8,475.94	8,219.35	(256.59)

Overview of Expenditure

The total budget of Agriculture for the year ended 30 June, 2013 was Rs. 8,475.94 millions. Out of this the actual expenditure was Rs. 8,219.35 millions. The breakup of current and development expenditure is given below:

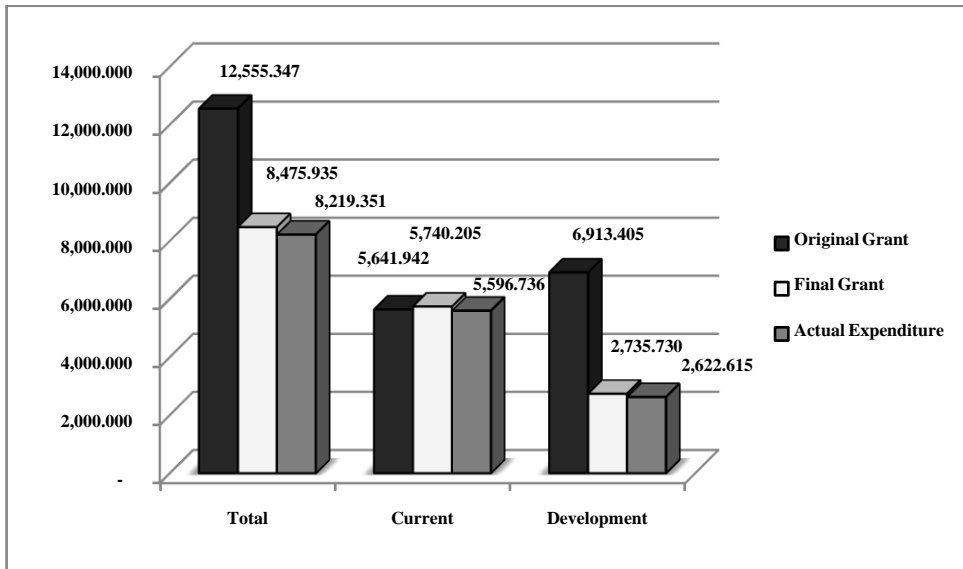
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	5,641,942,000	5,596,735,858	(45,206,142)	(0.8)
Development	6,913,405,000	2,622,614,918	(4,290,790,082)	(62.06)
Total	12,555,347,000	8,219,350,776	(4,335,996,224)	(34.5)

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

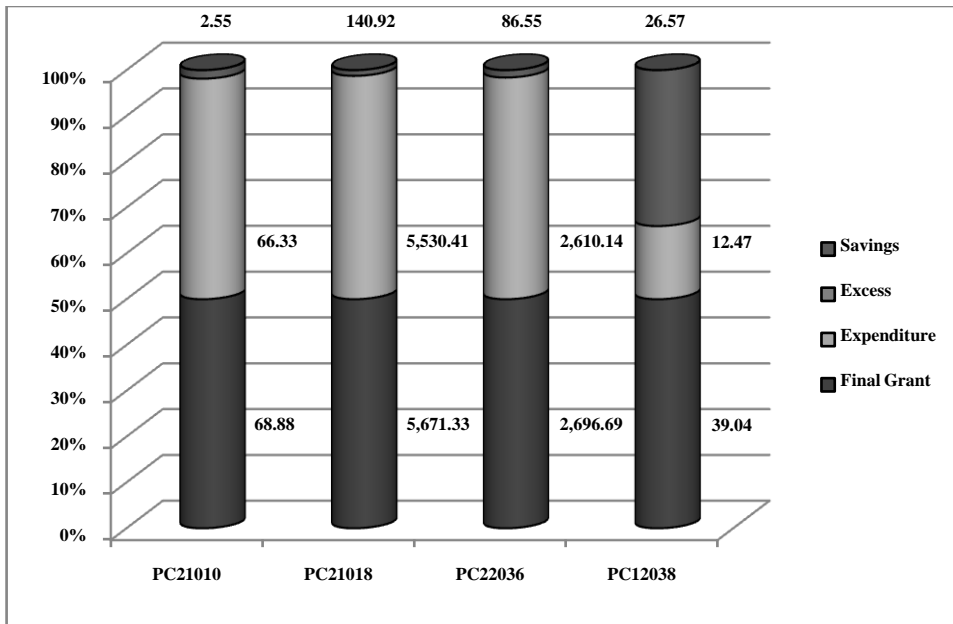
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	5,740,205,000	5,596,735,858	(143,469,142)	(2.50)
Development	2,735,730,000	2,622,614,918	(113,115,082)	(4.13)
Total	8,475,935,000	8,219,350,776	(256,584,224)	(3.03)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when

the savings are anticipated. However, savings amounting to Rs. 256.59 millions at the close of the year 2012-13 under grants PC21010, PC21018, PC12038 & PC22036 had not been surrendered well in time.



2.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	85	67	18	79
2	1986-87	107	65	42	61
3	1987-88	21	14	7	67
4	1988-89	88	79	9	90
5	1989-90	71	45	26	63
6	1990-91	43	29	14	67
7	1991-92	25	14	11	56
8	1992-93	26	13	13	50
9	1993-94	49	34	15	69
10	1994-95	15	3	12	20
11	1995-96	46	0	46	0
12	1996-97	38	28	10	74
13	1997-98	76	49	27	64
14	1998-99	30	18	12	60
15	1999-00	110	60	50	55
16	2000-01	205	178	27	87
17	2001-02	89	51	38	57
18	2005-06	62	10	52	16
19	2006-07	44	36	8	82
20	2009-10	35	14	21	40
Total		1265	807	458	64

The compliance with PAC Directives in Agriculture Department is better than other departments (in comparative terms), however, the situation needs to be improved.

2.4 AUDIT PARAS

Fraud/Misappropriation

2.4.1 *Theft of laptop and vehicle-Rs. 1.17 millions*

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

During audit of University of Agriculture, Faisalabad, scrutiny of the record of “Mango Value Chain Improvement Project (Institute of Horticulture Sciences)” for the period 2012-13 revealed that Toyota Hilux & laptop were stolen/lost. Although the department got registered FIRs with the police stations concerned, the departmental inquiry against the concerned officers/officers was not conducted to fix responsibility.

Weak controls on assets management resulted in loss theft of valuable assets amounting to Rs. 1,167,000.

Audit pointed out the irregularity in October 2013. The management replied that the letter regarding stolen Toyota Hilux/laptop had been written to the Registrar through proper channel.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 13.12.2013 and 20.12.2013 kept the para pending for recovery. No further progress was reported till the finalization of this report.

Audit recommends that matter be inquired, responsibility be fixed and amount be recovered besides strengthening controls on asset management to avoid such recurrences in future.

(PDP No.4157- University of Agricultural, Faisalabad- 2012-13)

2.4.2 Misappropriation/Shortage of POL - Rs. 319,318

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

During audit of Agriculture Department, it was observed that the competent authority issued recovery orders on account of misappropriation/shortage of POL amounting to Rs. 319,318 to various officials but the management failed to effect recovery. The details are given hereunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Agricultural Engineer, Rawalpindi Division, RWP	2010-12	2614	214,973
2	Agricultural Engineer, Lahore Division, Lahore	2010-12	2439	104,345
Total				319,318

Weak internal controls on inventories and recoveries resulted in misappropriation of POL and non recovery of Rs. 319,318.

Audit pointed out the matter during April and May 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department during November 2013. Neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit recommends that responsibility be fixed besides recovery of misappropriated amount and strengthening of financial and internal controls.

Non-production of record

2.4.3 Non production of vouched accounts-Rs. 527.27 millions

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

During audit of Agriculture Department, it was observed that funds amounting to Rs. 527,274,376 were released to various Project Managers and Executive Engineers Provincial Building Divisions by the DDO but the vouched account was not provided to audit for scrutiny. The details are given hereunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Punjab Agricultural Research Board, Lahore	2009-12	2664	502,688,000
2	Director General, Rice Research Institute, Kala Shah Kaku	2011-13	3687	19,407,000
3	Director General Ayub Agriculture Research Institute, Faisalabad	2012-13	3225	5,000,000
4	Director General Ayub Agriculture Research Institute, Faisalabad	2012-13	3226	179,376
Total				527,274,376

Due to non production of record, audit could not ascertain the authenticity of accounts.

Audit pointed out the matter during May & September 2013. The management at Sr. No.1 replied that the record of the expenditure of each project is with concerned Project Manager/Team Leader. The reply was

not tenable because production of record was responsibility of the authority releasing the funds. The management at Sr. No. 2 noted the observation for compliance. The management at Sr. No. 3 & 4 replied that record would be retrieved from Building Department. No further progress was reported till finalization of this report.

The matter was further reported to the administrative department during November 2013. DAC in its meetings held on 08.11.2013, 13.12.2013 and 20.12.2013 kept the paras pending for compliance. Further progress was not reported by the department till the finalization of this report.

Audit requires production of record besides fixing responsibility and the officers/officials be proceeded under relevant Efficiency and Discipline Rules.

Irregularity & Non-compliance

2.4.4 Irregular award of contract for civil works-Rs.30.28 millions

As per Rule 12 of PPRA 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. Further, as per Rule 15 of PPRA 2009, a procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects. A procuring agency while engaging in pre-qualification may take into consideration the following factors, (a) relevant experience and past performance; (b) capabilities with respect to personnel, equipment, and plant; (c) financial position; (d) appropriate managerial capability; and (e)

any other factor that a procuring agency may deem relevant, not inconsistent with these rules.

During audit of University of Arid Agriculture, Rawalpindi for the year 2011-13, it was observed that contracts amounting to Rs. 30,275,618 were awarded which were irregular on the following grounds:

- Advertisement was not floated at PPRA website; and
- Contracts were awarded without pre-qualification of contractors.

The details are as under:

Sr. No.	Description	Contractor Name	Dated	Amount (Rs.)
1	Construction of new residential flats for grade-1-10	M/s Iftikhar Islam &Co	10.03.2010	24,951,371
2	Renovation/ Alteration of house no.3 ,Hostel road Agriculture Colony	M/s Irfan Akhtar & Co	07.09.2011	3,683,546
3	Establishment of labs at agronomy department academic block	M/s R.A. Constructors	22.12.2011	1,640,701
Total				30,275,618

Audit was of the view that deviation from the government instructions/rules resulted in irregular award of contracts for Rs.30,275,618.

The irregularity was pointed out in November 2013. The management stated that reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 20.12.2013 kept the para pending for regularization from the competent authority. Further progress was not reported by the department till the finalization of this report.

Audit recommends that the matter be got regularized from Finance Department besides fixing of responsibility against the concerned officers and strengthening of management and financial controls.

(PDP No.3769 –University of Arid Agricultural, Rawalpindi - 2011-13)

2.4.5 Irregular appointments in universities-Rs.17.06 millions

Under the Chapter titled “Fundamental Rights” of the Constitution of Pakistan, equality of citizens and safeguard against discrimination in services has been guaranteed. Article 25 of the Constitution provides that all citizens are equal before law and are entitled to equal protection of law while article 27 provides that no citizen otherwise qualified for appointment in the service of Pakistan shall be discriminated against.

Supreme Court of Pakistan in its judgment dated 19.01.1993 in Human Rights Case No. 104 of 1992 stated that recruitments, both adhoc and regular, without publicly and properly advertising the vacancies, is a violation of fundamental rights. As such no post could be filled in without proper advertisement, even on adhoc or contract basis.

During audit of Agriculture Department, it was observed that the contract employees, Research Officer/Research Assistants & contingent paid staff were appointed by the Vice Chancellor on contract/ad-hoc basis without advertisement in press. The payment of pay and allowances amounting to Rs. 17,057,035 was, therefore, held irregular.

The details are given hereunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	University of Agriculture, Faisalabad	2011-12	2599	12,390,192
2	University of Arid Agriculture, Rawalpindi	2011-13	3768	4,666,843
Total				17,057,035

Audit was of the view that deviation from rules and regulations resulted in irregular appointments.

Audit pointed out the irregularities in February and November 2013. The management at Sr. No. 1 stated that reply would be submitted after scrutiny of record. The managements at Sr. No. 1 and 2 did not furnish any reply.

The matter was further reported to the administrative department during November 2013. DAC in its meetings held on 08.11.2013 and 20.12.2013 kept the para at Sr. No. 1 pending with the direction to sort out status of these appointments and termination of the irregular appointment besides recovery whereas the para at Sr. No. 2 was kept pending for sending a reference to the Finance Department for specific rules for autonomous bodies.

Audit recommends that the department should adhere to the rules and regulations, fix responsibility for non-adherence to rules and seek regularization of the matter from the competent authority.

2.4.6 Irregular payment of pay & allowances-Rs.15.37 millions

As per Finance Department notification No. FD (FR)11-87 dated 25.11.2010, the date of birth once recorded at the time of joining government service shall be final and there-after no alteration in the date of birth of a civil servant shall be permissible. As per Finance Department letter No. FD/SRIV-8-1/76 (Prov.) dated 20.03.1988, in case a government servant is required to work at a station other than his headquarter for a period in excess of three months, the proper course for the department would be to approach Finance Department with full justification for creation of the post at the required station and its abolition of the post at the original headquarter. Further, according to Rule 2.33 of PFR Vol-I

every Government Servant should realize fully & clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part. According to clause (ix) of revised pay scale 2005 issued vide No. FD.PC-2-1/2005 dated 16 July 2005 special pay was allowed to P.Ss/P.As.

During audit of Agriculture Department, it was observed that an amount of Rs. 15,373,674 had been paid to employees beyond sanctioned strength of staff, against temporary adjustment, appointments on posts which do not exist in the service statute and without any legal authority as detailed below:

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars of text	Amount (Rs.)
1	University of Arid Agriculture, Rawalpindi	2011-13	3766	Appointments on 57 posts over and above the sanctioned strength.	12,395,028
2	Potato Botanist, Potato Research Station, Sahowali, Sialkot	2011-12	2611	Irregular temporary adjustment.	2,764,963
3	Agricultural Engineer, Multan Division, Multan	2012-13	3005	Irregular payment of pay & allowances over and above the date of retirement by changing the date of birth in service book.	137,933
4	Directorate of Agriculture (E&M) Punjab, Lahore	2011-12	2618	Irregular payment of special pay to stenographer, drivers and Naib Qasids without lawful authority	75,750
Total					15,373,674

Weak financial controls resulted in irregular payment of pay and allowance to the stated extent.

Audit pointed out the irregularity in February, October & November 2013. The management at Sr. No.1 stated that all payments were made against vacant positions. However, sometimes if the position is not lying vacant in any department, the salary was charged against vacant position of other department. The management at Sr. No. 3 noted the observation for compliance. The management at Sr. No. 4 stated that detail reply will be submitted later on.

The matter was further reported to the administrative department during November 2013. DAC in its meetings held on 10.10.2013, 08.11.2013, 27.11.2013 and 20.12.2013 kept the para at Sr. No. 1 pending for approval of sanctioned strength from Syndicate, whereas the para at Sr. No. 2 was kept pending for regularization from Finance Department. The committee kept the para at Sr. No. 3 pending with the directions to initiate inquiry under PEEDA Act 2006 against responsible besides effecting recovery. However, the amount of the para at Sr. No.4 was reduced from Rs.124,800 to Rs.75,750 as a result of verification. Further progress was not reported till the finalization of this report. As regards remaining paras neither any departmental reply was received nor any DAC meeting was held.

Audit recommends that responsibility be fixed and either recovery be made or matter be got regularized from Finance Department besides strengthening of financial and internal controls.

2.4.7 Purchases without concurrence of austerity committee- Rs.7.280 millions

As per Finance Department letter No. FD.SO (GOODS) 44-4/2011 dated 23.7.2011, there shall be complete ban on purchase of new vehicle from current or development budget. Moreover, purchase of machinery and equipment including IT equipment printers, fax machines,

photocopier, generator, air conditioners and luxury items etc. shall not be allowed except with the prior concurrence of the austerity committee constituted for the purpose.

During audit of Director, Soil Salinity Research Institute, Pindi Bhattian, scrutiny of the record of the project “Strengthening of Soil Salinity Research Institute for Research on Salt Affected Soils and Brackish Water in Pindi Bhattian and Rahim Yar Khan”, it was observed that the purchase of vehicle and machinery & equipment were made without approval of the Austerity Committee.

The deviation from the government instructions and weak financial controls resulted in irregular expenditure of Rs. 7,279,631.

Audit pointed out the irregularity in February 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 10.10.2013 kept the para pending for compliance. No further progress was reported till the finalization of this report.

Audit recommends that the department should fix the responsibility for deviation from government instructions, seek regularization of the expenditure and strengthen management and financial controls.

(PDP No. 2657- Director Soil Salinity Research Institute, Pindi Bhattain - 2005-12)

2.4.8 Irregular payment to professor emeritus-Rs.4.32 millions

As per Section 5.1, the University of Agriculture, Faisalabad Professor Emeritus (Condition of Appointment) Revised Statutes 2006, the conferment of the Professor Emeritus Status will be life time, the financial benefits will be for a maximum period of five (5) years from the

date of conferment. Under the amendment the period was enhanced up to a period of 10 years.

During audit of University of Agriculture Faisalabad for the period 2012-13, it was observed that two Professors of Emeritus continued their services for more than the prescribed period. They also remained absent from the University from time to time and they were not fulfilling the terms and conditions mentioned in the section 5.1. The details are given hereunder:

Sr. No.	Name	Date of Conferment	Duration (Approx)	Remuneration per Month	Amount (Rs.)
1	Dr. Abdul Rehman	19.08.1991	22 Years	135,000	1,620,000
2	Dr. Bakht Baidar	08.01.1995	18 Years	90,000	1,080,000
3	Dr. Rafiq Khan	30.11.1995	17 Years	135,000	1,620,000
Total					4,320,000

Weak financial & internal controls led to irregular payment to professor emeritus.

Audit pointed out the irregularity in November 2013. The management replied that there is no irregularity in making payment of honorarium to Professor Emeritus.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 13.12.2013 and 20.12.2013 kept the para pending for recovery. No further progress was reported till the finalization of this report.

Audit recommends that the matter be inquired at administrative level and its finding be communicated to audit besides strengthening of financial and internal controls.

(PDP No.4160-University of Agriculture, Faisalabad-2012-13)

2.4.9 Irregular/illegal payment to Ex-Vice Chancellor- Rs. 810,000

As per section 5.1 of University of Agriculture, Faisalabad Professor Emeritus (Condition of Appointment) Revised Statutes 2006, the conferment of the Professor Emeritus status will be life time and the financial benefits will be for a maximum period of five years from the date of conferment. Under the amendment, the period was enhanced up to period of 10 years.

During audit of University of Agriculture Faisalabad, it was observed that Dr. Riaz Hussain Qureshi was awarded the status of Professor Emeritus on 15.02.2004 and got the benefits for a brief period. Then he joined as Advisor Quality Assurance in HEC and remained there up till October, 2012. He again joined the University on 01.12.2012. It was observed from documents that Dr. Riaz Hussain Qureshi is also working as Professor Emeritus in HEC. Moreover, according to Section 5.3(i), it is mandatory for the Professor Emeritus to be in the campus for at least 3 days a week. As communicated by Dr. Riaz Hussain to VC UAF, he is unable to visit the university due to his assignment at HEC. Audit is of the view that the payment made to Dr. Riaz Hussain is irregular and should be recovered. Furthermore, audit recommends that Dr. Riaz Hussain shall submit in writing that he was neither getting benefits nor employed in any other organization. Dr. Riaz Hussain shall present his income tax returns and wealth statement to the audit party for verification to see whether he is reflecting these prerequisites in these statements or not.

Name	Date of Conferment	Duration (Approx)	Remuneration per Month	Amount (Rs.)
Dr. Riaz Hussain Qureshi	15.02.2004	9 Years	135,000 x 06	810,000

Audit was of the view that weak administration and management controls led to irregular payment to Vice Chancellor.

Audit pointed out the irregularity in October, 2013. The management replied that there was no violation of rules or irregular payment made to Prof. Dr. Riaz Hussain Qureshi by the University. The reply was not tenable as Audit is of the view that as per UAF Professor Emeritus Statutes, 2006 Section 5.3(i) Professor Emeritus will assure his availability for three working days a week and it is evident from the emails of Ex-VC and HEC officials that Dr. Riaz is not attending UAF, therefore, the amount paid to him should be recovered.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 13.12.2013 and 20.12.2013 kept the para pending and referred the case to Chancellor/Governor for regularization of expenditure. No further progress was reported till the finalization of this report.

Audit recommends that the matter be inquired at administrative level and its findings be shown to audit besides strengthening of administrative, management and financial controls.

(PDP No.4158 -University of Agriculture, Faisalabad-2012-13)

Recovery and overpayments

2.4.10 Loss due to purchase of services from non registered firm-Rs. 6.51 millions

As per clause 1 (II) and 2 (I) (2) of S.R.O. 660 (I)/2007, Islamabad, 30th June, 2007 of Sales Tax Special Procedure (Withholding) Rules, 2007, these rules apply to taxable goods and services as are supplied to following persons, hereby specified as withholding agents, for the purpose of deduction and deposit of sales tax namely, (a) federal and provincial government departments, (b) autonomous bodies. The withholding agent,

intending to make purchases of taxable goods, shall indicate in an advertisement or notice for this purpose that the sales tax to the extent as provided in these rules shall be deducted from the payment to be made to the supplier. A withholding agent, other than a person in the jurisdiction of Large Taxpayers Unit and a recipient of advertisement services, shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by a registered person and make payment of the balance amount to him.

During Audit of Directorate General, Pest Warning & Quality Control of Pesticides, Punjab, Lahore for 2008-12, it was observed that services were purchased from a non sales tax registered firm but payment of Rs.40,659,850 was made to the contractor without deduction of 16% GST amounting to Rs.6,505,576.

Audit is of the view that weak internal controls on “Taxation” resulted in loss to Government.

Audit pointed out the irregularity in February 2013. The management replied that the concerned quarters would be approached for clarification.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 08.11.2013 kept the para pending for clarification from FBR. No further progress was reported till the finalization of this report.

Audit recommends that the department should strengthen its internal controls on taxation, effect recovery and deposit it into government treasury.

(PDP No. 2610 – Director General Pest Warning & Quality Control of pesticides Punjab, Lahore - 2008-12)

**2.4.11 Unauthorized occupation of designated residences-
Rs. 5.48 millions**

As per Government of the Punjab Finance Department letter No. FD.SR.1.3-4/85 (Pt.I) dated 13.08.2002, penal rent @60% of pay for the period of unauthorized occupation of government residences is to be deducted from the pay of non entitled occupants.

During audit of Agriculture Department, it was observed that the designated residences were built but were not occupied by the concerned officers since long causing loss of rent to the Agriculture Department and some designated residences were occupied by unauthorized persons but the penal rent @ 60% of pay was not being recovered from them. The details are given hereunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Dir. Soil Salinity Research Institute Pindi Bhattian	2005-12	2656	5,118,506
2	DG Ayub Research Institute, Faisalabad	2011-12	2658	360,000
Total				5,478,506

Deviation from the rules and regulations and weak internal controls on the pay roll resulted in loss to government.

Audit pointed out the matter during February and March 2013. The management at Sr. No. 1 noted the observation for compliance. The management at Sr. No. 2 replied that the matter was under process with the government and action would be taken in the light of government decision.

The matter was further reported to the administrative department during November 2013. DAC in its meetings held on 10.10.2013 and 08.11.2013 kept the paras pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends to strengthen the internal controls on pay roll besides fixing of responsibility and recovery of the amount.

2.4.12 Overpayment by allowing quantities in excess to Technically Sanctioned Estimates (TSE)-Rs. 2.68 millions

According to Para 2.7, 2.12 and 2.86 of the Building and Road Department Code, the cost, scope and specifications of a scheme involving material deviations from the original proposal once approved, cannot be modified without approval of the authority competent to grant administrative approval and no anticipated or actual saving on approved estimate can be utilized to carry out additional work not contemplated in the original estimate.

During audit of construction of residential flats at University of Arid Agriculture, Rawalpindi for the year 2011-13, it was observed that the Chief Engineer had paid the quantities of various items of work more than the limit provided in administrative approval/technical sanctioned estimate amounting to Rs. 2,681,897.

Audit was of the view that weak management and financial controls resulted in overpayment for Rs. 2,681,897.

Audit pointed out the irregularity in November 2013. The management stated that detailed reply would be submitted after scrutiny of the record.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 20.12.2013 kept the para pending for regularization from the competent authority. Further progress was not reported by the department till the finalization of this report.

Audit recommends to recover overpayment besides fixing of responsibility against the concerned officers and strengthening the administrative and financial controls.

(PDP No.3763 - University of Arid Agriculture, Rawalpindi- 2011-13)

2.4.13 Less/non deduction of income tax-Rs. 1.98 millions

According to Section 153 of Income Tax Ordinance 2001, withholding tax @ 3.5% on supply of goods and 6% on all type of services should be deducted at source. Furthermore, as per section 13 ibid, for the purpose of computing the income of an employee for a tax year chargeable to tax under the head “Salary”, the value of any perquisite provided by an employer to the employee in that year that is included in the employee’s salary under section 12 shall be determined in accordance with this section.

During audit of Agriculture Department, it was observed that income tax was either less deducted or not deducted from the salaries of the employees and expenditure on services rendered. The details are given hereunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars of text	Amount (Rs.)
1	University of Arid Agriculture, Rawalpindi	2011-13	3758	Less income tax deducted on salary and perquisites	1,458,554
2	Director Information Agriculture Punjab, Lahore	2009-12	2442	Non deduction of Income tax@6% on service charges	434,792
3	University of Arid Agriculture, Rawalpindi	2011-13	3760	Non/less deduction of income tax under honorarium head	91,033
Total					1,984,379

Weak internal controls on taxation resulted in less/non deduction of income tax to the stated extent.

Audit pointed out the matter during February, July and November 2013. The management at Sr. No. 2 noted the observation for compliance. The managements at Sr. No. 1 & 3 stated that detailed reply would be submitted later on after scrutiny of record.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 20.12.2013 kept the para at Sr. No. 1 pending for clarification from Federal Board of Revenue and the para at Sr. No. 3 pending for recovery. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit requires to effect recovery from the concerned besides fixing of responsibility and strengthening of internal controls on taxation.

2.4.14 Non recovery of overpayments-Rs. 1.18 millions

As per Rule 2.31 of PFR Vol-I, drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation. Moreover, as per Finance Department letter No. FD. PR 21-27/99 dated 21.02.2000, Administrative Secretaries may grant exemptions to only those officers who live in their own house which is in their own names subject to the condition that the designated house is allotted to another officer so that the house is not left un-occupied to save the government from financial loss.

During audit of Agriculture Department, it was observed that some overpayments/inadmissible payments were made to various officers/officials.

The details are given hereunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of recovery	Amount (Rs.)
1	Director Pest Warning & Quality Control of Pesticides Punjab, Lahore	2008-12	2612	Payment of salary to the officers/official on leave	400,154
2	Fodder Research Institute, Sargodha	2009-12	2616	Recovery due to non occupation of designated residence	337,506
3	Director Information Agriculture Punjab, Lahore	2009-12	2441	Payment of social security benefit to the employees regularized	243,099
4	University of Arid Agriculture, Rawalpindi	2011-13	3767	Irregular payment of double duty allowance to TTS employees	201,024
Total					1,181,783

Audit was of the view that weak internal controls on payroll resulted in overpayment/inadmissible payment amounting to Rs.1,181,783.

Audit pointed out the irregularity during February, March and November 2013. The managements at Sr. No. 1 to 3 noted the observations for compliance. The management at Sr. No. 4 replied that the university had already sought the advice from HEC for grant of Double Duty Allowance to TTS employees.

The matter was further reported to the administrative department during November 2013. DAC meetings were held on 10.10.2013, 08.11.2013 and 20.12.2013. The para at Sr. No. 1 was reduced from Rs. 562,990 to Rs. 400,154 and kept pending for recovery. DAC as regards para at Sr. No. 2 directed to refer the case to Finance Department. The

para at Sr. No. 4 was kept pending for recovery. Further progress was not reposted by the department. As regards para at Sr. No. 3, neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit recommends that the department should strengthen its internal controls on payroll and effect recovery of the overpaid amount.

2.4.15 Non recovery of outstanding dues-Rs. 1.03 millions

As per the Section 39-A of the University of Agriculture, Faisalabad Act 1973 the university or any person generally or specially authorized by it may apply to the Collector for recovery of any sum due to the University under any bond and the Collector thereupon proceeds to recover the sum due as if it were an arrear of land revenue. Further, as per Rule 4.1 of PFR, Vol-I, the departmental controlling officers should accordingly see that all sums due to government are regularly received and checked against demands, and that they are paid into the treasury.

During audit of Agriculture Department, it was observed that an amount of Rs. 1,025,633 was outstanding from shops/ canteen, tenants on account of electricity, sui gas and rent charges. The details are given below:

Sr. No.	Name of formation	Period of audit	PDP No.	Recovery detail	Amount (Rs.)
1	University of Agriculture, Faisalabad	2011-12	2609	Sui gas	689,090
2	Director General, Rice Research Institute, Kala Shah Kaku	2011-13	3685	Rent	209,773
3	University of Agriculture, Faisalabad	2011-12	2608	Electricity charges	126,770
Total					1,025,633

Audit was of the view that due to weak internal controls on recoveries, the institution/government was deprived of revenue.

Audit pointed out the matter in February & September 2013. The managements at Sr. No. 1 & 3 admitted the recovery. The management at Sr. No. 2 noted the observation for compliance.

The matter was further reported to the administrative department. DAC in its meetings held on 08.11.2013, 13.12.2013 and 20.12.2013 kept the paras at Sr. No. 1 & 3 pending for recovery of Rs. 689,090 & Rs. 126,770 respectively. Para at Sr. No. 2 was reduced from 268,432 to 209,773 and kept pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends recovery from the concerned besides fixing of responsibility.

2.4.16 Non recovery of liquidated damages-Rs. 954,817

According to Clause of 17(h) of the tender document, in case of late delivery of goods beyond the periods specified in the schedule of requirements, penalty @ 2% per month, 0.067% per day of the cost of late delivered supply shall be imposed upon the supplier.

During audit of Agriculture Department, it was observed that various firms failed to make supplies within the stipulated period as per terms of the agreement. The respective managements failed to recover late delivery charges amounting to Rs.954,817 as detailed below:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Senior Purchase Officer, Purchase Cell Davis Road, Lahore	2011-12	2661	774,529
2	Senior Purchase Officer, Purchase Cell Davis Road, Lahore	2011-12	2660	180,288
Total				954,817

Weak financial controls resulted in non recovery of late delivery charges amounting to Rs. 954,817.

Audit pointed out the matter in March 2013. The management at Sr. No. 1 replied that the PPRA rules were silent about LD charges. The reply was not tenable as per clause 17(h) of the tender document LD charges were to be recovered. The management at Sr. No. 2 noted the observation for recovery.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 08.11.2013 kept the para at Sr. No.1 pending for recovery. However, the amount of the para at Sr. No.2 was reduced from Rs. 248,028 to Rs. 180,288 as a result of verification & kept pending for recovery. Further progress was not reported till the finalization of this report.

Audit requires immediate implementation of DAC directives besides fixing of responsibility regarding negligence to recover the charges.

2.4.17 Overpayment of inadmissible allowances-Rs.952,788

As per letter No. FD (M-I) 1-15/82-P-I dated 15.01.2000, the payment of house rent allowance is not permissible to the officers/officials to whom government residences have been provided. In addition 5% maintenance charges are also required to be deducted from their salary and in case Government Servant is allotted above entitlement he will not be allowed to draw house rent allowance and will pay 10% rent on maximum of the scale for which residence is meant. Moreover, as per Finance Departments letter No. 106 (SR) IV/7 dated 18.08.1977, conveyance allowance is not admissible during leave including LPR and vacations. Furthermore, as per Staff Car Rule 1980 amended up to 2008, the use of staff car shall not be allowed to any officer who is in receipt of conveyance allowance. Appointment order of TTS staff, vide Sr. No. 1

states that, “you will be paid a salary package (Lump sum) all inclusive and no other allowances (PhD allowance, Medical allowance, orderly allowance etc) or benefit and facility will be admissible except gratuity equal to one month pay for each completed year of service.”

During audit of Agriculture Department, it was observed that house rent charges, house rent allowance, conveyance allowance and orderly allowance were paid to the officers/officials contrary to the above provisions. The details are given here under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of allowance	Amount (Rs.)
1	University of Agriculture, Faisalabad	2011-12	2604	Non/Less deduction of 10% house rent Charges	687,588
2	University of Arid Agriculture, Rawalpindi	2011-13	3776	Un-authorized payment of orderly allowance	168,000
3	Fodder Research Institute, Sargodha	2009-12	2615	Conveyance allowance	97,200
Total					952,788

Audit was of the view that weak supervisory and financial controls led to overpayment of inadmissible allowances amounting to Rs.1,463,320.

The matter was pointed out during February, July & November 2013. The managements at Sr. No. 2 stated that the reply would be submitted later on. The managements at Sr. No. 3 noted the observations for compliance. The management at Sr. No. 1 replied that the house was allotted to university staff as per entitlement. The management in response to its reply did not produce documentary evidence.

The matter was further reported to the administrative department during November 2013. DAC in its meetings held on 10.10.2013,

08.11.2013 and 20.12.2013 kept the paras at Sr. No. 1 & 2 pending for recovery, and reduced the amount of the para at Sr. No. 3 from Rs.114,560 to Rs.97,200 as a result of verification. Further progress was not reported till the finalization of this report. As regards remaining paras neither any departmental reply was received nor DAC meeting was held.

Audit stresses implementation of DAC directives and recovery of overpayment besides fixing of responsibility.

Others

2.4.18 Non disposal of unserviceable vehicles and other items/ stock-Rs. 16.16 millions

As per Rule 15.3 of PFR Vol-I, a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable or order the write off of losses of stores.

During audit of Agriculture Department, it was observed that a number of vehicles and other items worth Rs. 16,160,680 were unserviceable/off road. In the absence of appropriate action, these items were getting further deteriorated. The details are given here under:

Sr. No.	Name of formation	Period of audit	PDP No.	Condemned Items	Amount (Rs.)
1	Director Punjab Institute of Agriculture Marketing, Punjab Lahore	2008-13	3223	Vehicles and other items i.e. furniture & computers etc.	10,000,000
2	Agriculture Engineer, Multan Division, Multan	2012-13	3007	Miscellaneous items	3,710,680
3	Director General, Rice Research Institute, Kala Shah Kaku	2011-13	3688	Miscellaneous items	1,500,000
4	University of Agriculture, Faisalabad	2011-12	2605	Vehicles	950,000
Total					16,160,680

Weak internal controls on management of assets and negligence in taking appropriate action could result in further deterioration and loss to the public exchequer.

Audit pointed out the matter during February, September and October 2013. The managements at Sr. No. 1 & 2 noted the observations for compliance. The managements at Sr. No. 3 & 4 replied that the matter was under process.

The matter was further reported to the administrative department during October and November 2013. DAC in its meetings held on 08.11.2013, 27.11.2013, 13.12.2013 and 20.12.2013 kept the para at Sr. No. 2 pending with the direction to pursue the case regarding vacation of stay with the Advocate General Lahore High Court Multan Bench. Para at Sr. No. 4 was reduced from Rs.1,550,000 to Rs. 950,000 as a result of verification and kept pending for auction of remaining vehicles. The paras at Sr. No. 1 & 3 were kept pending for compliance. No further progress was reported till finalization of this report.

Audit recommends that auction process be expedited and sale of proceeds be deposited into the government treasury besides strengthening supervisory and internal controls.

2.4.19 Non-adjustment of advances-Rs. 2.98 millions

According to Rule 2.10 (a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure from government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of University of Arid Agriculture, Rawalpindi for the period 2011-13, it was observed that payments of loans and advances amounting to Rs. 2,890,741 and Rs. 342,694 were made to various officers/officials for different purposes but the same were not recovered.

Weak internal controls on advances led to non adjustment of advances to the stated extent.

Audit pointed out the irregularity in November 2013. The management at Sr. No. 1 stated that detailed reply would be submitted later on. The management at Sr. No.2 stated that university has not issued LPC and clearance certificate due to non adjustment of advance.

The matter was further reported to the administrative department during November 2013. DAC in its meeting held on 20.12.2013, verified the adjustment of Rs. 257,280 and kept the PDP No. 3759 pending for balance amount of Rs. 2,633,46, whereas the other para was kept pending for recovery. Further progress was not reported by the department till the finalization of this report.

Audit recommends to effect recovery from the concerned besides strengthening of management and financial controls.

(PDP No. 3759 & 3770-University of Arid Agriculture, Rawalpidni-2011-12)

CHAPTER 3

AUQAF AND RELIGIOUS AFFAIRS DEPARTMENT

3.1 *Introduction*

Auqaf & Religious Affairs Department is headed by a Secretary, who is assisted by the Additional Secretary and the Deputy Secretary alongwith their ancillary staff. Secretary Auqaf & Religious Affairs also acts as Chief Administrator, Auqaf. The Auqaf Organization is a self fund generating body. The basic funding is received from shrine donations, leases of agricultural lands and rents from commercial and residential properties. The funds generated are utilized for education, medical facilities, social welfare, academic scholarships and the upkeep of important religious monuments and holy places. The Auqaf Organization comprises of the following six Directorates:

- Directorate of Administration
- Directorate of Estate
- Directorate of Finance
- Directorate of Religious Affairs
- Directorate of Projects
- Directorate of Health Services

Functions

- Administration of the Punjab Waqf Properties Ordinance, 1979.
- Mosques, shrines and other religious institutions under the control of the Chief Administrator of Auqaf, Punjab, except Historical monuments.

- Central Auqaf Fund.
- Muslim graveyards taken over by the Chief Administrator of Auqaf, Punjab under section 7 of the West Pakistan Waqf Properties Ordinance, 1979.
- Charitable and Religious Endowments.
- Preparation and implementation of religious education schemes.
- Management of and repairs of Badshahi Mosque, Lahore.
- Religious Education Schemes.
- Publication of books on Islamiyat.
- Printing and Publication of the Holy Quran including administration of the publication of the Holy Quran (Elimination of Printing & Recording Errors) Act, 1973.
- Hajj Affairs coordination with the Federal Govt.
- Administration of Data Darbar Hospital, Lahore.

3.2 *Comments on Budget & Accounts (Variance Analysis)*

Introduction

The Appropriation Accounts for the year 2012-13 of Auqaf and Religious Affairs Department prepared annually indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against grant/appropriation was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	31.581	4.446	36.027	32.047	(3.980)
PC22036	147.000	(36.150)	110.850	67.836	(43.014)
Total	178.581	(31.704)	146.877	99.883	(46.994)

Overview of Expenditure

The total budget of Auqaf and Religious Affairs Department for the year ended 30 June, 2013 was Rs. 146.877 millions. Out of this amount the actual expenditure was Rs. 99.883 millions. The breakup of current and development expenditure is given below:

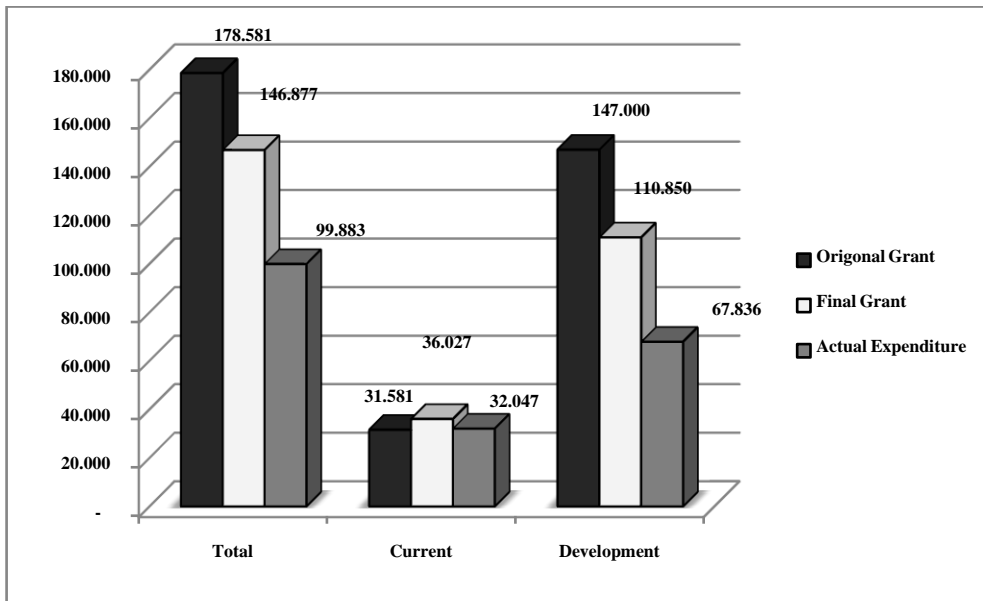
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	31,581,000	32,046,913	465,913	1
Development	147,000,000	67,836,476	(79,163,524)	54
Total	178,581,000	99,883,389	(78,697,611)	44

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

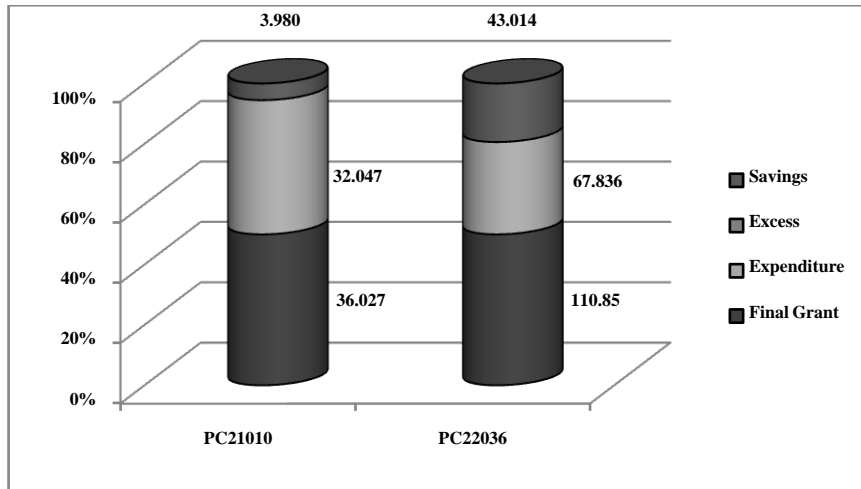
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	36,027,000	32,046,913	(3,980,087)	(11)
Development	110,850,000	67,836,476	(43,013,524)	(38)
Total	146,877,000	99,883,389	(46,993,611)	(32)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/

appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to Rs. 46.994 millions at the close of the year 2012-13 under grant PC21010 & PC22036 had not been surrendered well in time.



3.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1999-2000	41	4	37	10
2	2001-2002	81	25	56	31
Total		122	29	93	24

The compliance status in Auqaf and Religious Affairs Department is not satisfactory, which needs improvement.

3.4 AUDIT PARAS

Recovery and overpayments

3.4.1 Non recovery of cost of *pattadari*- Rs. 3.24 millions

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

During scrutiny of record of Secretary Auqaf & Religious Affairs, Lahore for the period 2011-12, it was observed that 1475 kanals and 17 marlas agricultural land attached with Peer Imam Ali Shah situated in Sheero Tehsil Safdarabad was cultivated but the cost of *pattadari* was not received. This resulted in a loss to government revenue for Rs. 3,237,494.

Audit was of the view that due to weak financial controls the government was deprived of revenue to the stated extent.

Audit pointed out the irregularity in January 2013. The management replied that case was under inquiry.

The matter was further reported to the administrative department during November 2013. Neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit recommends that the department should pursue the case vigorously to recover the loss besides fixing of responsibility and strengthening of financial and internal controls.

(PDP No. 2624 - Secretary Auqaf & Religious Affairs, Lahore - 2011-12)

CHAPTER 4

FINANCE DEPARTMENT

4.1 *Introduction*

According to Rules of Business, 1974 (amended to-date), Finance Department is responsible for supervision and control of provincial finances, preparation of provincial budget, formulation of Financial Rules and Civil Services Rules, Management of Public Debt and administration of treasuries. Some other functions performed by the Finance Department are detailed below:

- Public Accounts and Public Accounts Committee;
- Framing of financial rules for guidance of departments and supervision of maintenance accounts;
- Framing of Civil Service Rules applicable to all government servants and interpretations thereof;
- Flotation and administration of provincial loans;
- Examination and advice on matter effecting directly or indirectly the finances of the Province;
- Communication of financial sanctions; and
- Creation of posts and examination of schemes of new expenditure.

4.2 *Comments on Budget & Accounts (Variance Analysis)*

Introduction

The Appropriation Accounts for the year 2012-13 of Finance Department prepared annually indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against grant/appropriation was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	11,372.448	(10,113.162)	1,259.286	1,176.989	(82.297)
PC21031	213,523.985	8,624.784	222,148.769	215,089.499	(7,059.270)
PC13035	100.000	-	100.000	-	(100.000)
PC12043	5,000.000	(5,000.000)	-	-	-
PC24044	16,183.881	-	16,183.881	15,708.407	(475.474)
PC16048 (E)	35,464.847	-	35,464.847	30,691.929	(4,772.919)
PC13050 (H)	8,500.000	-	8,500.000	-	(8,500.000)
PC22036	33,400.000	(9,309.589)	24,090.411	23,253.343	(837.068)
Total	323,545.161	(15,797.967)	307,747.194	285,920.166	(21,827.028)

Overview of Expenditure

The total budget of Finance Department for the year ended 30 June, 2013 was Rs. 307,747.194 millions. Out of this amount the actual expenditure was Rs. 285,920.166 millions. The breakup of current and development expenditure is given below:

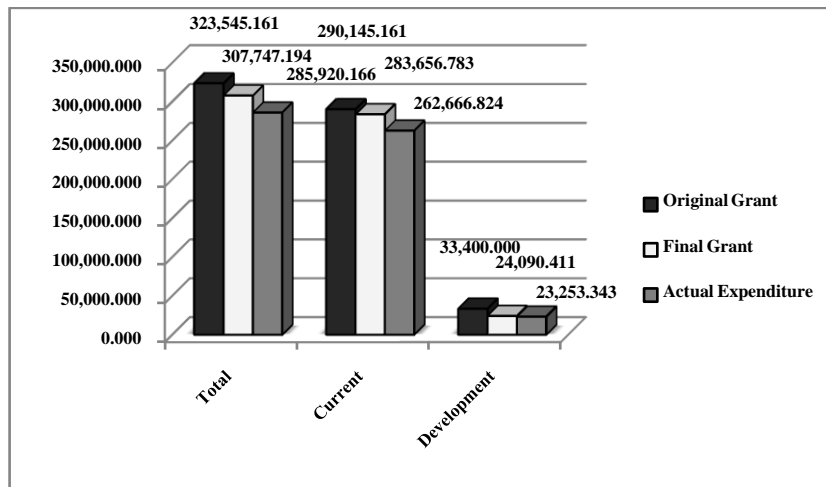
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	290,145,161,000	330,069,923,194	39,924,762,194	14
Development	33,400,000,000	23,253,342,684	(10,146,657,316)	(30)
Total	323,545,161,000	353,323,265,878	29,778,104,878	9

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

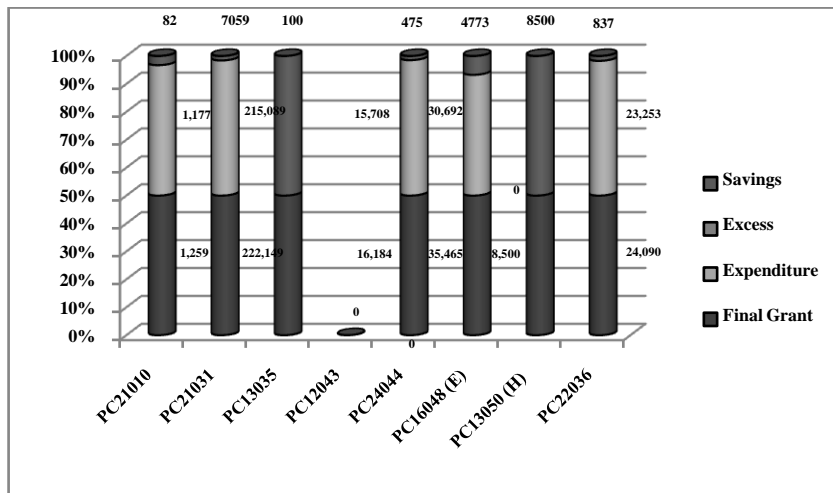
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	283,656,783,000	262,666,823,590	(20,989,959,410)	(7)
Development	24,090,411,000	23,253,342,684	(837,068,316)	(3)
Total	307,747,194,000	285,920,166,274	(21,827,027,726)	(7)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, saving amounting to Rs. 21,827.028 millions at the close of the year 2012-13 under grant PC21010, PC21031, PC13035, PC12043, PC24044, PC16048(E), PC13050 (H) &PC22036 had not been surrendered well in time.



4.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1.	1986-1987	07	0	07	0
2.	1987-1988	3	0	3	0
3.	1989-1990	6	0	6	0
4.	1990-1991	1	0	1	0
5.	1991-1992	2	0	2	0
6.	1992-1993	4	1	3	25
7.	1993-1994	2	1	1	50
8.	1994-1995	2	0	2	0
9.	1995-1996	7	0	7	0
10.	1997-1998	10	7	3	70
11.	1998-1999	37	23	14	62
12.	1999-2000	48	25	23	52
13.	2000-2001	53	24	29	45
14.	2001-2002	70	36	34	51
15.	2006-2007	20	14	6	70
16.	2009-2010	15	1	14	7
TOTAL		287	132	155	46

The compliance status in Finance Department remained very poor till 1995-1996, however the situation improved afterwards.

4.4 AUDIT PARAS

Performance

4.4.1 Outstanding loans against financial/non financial institutions and local bodies-Rs. 110,389 millions

According to Rule 4.1 of PFR Vol-I, the departmental controlling officers should accordingly see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury.

During audit of Secretary Finance, Government of the Punjab, Lahore for the period 2012-13, it was revealed that loans were granted to various financial and non-financial Institutions including Local Bodies and TMAs but recovery of principal amount and interest accrued thereupon amounting to Rs.110,389 millions was not effected. The loans were released without taking into consideration their financial and administrative management capabilities to utilize the loans efficiently and effectively, besides generating sufficient returns to pay back the borrowed amount.

Audit was of the view that due to weak financial controls, the recovery of the principal amount and interest was not made.

The irregularity was pointed out in August 2013. The management of the entity stated that detailed reply will be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. In DAC meeting held on 22.01.2014, recovery of Rs. 8,804 millions was verified. Accordingly the amount of the para was reduced from Rs. 119,193 millions to Rs. 110,389 millions. Further progress was not reported till the finalization of this report.

Audit recommends that strict measures need to be taken for recovery of loans besides developing an effective loan recovery mechanism.

(PDP No.4064-Secretary Finance, Government of the Punjab, Lahore-2012-13)

Internal Control Weakness

4.4.2 Non receipt of return on investments-Rs. 2,065 millions

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

During audit of Finance Department for the period 2012-13, it was observed that total value of investments made by government of the Punjab in various financial and non-financial institutions was Rs.7,632 millions as on 20.08.2013. The amount was invested by management on behalf of the Government of the Punjab in various institutions but investment policy and investment guidelines were not available on record. The expected rate of return was not calculated before making investments. The terms and conditions on the basis of which initial investments had been made were also not available on record. Furthermore, in most of the cases no return on investments was received. The financial statements of all the institutions were not produced for audit scrutiny. Resultantly the actual net return on investments on yearly basis could not be worked out.

Audit was of the view that due to weak financial controls, the government was deprived of the benefit of return on investment.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. In DAC meeting held on 22.01.2014, recovery of

Rs. 5,567 millions was verified. Accordingly the amount of the para was reduced from Rs. 7,632 millions to Rs. 2,065 millions. Further progress was not reported till the finalization of this report.

Audit recommends that effective investment policy be framed besides calculation and recovery of net return on investments.

(PDP No.4069-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.3 Outstanding recovery against Lahore Ring Road Authority-Rs. 140 millions

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

During audit of Secretary Finance, Government of the Punjab, Lahore for the financial year 2012-13, it was observed that Finance Department released interest free loan of Rs.140 millions to Lahore Ring Road Authority as bridge finance during the year 2011-12 for the repair and maintenance of completed portion of Lahore Ring Road. The loan was required to be repaid in six months i.e. up to 14.06.2012 under terms and conditions of loan. After the lapse of more than a year the loan had not yet been returned. Several formal requests were sent by Finance Department to Lahore Ring Road Authority for the repayment of loan but no response had been received. LRRA instead of returning the loan had requested for the conversion of loan into Grant in Aid or write off as per rules.

Audit was of the view that due to weak financial controls, the recovery of loan was not realized.

The irregularity was pointed out in August 2013. The management stated that detailed reply will be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for recovery. Further progress was not reported till the finalization of this report.

Audit emphasizes expeditious recovery of loan besides fixing responsibility for the delay.

(PDP No.4066-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.4 Outstanding recovery against Punjab Vocational Training Council-Rs. 25 millions

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

During audit of Finance Department for the period 2012-13, it was revealed that an amount of Rs. 25 millions was released during 2011-12 as interest free loan to Punjab Vocational Training Council for the payment of salaries and other operating expenses with the condition that PVTC shall repay the loan from its own sources within the next financial year 2012-13. Despite several repeated formal requests by Finance department, loan was not returned by PVTC.

Audit was of the view that due to weak financial controls, the recovery of loan was not realized.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for recovery. Further progress was not reported till the finalization of this report.

Audit requires expeditious recovery besides strengthening the financial controls.

(PDP No.4067-Secretary Finance, Government of the Punjab, Lahore-2012-13)

Others

4.4.5 Loss due to non investment-Rs. 4,000 millions

According to the Rules of Business of the Punjab Government Finance is responsible for communication of financial sanctions as well as supervision and control of provincial finances.

During audit of the Finance Department, Lahore for the period 2012-13, it was observed that Finance Department has placed an amount of Rs. 4,000 millions in Punjab General Provident Investment Fund during May 2007 but investment had not been made even after the lapse of six years.

Audit was of the view that non investment of Rs. 4,000 millions and poor financial management resulted in unnecessary blockage of public money.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends immediate investment of G.P Fund in secure schemes to earn maximum profit.

(PDP No.4071-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.6 *Unauthorized release of loan to PSIC-Rs. 2,140 millions*

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

During audit of Finance Department Lahore for the period 2012-13, it was observed that an amount of Rs. 2,140 millions was released for Self Employment Scheme for un-employed youth during the year 2011-12 without agreement with service providers. Further, bank statements, monthly and annual reports were not provided for audit scrutiny. It was also noticed that grant-in-aid was released to the service provider but utilization report was not available on record.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that no loan be granted without agreement in future besides finalization of agreement with the service provider on immediate basis. A detailed inquiry be initiated to probe the irregular release of loan.

(PDP No.4072-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.7 *Unauthorized release of loan to Lahore Meat Processing Company-Rs. 1,439.06 millions*

According to Punjab Government Rules of Business,1974, the Punjab Finance department is responsible for proper financial management, supervision and control of provincial finances.

During audit of Finance Department, Lahore for the period 2012-13, it was observed that an amount of Rs. 1,439,06 millions was released to Lahore Meat Processing Company during the last six years. The loan was released without execution of an agreement. Amortization schedule was not prepared for the loan amount released during the period from 2010-11 to 2012-13. Third party validation reports were also not available in record.

The company demanded Rs. 142.99 millions for payment of contractor liabilities and Rs. 10 millions for its operating and Head office expenditure and the loan was released without obtaining confirmation of the genuineness of the loan request. Detail of contractor liabilities and estimates of office expenditure were not available on record. Moreover an amount of Rs. 58.5 millions was released for Feedlot Fettering Project and Horticulture project but copies of PC-I of the projects were not produced to audit for verification.

Audit was of the view that loan was released without any agreement which indicates poor financial management by Finance department.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit requires expeditious production of record besides fixing responsibility for non execution of loan agreement and non preparation of amortization schedule.

(PDP No.4085-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.8 Unauthorized release of loan to PLDC-Rs.839.92 millions

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

During audit of Finance Department Lahore for the period 2012-13, it was observed that an amount of Rs. 839.92 millions was provided as interest bearing loan to Punjab Land Development Company during the period from 2010-11 to 2012-13. The loan was released without execution of an agreement between GOPb and PLDC and the fact was evident from FD letter No. FD(L)1-354/2010 dated 16.03.2013. PC-I of the project was also not available on record.

Moreover, as per the amortization schedules interest accrued up to 2012-13 was Rs. 2,877,220 but recovery of only Rs. 2,674,000 had been effected and balance amount of interest Rs. 203,220 needs to be recovered.

Audit was of the view that poor financial management and weak supervisory controls resulted in unauthorized release of loan without execution of loan agreement and outstanding recovery of loans and interest.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit requires expeditious recovery of loan and interest besides fixing responsibility for releasing loan without agreement.

(PDP No.4074-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.9 Irregular release of loan to PLDDB-Rs. 600 millions Outstanding recovery of interest-Rs. 1.88 millions

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

During audit of Finance Department for the year 2012-13, it was revealed that loan of Rs. 600 millions provided by Government to Punjab Live Stock and Dairy Development Board during the period from 2010-11 to 2012-13. The amount was released without finalization of loan agreement between GOPb and PLDDB. Finance department vide letter No.FD(L)1-357/2011 dated 16.02.2012 forwarded the draft of loan agreement to the Chief Executive Officer PLDDB for signatures but surprisingly signed copy was not returned to Finance Department. The amortization schedules were also not prepared. Fresh releases were made in 2012-13 without obtaining the utilization status of amount released in past years. Approved PC-I, quarterly, semiannual financial statement, Annual audit reports and verified progress reports were also not available in record which indicates weakness in monitoring controls introduced by the FD.

An amount of Rs.1,878,425 was receivable on account of interest accrued on outstanding amount of loan but the recovery had not been effected.

Audit was of the view that due to weak supervisory controls , the loans were released without execution of an agreement and it also resulted in non recovery of accrued interest.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for recovery. Further progress was not reported till the finalization of this report.

Audit requires expeditious recovery of outstanding interest besides fixing responsibility for releasing loan without agreement.

(PDP No.4078-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.10 Irregular release of loan without execution of agreement-Rs. 100 millions

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

Examination of the record of Secretary Finance, Government of the Punjab Lahore for the period 2012-13 observed that an amount of Rs.100 millions was released to Punjab Power Development Company Limited (PPDCL) for the establishment of 50 MW coal fired power plants in various industrial estates in the province. The loan was released without execution of an agreement. Hence the terms and conditions of the loan were not decided.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that the matter be probed for irregular release of loan to PPDCL without execution of loan agreement.

(PDP No.4076-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.11 Unauthorized release of Loan to Engineering Consultancy Services Punjab (Pvt.) Ltd.-Rs. 83 millions

The Punjab Government Rules of Business, Schedule II regarding Distribution of Business among Departments requires the Finance Department to supervise and control Provincial Finances.

During audit of Finance Department, Lahore for the period 2012-13, it was revealed that an amount of Rs. 83 millions was released as interest free loan to the Punjab Engineering Consultancy Services (PECS) during the period from 2011-12 to 2012-13. The loan was released without execution of an agreement and only unsigned copy of the draft of loan agreement was available in record while no utilization report was shown for audit scrutiny.

Audit was of the view that unauthorized loan was released without agreement and against canons of financial propriety.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that the matter be probed for irregular release of loan to PECS without execution of loan agreement.

(PDP No.4077-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.12 Utilization reports not obtained for grants-in-aid-Rs.34,454 millions

According to the Rules of Business of the Punjab Government Finance Department is responsible for Communication of financial sanctions as well as supervision and control of Provincial finances.

During audit of Finance Department for the period 2012-13, it was observed that Grants in aid for Rs. 34,454 millions were released to various departments of Punjab and autonomous bodies. Utilization reports were not obtained. In the absence of relevant record, audit could not authenticate the grants-in-aid.

Audit was of the view that non execution of agreements and weak supervisory controls resulted in non submission of utilization reports by the recipient agencies.

The matter was pointed out in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends expeditious production of record besides fixing of responsibility for not arranging requisite record in time.

(PDP No.4081-Secretary Finance, Government of the Punjab, Lahore-2012-13)

4.4.13 Non framing of rules governing public debt

Audit observed that rules and regulations governing public debt were not framed by the Finance Department, Government of the Punjab. In the absence of rules and regulations effective debt management is out of question. Moreover, no deliberations were made to enact to regulate debts receipts and its payment.

Audit was of the view that due to non existence of public debt regulations, effective debt management cannot be ensured.

The matter was pointed out in August 2013. The management stated that reply would be submitted later.

The matter was further reported to the administrative department during December 2013. DAC in its meeting held on 22.01.2014 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that rules governing public debt be framed.

(PDP No.4086-Secretary Finance, Government of the Punjab, Lahore-2012-13)

CHAPTER 5

FOOD DEPARTMENT

5.1 *Introduction*

Punjab Food Department was established during World War-II for supply of Atta, Sugar and other commodities. Statutory Rationing of wheat, atta and sugar was made. Wheat was procured under monopoly scheme by Food Department and supplied to Flour Mills for grinding.

Under the Foodstuff (Control) Act, 1958, Food Department was assigned responsibilities for regulating business of food grains including purchases, storage, sales, transfer, milling, etc.

As per Rules of Business 1974, main functions of Food Department are as follows:

- Procurement of wheat for issuance to the mills.
- To act as government agent to provide a wheat purchase window to the farmers at support price.
- Ensure Food Security in wheat and wheat products.
- Transportation from surplus to deficit regions.
- Protection of wheat from pest and other hazards.
- Targeted Food Support Programmes.
- Monitoring and co-ordination of sugarcane sector with reference to payment of dues of sugarcane growers and sugarcane cess fund.
- Undertaking all activity related to export of wheat up to supply at port.

Food Department has one attached department i.e., Director Food Punjab, Lahore.

5.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Food Department prepared indicate capital expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during financial year 2012-13 against the grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	64.233	(8.462)	55.771	51.940	(3.831)
PC21030	34,000	.001	34,000.001	17133.108	(16866.893)
PC21031	0	40.715	40.715	35.051	(5.663)
PC13033 (Voted)	116,179.794	108.616	116,288.410	115,784.850	(503.560)
	30,195.000	0	30,195.000	20,233.141	(9,961.859)
PC22036	0	39.175	39.175	22.175	(17.000)
PC16047 (D)	67,108.720	38,000.000	105,108.720	104,258.600	(850.120)
Total	247,547.747	38,188.507	285,727.792	257,518.865	(28,208.926)

Overview of Expenditure of State Trading in Food Grain & Sugar

The total budget of Food Department for the year ended 30 June, 2013 was Rs. 285,727.792 millions. Out of this amount the actual expenditure was Rs.257,518.865 millions. The breakup of current and development expenditure is given below:

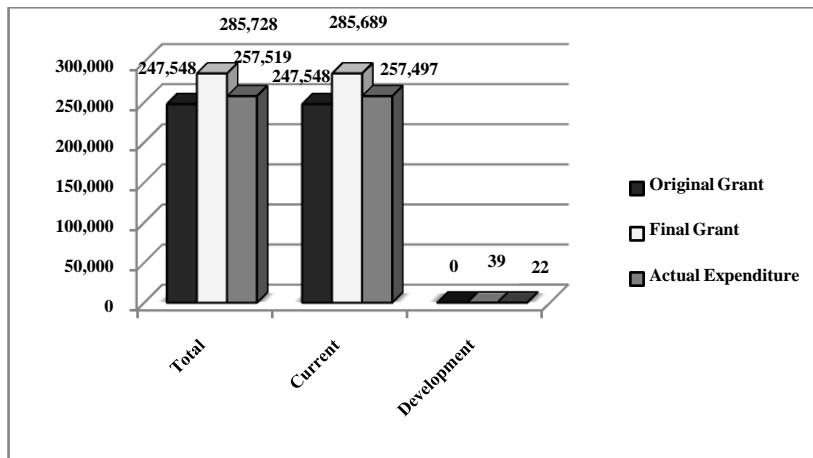
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	247,547,747,000	257,496,690,990	9,948,943,990	4.02
Development	0	22,174,839	22,174,839	0
Total	247,547,747,000	257,518,865,829	9,971,118,829	4.02

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

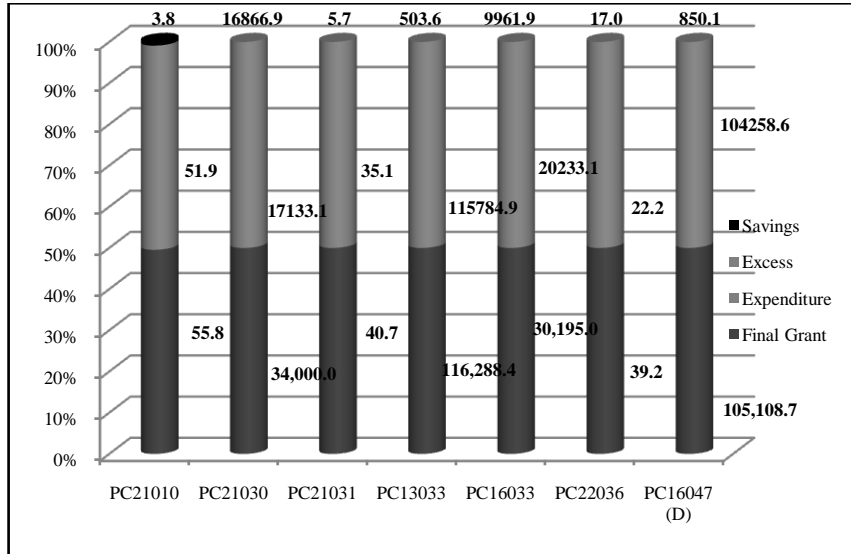
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	285,688,617,000	257,496,690,990	(28,191,926,010)	(9.87)
Development	39,175,000	22,174,839	(17,000,161)	(43.40)
Total	285,727,792,000	257,518,865,829	(28,208,926,171)	(9.87)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to

Rs.28,208.926 millions at the close of the year 2012-13 under grants PC21010, PC21030, PC13031, PC13033, PC16033 PC16047 (D) & PC22036 had not surrendered well in time.



5.3 Brief comments on the status of compliance with PAC Directives

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	180	114	66	63
2	1986-87	59	37	22	63
3	1987-88	87	17	70	20
4	1988-89	68	21	41	31
5	1989-90	23	3	20	13
6	1990-91	40	3	37	8
7	1991-92	56	6	50	11
8	1992-93	31	4	27	13
9	1993-94	30	11	19	37
10	1995-96	13	0	13	0
11	1996-97	96	38	58	40
12	1997-98	84	31	53	37
13	1998-99	174	104	70	60
14	1999-00	174	104	70	60
15	2000-01	214	167	47	78
16	2001-02	251	212	39	84
17	2005-06	29	8	21	28
18	2006-07	37	24	13	65
Total		1646	904	736	55

The compliance status in Food Department is not satisfactory. The department needs to take serious note of non compliance.

5.4 AUDIT PARAS

Fraud/Misappropriation

5.4.1 Misappropriation of wheat and other stocks-Rs.100.96 millions

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

During audit of Food Department, it was observed that wheat and various stock articles valuing Rs. 100,959,265 were misappropriated. In some cases departmental inquiries were in process for determination of loss.

Sr. No.	Name of formation	Period of audit	PDP No.	Brief extract of Para	Amount (Rs.)
1	District Food Controller, Faisalabad	2012-13	3715	Misappropriation/shortage of 1225.50 M. ton wheat.	38,963,461
2	District Food Controller, Khanewal	2012-13	3720	Misappropriation of wheat 993.586 M. ton, bardana, PP bag, 3280 Jute bags and stock articles.	30,020,218
3	District Food Controller, Pakpattan	2012-13	2767	Misappropriation/shortage of 255.379 M. ton wheat and damage of wheat 90.542 M. ton.	11,581,412
4	District Food Controller, Multan	2012-13	2948	Misappropriation/shortage of wheat 291.270 M. ton, bardana 1323 A-class bags, 4634 PP bags, 592 and 197 one used bags.	8,761,690

Sr. No.	Name of formation	Period of audit	PDP No.	Brief extract of Para	Amount (Rs.)
5	District Food Controller, Faisalabad	2012-13	3716	Misappropriation/shortage of wheat 212.600 M. ton.	6,882,698
6	District Food Controller, Sahiwal	2012-13	2775	Misappropriation/shortage of 21.700 M. ton wheat and damage of wheat 121.550 M. ton.	4,749,786
Total					100,959,265

Audit was of the view that weak internal controls on management of assets resulted in misappropriation worth Rs.100,959,265.

The matter was pointed out from July to October 2013. The managements at Sr. No. 1, 5 & 6 replied that the cases had been registered against the accused. The management at Sr. No. 3 stated that the inquiry was under process. The managements mentioned at Sr. No. 2 & 4 noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meetings held on 06.12.2013 and 17.12.2013, kept the paras at Sr. No. 1, 3 & 6 pending for compliance. The para at Sr. No. 4 reduced from Rs. 10,523,380 to Rs. 8,761,690 verified and kept pending. The para at Sr. No. 5 kept pending till the finalization of proceedings by anti-corruption establishment. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any departmental reply was received nor DAC meeting was convened despite reminders issued on 24.10.2013 and 13.11.2013.

Audit recommends that inquiries be finalized, recoveries be effected from the concerned and internal controls on management of assets be strengthened to avoid such recurrences in future.

Non-production of record

5.4.2 Non-production of record-Rs.6.45 millions

As per Section 14 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the heads of the departments and the officers in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of Food Department, it was observed that an expenditure of Rs. 6,445,706 was incurred on construction/repair works. However, no record was produced to audit. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Food Controller, Sahiwal	2012-13	2777	2,691,432
2	District Food Controller, Gujranwala	2012-13	3750	2,255,859
3	District Food Controller, Pakpattan	2012-13	2770	752,373
4	District Food Controller, T.T. Singh	2012-13	2963	746,042
Total				6,445,706

Due to non production of record, audit could not verify the authenticity of the accounts.

The observations were served to the local managements from July to August and November 2013. The managements at Sr. No. 1, 2 & 4 noted the observations for compliance. The management at Sr. No. 3 stated that mater would be looked into and detailed reply would be submitted later on.

The matter was further reported to the administrative department. DAC in its meetings held on 26.11.2013 and 06.12.2013, kept the paras at

Sr. No. 1 & 4 pending for compliance. In respect of para at Sr. No. 3 kept pending for regularization from Finance Department. As regard remaining paras, neither any departmental reply was received nor DAC meeting was held till finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

The department needs to produce record and take disciplinary action against the responsible.

Irregularity & Non-compliance

5.4.3 *Irregular process for procurement of stores-Rs.2,097.42 millions*

As per Rule 40 of PPRA Rules 2009, there shall be no negotiations with the bidder having submitted the lowest evaluated bid or with any other bidder.

During audit of Secretary Food, Government of the Punjab, Lahore for the period 2012-13, it was observed that the management entered into contract with various contractors for procurement of various stores amounting to Rs. 2,097,417,000. Audit observed the following shortcomings:

- The negotiation was made in case of procurement of Jute Bags (20,000 bales) and Poly Propylene Bags (42,200 + 6,180) with all bidders in violations of the above said instructions of the government.
- After negotiation with all the parties, contract was awarded to them on proportionate basis. The award of contract on proportionate basis was not covered under any rules/instruction of the government.

Gross violation of the government instructions due to weak supervisory and financial controls resulted in irregular process of procurement.

Audit pointed out the irregularity in July 2013, the management replied that procedural lapse would be looked into and reply would be conveyed in due course of time.

The matter was further reported to the administrative department. DAC in its meeting held on 31.12.2013, kept the para pending for clarification and regularization from the Finance Department. Further progress was reported till finalization of this report.

Audit recommends that matter be inquired at administrative level and irregularities be got condoned/regularized from the Finance Department besides fixing of responsibility.

(PDP No. 2755-Secretary Food Government of the Punjab, Lahore – 2012-13)

5.4.4 Irregular payment to daily wages employees-Rs.4.81 millions

Finance Department letter No. RO(Tech)FD 2-2/2001 dated 03.11.2008 requires that the appointment of work charged employees shall be made in accordance with procedure laid down in preface of Schedule of Wages Rate 2008. Para No.2 of Schedule of Wage Rates 2008 provides that appointment to a post included in this schedule may be made by the competent authority under Delegation of Financial Powers Rules 2006 subject to the following condition.

- a) The posts shall be advertised properly in leading newspapers.
- b) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para No.11 of the Recruitment Policy.

During audit of District Food Controller Rajanpur for the financial year 2012-13, it was observed that an expenditure of Rs.4,812,000 was incurred on payment of salaries to contingent paid staff . The following irregularities were observed.

- i. The posts were not advertised in newspaper.
- ii. The merit list was not found on record.
- iii. Police verification report was not sought.

Audit pointed out the lapse in October 2013. The management replied that recruitment policy cannot be implemented on daily wages chowkidar.

The matter was further reported to the administrative department. DAC in its meeting held on 31.12.2013, kept the para pending. Further progress was reported till finalization of this report.

Audit recommends that the department needs to seek regularization from the Finance Department besides strengthening of financial and administrative controls.

(PDP No. 3726-District Food Controller, Rajanpur -2012-13)

5.4.5 Irregular expenditure on purchase of vehicle-Rs.3.11 millions

As per provision under Sr. No. 3 of Delegation of Financial Powers Rules 2006, the strength of vehicles in the department has been sanctioned by the Finance Department, and the purchase/replacement is required for keeping up the sanctioned strength. Moreover, as per Rule 10 of PPRA Rules 2009, specifications shall allow the widest possible competition and shall not favour any single contractor or supplier nor put other at a disadvantage. Specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar classifications.

During audit of Food Department, it was observed that an expenditure of Rs.3,109,000 was incurred on purchases of vehicles which was irregular due to following shortcomings:

1. The payment of Rs.1,554,500 was made in advance without approval of the Finance Department.
2. The vehicles against which the new cars were purchased were also in use up to November 2013.
3. In violation of Rule 10 of PPRA Rules 2009, the management sought approval from austerity committee for the purchase of two vehicles of a particular brand.

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars of text	Amount (Rs.)
1	Secretary Food, Lahore	2012-13	2756	Irregular expenditure on purchase of vehicle	1,554,500
2	Directorate of Food, Lahore.	2012-13	3740	Irregular expenditure on purchase of vehicle	1,554,500
Total					3,109,000

Non adherence to the rules/government instructions and canons of financial propriety resulted in irregular expenditure of Rs.3,109,000.

The irregularity was pointed out in July & November 2013. The DDO against Sr. No.1 stated that detailed reply would be conveyed after going through the facts. The management at Sr. No. 2 stated that Toyota Corolla brand was duly approved by the Chief Executive of the Province.

The matter was further reported to the administrative department. DAC in its meeting held on 31.12.2013, the para at Sr. No. 2 was kept pending for compliance. Further progress was not reported by the department. As regards para at Sr. No. 1, neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

Audit recommends that responsibility be fixed for non observance of rules and government instructions, the expenditure be got regularized from the Finance Department besides strengthening of internal controls on procurement.

5.4.6 *Irregular mode of payments-Rs.1.44 millions*

According to Rule 4.49 (a) of Subsidiary Treasury Rules, read with the Finance Department letter No.FD(FR)V-6/75(P) dated 20.06.2007, payments exceeding Rs.100,000 shall be made through cheque instead of cash.

During audit of Secretary Food, Government of the Punjab, Lahore for the period 2012-13, it was observed that DDO made payments exceeding Rs.100,000 in cash.

The deviation from the rule/government instruction resulted in unauthorized payment of Rs.1,437,186.

Audit pointed out the irregularity in July 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

The department needs to strengthen its internal controls on payments and seek condonation of irregularity from the competent authority.

(PDP No. 2757-Secretary Food Government of the Punjab, Lahore - 2012-13)

5.4.7 *Unauthorized sanction of expenditure beyond the prescribed limit-Rs.1.30 millions*

According to Rule 2(b) (i) of Delegation of Financial Powers Rules 2006, administrative department, Category-I & II officers are competent to

accord sanctions to incur expenditure of Rs.500,000, Rs.400,000 and Rs.300,000 respectively on local purchase of stationery and computer stationery during a financial year. Moreover, according to Rule 12 of PPRA Rules 2009, procurement over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website. Furthermore, as per Rule 9 of PPRA Rules 2009, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without splitting.

During audit of the Secretary Food Department, Government of the Punjab, Lahore for the period 2012-13, it was observed that an expenditure of Rs.1,299,595 was incurred on local purchase of stationery and computer stationery beyond the prescribed powers. Moreover, the expenditure was incurred by splitting the job order to avoid advertisement.

The deviation from the rules/government instructions resulted in irregular expenditure of Rs.1,299,595.

Audit pointed out the irregularity in July 2013. The management noted for future guidance and undertook to furnish detailed reply later on.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

The department needs to prepare comprehensive plan for procurement of stationery items instead of local purchase in future besides regularization of expenditure from the Finance Department.

(PDP No. 2758-Secretary Food Government of the Punjab, Lahore - 2012-13)

5.4.8 Irregular expenditure on construction of plinth-Rs.1.15 millions

As per Sr. No.2(b)(xxv)(a)(ii) of Delegation of Financial Power updated up to 26.03.2010, category-I officer was competent to incur expenditure up to Rs.200,000 in each case.

During audit of Food Department, it was observed that an amount of Rs. 1,147,494 was incurred on construction of plinth. The Deputy Director Food was not competent to sanction the expenditure beyond Rs. 200,000.

Audit was of the view that weak management and financial control resulted in irregular payment of Rs. 1,147,494.

Audit pointed out the irregularity in November 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

Audit recommends responsibility be fixed for non-adherence of Government instructions besides strengthening of supervisory and financial controls.

(PDP No. 3751-District Food Controller, Gujranwala - 2012-13)

5.4.9 Irregular expenditure on dunnage material-Rs.1.14 millions

As per Sr. No. 2 (b) (xxv) (a) (ii) and (iv) of Delegation of Financial Power updated up to 26.03.2010, Category-I and IV officers were competent to incur expenditure up to Rs. 200,000 and Rs. 100,000 respectively in each case. Moreover, as per Rule 9 of PPRA Rules 2009, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without

any splitting or regrouping of the procurement so planned. Furthermore, as per Rule 12 *ibid*, procurement over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on PPRA's website.

During audit of Food Department, it was observed that an expenditure of Rs.1,142,989 was incurred on purchase of dunnage material (Bhoosa and PP bags) by splitting the expenditure to avoid the sanction of the higher authority and advertisement on PPRA website.

The deviation from the rules and regulations resulted in irregular purchase of dunnage material amounting to Rs. 1,142,989.

Audit pointed out the matter in August 2013. The management replied that the expenditure was sanctioned/incurred separately. The reply was not tenable as the PPRA rules were not observed.

The matter was further reported to the administrative department. DAC in its meetings held on 26.11.2013 kept the para pending for regularization from Finance Department. No further progress was reported till finalization of this report.

Audit recommends that responsibility be fixed for non adherence to government instructions besides regularization of the matter.

(PDP No. 2961- District Food Controller, T.T. Singh -2012-13)

5.4.10 Irregular payment of market committee fee-Rs.1.13 millions

As per Sr. No.2(b)(xiii) of Punjab Delegation of Financial Powers Rules, 2006 updated up to 26th March 2010, administrative departments, and officers of category-I are competent to accord sanction for "Fee in other cases in lieu of services rendered" up to Rs.5,000 while officers of category-II can sanction up to Rs.1,000 in each case respectively.

During audit of District Food Controller Kasur for the period 2012-13, it was observed that an expenditure of Rs.1,132,619 was incurred

on payment of market fee. The payment was held irregular as the sanction was accorded by the District Food Controller who being the officer of category-IV had no such powers.

The deviation from the Delegation of Financial Powers resulted in irregular expenditure of Rs.1,132,619.

Audit pointed out the irregularity in September 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 26.11.2013, the department replied that Food department was paying Rs.1 per 100 Kg wheat to market committees for providing facilities to the growers during procurement season and obviously it was a tax and not services. The committee kept the para pending for clarification from Secretary Agricultural Marketing in this regard. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility be fixed for non-adherence to government instructions besides regularization of the matter from the Finance Department.

(PDP No. 2942-District Food Controller, Kasur- 2012-13)

Internal Control Weakness

5.4.11 Loss to government due to damage of wheat-Rs.877,350

As per Rule 2.33 of PFR Vol.-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part.

Examination of the record of wheat scheme 2011-12 of Rajowal Center under District Food Controller, Okara revealed that wheat valuing Rs. 877,350 got damaged. This fact was also evident from the laboratory report dated 15.02.2013.

Weak internal controls on inventories resulted in a loss of Rs.877,350.

Audit pointed out the irregularity in September 2013. The management replied that the concerned official had been dismissed from government service by the orders of the Deputy Director Food, Sahiwal Division, Sahiwal.

The matter was further reported to the administrative department. DAC in its meeting held on 06.12.2013, kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that internal controls on inventories be strengthened to avoid such recurrences in future, responsibility be fixed and appropriate action be taken.

(PDP No. 2927-District Food Controller, Okara - 2012-13)

5.4.12 Non forfeiture of bardana security-Rs.832,335

As per Rule 4.1 of PFR Vol-I, all sums due to government should be regularly received and deposited into government treasury. The departmental controlling officers should accordingly see that all sums due to government are regularly received and checked against demands, and that they are paid into the treasury.

During audit of Food Department, it was observed that an amount of Rs.832,335 recoverable on account of cost of *bardana* had not been forfeited from security deposits.

Audit was of the view that weak supervisory controls resulted in non recovery.

The matter was pointed out in August 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 06.12.2013, kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that recovery be effected and internal controls on receipts be strengthened.

(PDP No. 2771-District Food Controller, Pakpattan -2012-13)

5.4.13 Shortage of wheat-Rs.755,188

As per rule 2.33 of PFR Vol-1, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During scrutiny of inventory register of District Food Controller, Chiniot for the financial year 2012-13, a shortage of wheat 28.100 M.Ton valuing Rs.755,188 was pointed out at the end of June 2012. As per inquiry report, shortage of wheat was proved and recovery of Rs.755,188 was imposed which was still recoverable from the official.

Weak internal controls on inventories resulted in shortage of wheat and weak internal controls on recoveries resulted in non recovery of Rs.755,188.

The matter was reported to the local administration in July 2013. The management did not furnish any reply.

The matter was further reported to the administrative department. In DAC meetings held on 26.11.2013, the department replied that recovery through pension of the officials was in process. The committee

kept the para pending for recovery. Further progress was not reported till finalization of this report.

Audit recommends that the department should strengthen its internal controls and effect recovery from the delinquents.

(PDP No. 3016-District Food Controller, Chiniot - 2012-13)

Recovery and overpayments

5.4.14 Non recovery of government dues-Rs.351.36 millions

According to Rule 4.1 of Punjab Financial Rules Vol-I, all sums due to government should be regularly received and deposited into government treasury. The departmental controlling officers should accordingly see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury.

During audit of Food Department, it was observed that an amount of Rs. 351,361,672 was recoverable from the serving officials and from those who were retired, died or were dismissed from the service. The recoverable amounts against these officers/officials were not recovered.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Food Controller, Bahawalpur	2012-13	2933	112,166,069
2	District Food Controller, Multan	2012-13	2960	62,603,623
3	District Food Controller, Bahawalnagar	2012-13	3698	46,072,981
4	District Food Controller, D G Khan	2012-13	3707	33,904,966
5	District Food Controller, Muzaffargarh	2012-13	3199	30,948,597
6	District Food Controller, Khanewal	2012-13	3204	25,834,725
7	District Food Controller, Sahiwal	2012-13	2782	16,469,025
8	District Food Controller, Layyah	2012-13	3014	12,461,674
9	District Food Controller, Rajanpur	2012-13	3712	10,359,290
10	District Food Controller, Mianwali	2012-13	3695	287,631
11	District Food Controller, M B Din	2012-13	3725	253,091
Total				351,361,672

Audit was of the view that weak internal controls on management of assets and supervisory controls resulted in a loss of Rs. 351,361,672 to the government.

The matter was pointed out from July to November 2013. The managements at Sr. No. 2, 4, 6 to 11 noted the observations for compliance. The managements mentioned at Sr. No. 1, 3 & 5 replied that efforts were being made for recovery.

The matter was further reported to the administrative department. DAC meetings were held on 06.12.2013, 17.12.2013 and 31.12.2013. The paras at Sr. No. 1 & 8 were kept pending for recovery. As regards para at Sr. No. 4, an amount of Rs. 53,400 recovered and para was kept pending for balance recovery of Rs. 33,904,966. The paras at Sr. No. 2, 3, 6 & 9 reduced to Rs. 62,603,623, Rs. 46,072,981, Rs. 25,588,848 and Rs. 10,359,290 respectively and kept pending. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

Audit requires fixing of responsibility for not taking appropriate steps to safeguard the assets and recovery of the outstanding amounts from the concerned officials.

5.4.15 Less/non deduction of income tax-Rs.5.96 millions

According to Section 153 of Income Tax Ordinance 2001, withholding tax @ 3.5% on supply of goods and 6% on all type of services should be deducted at source. Furthermore, as per section 236-A *ibid*, income tax @ 5% of auction value shall be recovered from successful bidder w.e.f. 01.07.2009. Moreover, as per section 13 *ibid*, for the purpose of computing income of an employee for a tax year chargeable to tax under the head “Salary”, the value of any perquisite provided by an employer to the employee in that year that is included in the employee’s

salary under section 12 shall be determined in accordance with this section.

During audit of Food Department, it was observed that income tax was either less deducted or not deducted from pay & allowances. Further, withholding tax was not deducted on service charges. (Annexure-3)

Audit was of the view that weak supervisory controls resulted in less/non deduction of income tax amounting to Rs. 5,960,165.

The matter was pointed out from July to November 2013. The managements at Sr. No. 9 to 12 noted the observations for compliance. The managements at Sr. No. 1, 2 & 4 to 7 replied that matter would be taken up with higher authorities. The management at Sr. No. 8 replied that income tax was not applicable as atta was provided to consumers and no payment was made. The management at Sr. No. 10 replied that the calculation of income tax will be rechecked in consultation with the income tax department and action in this regard would be taken accordingly. The management at Sr. No. 3 did not furnish any reply.

The matter was further reported to the administrative department. In DAC meetings held on 26.11.2013, 06.12.2013, 17.12.2013 and 31.12.2013, the department in respect of para at Sr. No. 12 replied that the concerned contractor had been asked to deposit income tax. The committee kept the para pending for recovery. As regards paras at Sr. No. 1 to 8, the committee kept the para pending for clarification from FBR on the issue. The para at Sr. No. 11 kept pending till finalization of collection of tax on auction. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

Audit recommends that recovery of income tax be effected and deposited into treasury besides strengthening of internal controls.

5.4.16 Overpayment of pay and allowances-Rs.929,149

As per Rule 2.31 (a) of PFR Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation. Further, as per Government of the Punjab, Service and General Administration Department (Regulation Wing) Notification No.DS(O&M)5-3/2004/Contract(MF) dated 14.10.2009, contract employees were made regular and advised that the pay of the contract employees being appointed in basic pay scales shall be fixed at the initial of the respective pay scale and the increments already earned during the contract appointment period shall be converted into personal allowance.

During audit of Food Department, it was observed that overpayments had been made to officers/officials on account of house rent, non stoppage of pay of deceased/retired employees and improper fixation of pay. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Food Controller, Gujranwala	2012-13	3752	677,890
2	Secretary Food, Govt. of the Punjab, Lahore	2012-13	2761	113,690
3	Secretary Food Government of the Punjab, Lahore	2012-13	2762	97,214
4	District Food Controller, Pakpattan	2012-13	2774	40,355
Total				929,149

Audit was of the view that weak financial controls on payroll resulted in overpayment of Rs.929,149.

Audit pointed out the irregularities in July, August and November 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 06.12.2013, kept the para pending for

compliance. Further progress was not reported till the finalization of this report.

Audit recommends strengthening of financial controls on payroll besides effecting recovery from the concerned officers/officials.

Others

5.4.17 Unauthorized de-classification of tarpaulins and jute bags- Rs.67.69 millions

As per Food Department letter No. SO (FOOD-II)6(28)/91 dated 02.01.1992, Deputy Director being competent authority shall pass necessary orders for declassification after submission of survey reports by the incharge of the centre through District Food Controller.

During audit of Food Department, it was observed that various District Food Controllers declared number of tarpaulins and jute bags as D-class at their own without approval of the competent authority i.e. Deputy Director Food. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Food Controller, Bahawalpur	2012-13	2936	12,200,000
2	District Food Controller, Rajanpur	2012-13	3714	9,845,000
3	District Food Controller, Bahawalnagar	2012-13	3701	8,820,000
4	District Food Controller, Multan	2012-13	2949	7,080,000
5	District Food Controller, Muzaffargarh	2012-13	3200	6,670,000
6	District Food Controller, Vehari	2012-13	2977	5,320,000
7	District Food Controller, Khanewal	2012-13	3205	3,835,000
8	District Food Controller, Jhang	2012-13	2973	3,770,000
9	District Food Controller, D G Khan	2012-13	3710	2,805,000
10	District Food Controller, Layyah	2012-13	3009	2,665,000
11	District Food Controller, Rahim Yar Khan	2012-13	2929	2,010,000
12	District Food Controller, Mianwali	2012-13	3692	1,130,000
13	District Food Controller, Sheikhpura	2012-13	3203	908,000
14	District Food Controller, Pakpattan	2012-13	2769	513,000
15	District Food Controller, Chiniot	2012-13	3018	119,728
Total				67,690,728

Audit was of the view that non-adherence to government instructions resulted in unauthorized de-classification of tarpaulins and jute bags.

Audit pointed out the matter from July to October 2013. The managements at Sr. No. 1 to 10 & 12 to 14 noted the observations for compliance. The management at Sr. No. 11 stated that the survey reports have been sent to Deputy Director Food for declassification of tarpaulins. The management at Sr. No. 15 did not furnish any reply.

The matter was further reported to the administrative department. In DAC meetings held on 26.11.2013, 06.12.2013, 17.12.2013 and 31.12.2013, the department in respect of paras at Sr. No. 1, 8 & 11 replied that the matter was in process. DAC kept the paras pending for compliance. As against para at Sr. No. 14, it was reported that auction proceedings were finalized and the auction charges were recoverable. The committee kept the para pending for recovery of the auction proceeds and advance income tax. The paras at Sr. No. 2, 3, 6, 10 & 13 were kept pending till de-classification and auction proceedings. The paras at Sr. No. 4 & 7 kept pending for verification of record. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013 and 13.11.2013.

Audit requires that responsibility be fixed and irregularity be got condoned.

5.4.18 *Non-declassification and auction of unserviceable items- Rs. 2.67 millions*

According to Rule 15.3 of PFR Vol-I, a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable or order the write off of losses of stores.

During audit of Food Department, it was observed that tarpaulins, tat, PP bags, patri, empty bottles, polythene sheets etc. valuing Rs. 2,670,925 were lying unserviceable at different centers. These items were required to be declassified and auctioned after obtaining necessary sanction from competent authority. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Food Controller, T.T. Singh	2012-13	2962	1,373,861
2	District Food Controller, Mianwali	2012-13	3693	567,581
3	District Food Controller, Kasur	2012-13	2946	435,161
4	District Food Controller, Gujranwala	2012-13	3753	294,322
Total				2,670,925

Audit was of the view that weak internal controls on management of assets could result into loss of Rs. 2,670,925.

The matter was pointed out from July to September 2013. The managements at Sr. No. 1, 2 & 4 noted the observations for compliance. The management at Sr. No. 3 replied that the case had been sent to the authorities for approval/auction.

The matter was further reported to the administrative department. In DAC meetings held on 26.11.2013 and 31.12.2013, the department in respect of paras at Sr. No. 1 & 3 replied that auction of un-serviceable items was in process. The committee kept the paras pending for compliance. The paras at Sr. No. 2 & 4 kept pending for auction proceedings. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any departmental reply was received nor DAC meeting was convened despite reminders issued on 24.10.2013 and 13.11.2013.

Audit recommends that auction process be expedited and sale proceeds be deposited into the government treasury besides strengthening of internal controls on management of assets.

5.4.19 Un-economical/irregular procurement of loans without observing PPRA Rules

According to Rule 3 of PPRA Rules 2009, all procurements made by all procuring agencies of the Government of the Punjab whether within or outside the Punjab shall be in accordance with these Rules.

During audit of Directorate Food Punjab, for the year 2011-12, it was observed that loans for procurement of wheat were borrowed through an arranger (Bank of Punjab) without following PPRA Rules.

Audit was of the view that deviation from the rules and regulations resulted in non availing of better terms and conditions on procurement of loans.

Audit pointed out the irregularity in November 2013. The management replied that a committee headed by Minister Agriculture Punjab had been constituted under the orders of the Chief Minister Punjab and the same had been notified on 14.10.2013 to bring the system in line with PPRA Rules.

The matter was further reported to the administrative department. DAC in its meeting held on 31.12.2013, kept the para pending. Further progress was reported till finalization of this report.

Audit recommends that all loans should be procured in accordance with the PPRA Rules in future.

(PDP No. 3737-Directorate of Food Punjab, Lahore -2012-13)

CHAPTER 6

FORESTRY, WILDLIFE & FISHERIES DEPARTMENT

6.1. *Introduction*

Forestry, Wildlife & Fisheries Department is headed by a Secretary with Chief Conservators of Forest and Directors General of Wildlife and Fisheries as heads of attached departments. As per Punjab Government Rules of Business, 1974, the department has been assigned the business of:-

- Scientific management of existing public forest estates to maximize production of wood & minor forest produce and to create new forest resources.
- Management of range lands to boost production of forage & livestock.
- Conservation & promotion of fisheries in private & public sectors.
- Education of the public for tree planting and provision of technical & advisory services on matters of afforestation to the people & other government departments.
- Research & training in various disciplines of forestry, wildlife, fisheries & sericulture.
- Management of watersheds to conserve soil & water & to improve the productivity of land.
- Acquisition & transfer of forest lands. Notification/ De-notification in respect of reserve, protected & un-classed forests.

6.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Forestry, Wildlife & Fisheries prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of four grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	37.311	(2.100)	35.211	34.966	(0.24)
PC21019	396.869	60.327	457.196	447.757	(9.44)
PC21023	483.021	55.174	538.195	530.953	(7.24)
PC22036	383.461	(346.396)	37.065	36.915	(0.15)
Total	1,300.662	(232.995)	1,067.667	1,050.591	(17.076)

Overview of Expenditure

The total budget of Forestry, Wildlife & Fisheries for the year ended 30 June, 2013 was Rs. 1,067.667 millions. Out of this amount the actual expenditure was Rs. 1,050.591 millions. The breakup of current and development expenditure is given below:

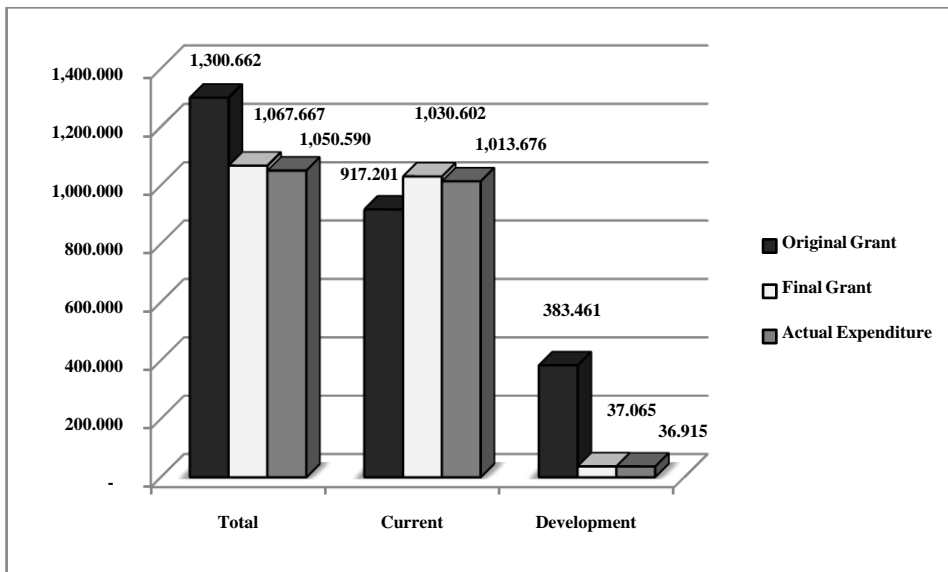
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	917,201,000	1,013,675,517	96,474,517	11
Development	383,461,000	36,914,647	(346,546,353)	90
Total	1,300,662,000	1,050,590,164	(250,071,836)	19

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

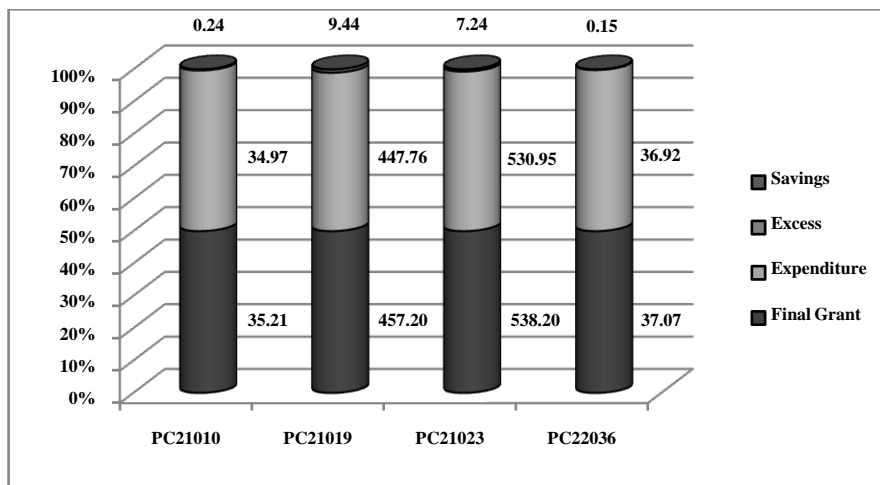
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	1,030,602,000	1,013,675,517	(16,926,483)	(1.64)
Development	37,065,000	36,914,647	(150,353)	(0.41)
Total	1,067,667,000	1,050,590,164	(17,076,836)	(1.60)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when

the savings are anticipated. However, savings amounting to Rs. 17.076 millions at the close of the year 2012-13 under grants PC21010, PC21019, PC21023 & PC22036 had not been surrendered well in time.



6.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	33	26	7	79
2	1986-87	39	39	0	100
3	1987-88	26	19	7	73
4	1988-89	71	53	18	75
5	1989-90	25	14	11	56
6	1990-91	28	17	11	61
7	1991-92	31	15	16	48
8	1992-93	10	6	4	60
9	1993-94	17	7	10	41
10	1994-95	28	1	27	4
11	1995-96	13	3	10	23
12	1996-97	4	3	1	74
13	1997-98	154	77	77	50
14	1998-99	151	95	56	63
15	1999-00	141	90	51	64
16	2000-01	258	169	89	66
17	2001-02	258	164	94	64
18	2003-04	16	4	12	25
19	2005-06	76	34	42	45
20	2006-07	138	52	86	38
21	2009-10	122	25	97	20
Total		1639	913	726	56

The compliance with PAC Directives in Forest Department is depicting a downward trend. The situation needs improvement.

6.4 AUDIT PARAS

Irregularity & Non-compliance

6.4.1 Irregular payment of pay & allowances-Rs.8.51 millions

According to revised pay scales 2005 issued vide Government of the Punjab, Finance Department letter No. FD.PC-2-3/2005 dated 16.07.2005, integrated allowance @ Rs. 150 per month shall be admissible to the Naib Qasid, Farashes, Chowkidars, and sweepers w.e.f. 01.07.2005, whereas washing allowance and dress allowance admissible to Naib Qasid, Farashes, Chowkidars, and sweepers shall stand abolished under this scheme.

During audit of Forestry, Fisheries and Wildlife Department, it was observed that pay and allowances were irregularly paid to the officers/officials contrary to the above provisions. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Description	Amount (Rs.)
1	D.G Fisheries Punjab, Lahore	2011-12	2319	Payment of pay & allowances without performing prescribed duty	8,258,896
2	District Wildlife Officer, Gujranwala	2002-12	2249	Payment of pay & allowances without performing prescribed duty	252,624
Total					8,511,520

Audit was of the view that weak internal controls on payroll and non observance of rules resulted in irregular payment of pay and allowances.

The matter was pointed out from July to October 2012. The management at Sr. No.1 replied that the staff of laboratory was being shifted to research and training institute. The management at Sr. No. 2 replied that appropriate action would be taken.

The matter was further reported to the administrative department. Neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit recommends that the department should strengthen its internal controls on staff strength and payroll, seek regularization of the matter and effect recoveries of the overpaid pay & allowances.

6.4.2 *Un-authorized purchase of vehicles -Rs.1.64 millions*

As per Finance Department's letter No. Exp(G) 11-9/99 dated 31.7.1999, no vehicle shall be purchased from development as well as non-development budget except with the prior approval of Chief Minister.

During audit of Deputy Director Fisheries for the period 2003-12, it was observed that department had purchased different vehicles valuing Rs.1,639,000 out of development grant during 2007-08 to 2008-09 without obtaining specific approval.

Audit was of the view that the expenditure was incurred in violation of standing instructions of the Finance Department.

The observation was issued in March 2013. The department replied that all codal formalities had been observed by the Director General Office and would be shown.

The matter was further reported to the administrative department. Neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Matter needs to be probed and responsibility for violation of government policy be fixed besides strengthening of supervisory and financial controls.

(PDP No. 3165 – Deputy Director Fisheries ,Fish Hatchery Chhenawana, Gujranwala - 2002-12)

6.4.3 Unauthorized mode of payments-Rs.1.61 millions

According to Rule 4.49 (a) of Subsidiary Treasury Rules read with Finance Department letter No. FD (FR) V-6/75(P) dated 20.06.2007; payments exceeding Rs.100,000 shall be made through cheque instead of cash.

During audit of Forestry, Fisheries and Wildlife Department, it was observed that payments exceeding Rs.100,000 were made to the contractors in cash in violation of above mentioned rule. The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1	D.G. Fisheries Punjab, Lahore	2011-12	2297	1,484,413
2	District Wildlife Officer, D.G. Khan	2003-12	2245	126,881
Total				1,611,294

Weak financial, supervisory controls and non observance of the government rules resulted in unauthorized payments of Rs.1,611,294.

Audit pointed out the matter during July and August 2012. The managements replied that payments were made as per rules. The reply was not based on facts.

The matter was further reported to the administrative department. DAC in its meeting held on 27.12.2013 kept the para at Sr. No. 1 pending for inquiry. Further progress was not reported by the department. As regards para at Sr. No. 2, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit emphasizes on strengthening of financial and supervisory controls, fixing of responsibility against the officers/officials and condonation of irregularity from the Finance Department.

Performance

6.4.4 *Purchase of machinery without immediate requirements- Rs.7.98 millions*

According to Rule 2.10 (b) (5) of PFR Vol-I, no money is withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance 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.

During audit of Chief Conservator of Forest, Lahore for the year 2012-13 it was observed that an expenditure of Rs. 7,975,000 was incurred on purchase of machinery and equipment for office Lab which could not be started. It is pertinent to mention that the scheme for which the purchases were made was closed without achieving its targets.

Audit was of the view that machinery and equipment was purchased without immediate requirement in violation of the rules.

The matter was pointed out in July 2012. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit recommends that matter regarding non implementation of project be inquired at higher level and fixing the responsibility.

(PDP No. 2455 – CCF (PM&E), Punjab, Lahore - 2011-12)

Internal Control Weakness

6.4.5 *Non-collection of government dues-Rs.396.28 millions*

According to Rule 4.1 of PFR Vol-I, the departmental controlling officers should see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury.

During audit of Forestry, Fisheries and Wildlife Department, it was observed that an amount of Rs. 396,284,075 was outstanding against various contractors and officers/officials. (Annexure-4)

Mismanagement, weak internal controls and ineffective recovery mechanism resulted in loss of Rs. 396,284,075.

Audit pointed out the matter in April to Nov 2012 and July to October 2013. Some of the managements noted the observations for compliance. The other did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meetings held on 05.12.2013 and 30.01.2014 kept the paras at Sr. No. 8 & 17, 28 pending for recoveries in lump sum. After partial recoveries, the amounts of the paras at Sr. No. 1, 2, 4, 5, 7, 9, 10, 12, 14 to 16, 20, 22 to 24 & 29 were reduced to the extent shown in annexure. Further progress was not reported by the department. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit requires development of effective mechanism of recovery.

6.4.6 Unjustified expenditure on silt clearance-Rs.1.22 millions

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

During audit of accounts of Forestry, Fisheries and Wildlife Department, it was observed that an expenditure of Rs.1,217,925 was

incurred as silt clearance charges. The incurrence of said expenditure was held irregular on the following grounds:

- Approval of schemes from the competent authority (as per APO) related to specific work of sowing and planting instead of silt clearance.
- Fate of the area on which the approved expenditure should have been incurred was unknown to audit.

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Rajanpur	2012-13	3326	165,100
2	Divisional Forest Officer, Layyah	2012-13	3464	79,340
3	Divisional Forest Officer, Rajanpur	2011-12	2431	973,485
Total				1,217,925

The matter relates to weak internal controls and violation of financial rules/government instructions.

Audit pointed out the matter in September 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meetings held on 05.12.2013 and 30.01.2014 kept the para at Sr. No. 3 pending for probe of the matter from CCF Southern Zone Multan. The paras at Sr. No. 1 & 2 were kept pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends that the matter be inquired and entire amount be recovered. Audit also stresses for calculation of similar type unjustified and fake expenditures for compliance or recovery.

6.4.7 Excess expenditure due to variation of rate-Rs. 894,638

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible

for any loss sustained by the government through fraud or negligence on his part.

During audit of Forestry, Fisheries and Wildlife Department, it was observed that different rates of maintenance of afforestation/regeneration and raising of potted nursery had been charged for the same crop/plant during the same year. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Jhang	2011-12	2253	90,000
2	Divisional Forest Officer, Khushab	2011-12	2325	40,500
3	Divisional Forest Officer, Jhang	2011-12	2434	656,000
4	Divisional Forest Officer, Rahim Yar Khan	2009-12	3179	107,600
5	Divisional Forest Officer, Jhelum	2011-12	2260	83,455
Total				894,638

Audit was of the view that weak financial controls resulted in overcharging of rates.

The matter was pointed out in July, August, September 2012 and August, 2013. The managements at Sr. No. 1 replied that cases are being scrutinized and suitable action will be taken. The management at Sr. No. 2 did not furnish any reply. The management at Sr. No.3 replied that case was being scrutinized and would be justified. The Management at Sr. No.4 stated that the work had been carried out according to the approved rates in scheme. There was no excess rate charged, the management at Sr. No.5 had noted the observation for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 30.01.2014 kept the para at Sr. No. 4 pending for recovery of difference of rate. Further progress was not reported by the department. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit recommends strengthening of financial controls and recovery of excess rates charged besides fixing of responsibility.

Recovery and overpayments

6.4.8 Non recovery of loss-Rs.11.67 millions

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

During audit of Forestry, Fisheries and Wildlife Department, it was observed that the DFO dismissed the employees due to damage of forest property amounting to Rs. 11,669,101 but no efforts to make good the loss were on record. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Mianwali	2011-12	2265	9,624,348
2	Divisional Forest Officer, Sialkot	2012-13	3683	2,044,753
Total				11,669,101

Audit pointed out the lapse in September 2012 and August 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 30.01.2014 kept pending for compliance. Further progress was not reported by the department. As regards remaining para, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit recommends that recovery be affected besides strengthening of internal controls to avoid recurrence in future.

Others

**6.4.9 *Non finalization of inquiry cases of forest damages-
Rs. 81.74 millions***

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

During audit of the Forestry, Fisheries and Wildlife Department, it was observed that cases regarding theft of timber and firewood were under inquiry and were not finalized despite lapse of considerable time. (Annexure-5)

Weak internal controls on management of assets resulted in damage/theft of property worth Rs. 81,744,309.

Audit pointed out the matter in April & November 2012 and July to November 2013. Some of the managements did not furnish reply and some noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 05.12.2013 and 30.01.2014. The amounts of the paras at Sr. No. 2 & 6 were reduced to Rs. 17,796,755 and Rs. 4,056,740 respectively. The paras at Sr. No. 1, 3 & 12 were kept pending for want of inquiry for delay in finalization of cases. The paras at Sr. No. 5, 10, 13, 14 & 16 were kept pending for compliance. Further progress was not reported by the department. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit requires strengthening of internal controls on management of assets and early finalization of cases.

6.4.10 Non-disposal of timber, fire wood, P-Bags and potted plants-Rs.38.76 millions

According to Paragraph 3.20 (23) of Forest Manual Vol-III, it is the foremost duty of the Divisional Forest Officer to sell the timber stock quickly and advantageously.

During audit of the Forestry, Fisheries and Wildlife Department, it was observed that timber, firewood, P-bags and potted plants were lying un-disposed off. (Annexure-6)

Further amount of earnest money had not been forfeited due to cancellation of the auction of lots.

Weak internal controls on management of assets resulted in non disposal of assets to the stated extent.

The matter was pointed out from April to November 2012 and from July to October 2013. The managements at Sr. No. 1, 3, 5, 9, 11, 13 to 15 and 17 noted the observations for compliance. The managements at Sr. No. 2, 8, 10 & 12 replied that material is being included in the *lotwara* for auction. The managements at Sr. No. 4, 6,7 & 16 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meetings held on 05.12.2013 and 30.01.2014 kept the paras at Sr. No. 1 & 9 pending for inquiry. The para at Sr. No. 2 was kept pending for compliance. The paras at Sr. No. 14 & 15 were reduced to Rs. 241,079 and Rs. 215,100 respectively. Further progress was not reported by the department. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit recommends for inquiry regarding cancellation of auction besides fixing of responsibility.

6.4.11 Non-finalization of forest offence cases-Rs.38.59 millions

According to sub paras 7 to 12 & 27 of Rule 3.8 (Chapter-III Misc.) of Forest Manual Vol-III, if the offender desires to pay compensation, the case should be finalized by compounding the goods and receiving compensation. If the accused refuses to compound and to pay the compensation, the offence should not be delayed and prosecution challans should be made and submitted in the Range Office within a week of receipt of the damage report or further report of the denial to compound the offence.

During audit of the Forestry, Fisheries and Wildlife Department, it was observed that neither the offenders paid the compensation nor were prosecuted in the court of law resulted in a loss of Rs. 38,588,855. (Annexure-7)

Audit was of the view that violation of government instructions and weak supervisory controls resulted in loss to the stated extent.

Audit pointed out the matter in April to November 2012 and August to October 2013. The managements at Sr. No. 1 to 5 & 8 did not furnish any reply. The managements at Sr. No. 6, 11 to 14, 18 to 20 noted the observations for compliance. The management at Sr. No. 10 stated that matter was being inquired. The management at Sr. No. 15 stated that reconciliation will be made and results will be shown to next audit.

The matter was further reported to the administrative department. DAC in its meetings held on 05.12.2013 and 30.01.2014 kept the para at Sr. No. 14 pending for production of proof of credit of Rs. 40,180 of the compound cases and details of prosecuted, disciplinary action and recovery imposed. The para at Sr. No. 17 was kept pending for compliance. After partial recoveries, the amounts of the paras at Sr. No. 4,

6, 9, 12, 13 & 15 were reduced to the extent shown in annexure. Further progress was not reported by the department. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit requires early finalization of cases besides fixing of responsibility for the delay.

6.4.12 Non clearance of amounts lying under the head P-deposits-Rs.21.79 millions

According to Rule 7 (i) of Section V of Punjab Treasury Rules, moneys received by or tendered to government servant shall not be appropriated to meet departmental expenditure nor otherwise kept apart from the Consolidated Fund. Moneys so received shall, without undue delay, be paid in full into the treasury or bank.

During audit of P-Deposit registers of various Divisional Forest Officers, it was observed that an amount of Rs. 21,787,346 was lying under the head “P-Deposits” on account of income tax, sales tax, zakat, and earnest money etc. The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Okara	2012-13	3465	9,759,340
2	Divisional Forest Officer, Bahawalnagar	2012-13	3311	4,396,730
3	Divisional Forest Officer, Layyah	2011-12	2259	3,172,565
4	Divisional Forest Officer, Rajanpur	2011-12	2276	2,267,853
5	Divisional Forest Officer, Bhakkar	2012-13	3826	1,046,188
6	Divisional Forest Officer, Chicha Watni	2012-13	3184	446,425
7	Divisional Forest Officer, D.G. Khan	2011-12	2292	419,300
8	Divisional Forest Officer, Multan	2011-12	2270	201,620
9	Divisional Forest Officer, Rajanpur	2012-13	3430	77,325
Total				21,787,346

Audit was of the view that weak financial controls resulted in non-clearance of “P-Deposits”.

The matter was pointed out in September and November 2012 and August to September 2013. The managements at Sr. No. 1, 2, 6, 7 to 9 noted the observations for compliance. The managements at Sr. No. 3 & 4 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meetings held on 05.12.2013 and 30.01.2014 kept the paras at Sr. No. 1, 2 & 8 pending for want of clarification from the Finance Department. The para at Sr. No. 6 was kept pending for inquiry regarding revision of the felling program. The para at Sr. No. 9 was kept pending for compliance. The amount of para at Sr. No. 5 reduced to Rs. 672,760. Further progress was not reported by the department. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit requires immediate transfer of the amounts to the relevant heads of accounts besides fixing responsibility for not following the prescribed procedure.

6.4.13 Loss due to mortality of animals/birds-Rs.5.31 millions

As per Rule 5 of Special Powers of Parks and Wildlife Wing, the administrative department on the recommendation of D.G Wildlife and Parks after investigation/inquiry in the prescribed manner have full powers to write off losses of wildlife animals and other exhibits due to natural causes other than negligence or fraud and the report shall be sent to Finance Department and audit.

During audit of Forestry, Fisheries and Wildlife Department, it was observed that animals and birds died but inquiry reports were not

produced to audit to verify the cause of mortality. Neither loss was reported nor was written off by the competent authority. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Deputy Director Wildlife, Jallo Park Lahore	2009-12	2294	4,091,700
2	District Wildlife Officer, Kasur	2003-12	2301	1,214,288
Total				5,305,988

Audit pointed out the matter in September 2012. The management at Sr. No. 1 replied that the matter was under process. The management at Sr. No. 2 noted the observation for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 27.12.2013 kept the paras pending for write off of loss. Further progress was not reported till the finalization of this report.

Audit requires inquiry regarding loss of mortality of animal and birds and appropriate action be taken as per rules after inquiry report.

6.4.14 Non disposal/auction of unserviceable vehicles and machinery-Rs.5.25 millions

According to Rule 15.3 of PFR Vol-I, a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable or order the write off of losses of stores.

During audit of Forestry, Fisheries and Wildlife Department, it was observed that a number of vehicles and machinery were lying unserviceable/off road/condemned. Due to non disposal, their condition was getting deteriorated.

The detail are as under:-

Sr. No.	Name of formation	Period of audit	PDP No.	Off road/ Condemned items	Amount (Rs.)
1	District Wildlife Officer, R. Y. Khan	2003-12	2315	Nine double cabin vehicles	4,500,000
2	District Wildlife Officer, Kasur	2003-12	2302	One Jeep 1984 model	500,000
3	Divisional Forest Officer, Khushab	2011-12	2279	Five Motor Cycles	250,000
Total					5,250,000

Weak internal controls on asset management could result in a loss of Rs. 5,250,000.

Audit pointed out the matter in September, November 2012 and October 2013. The managements at Sr. No. 1 & 2 noted the observations for compliance. The management at Sr. No. 3 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meeting held on 27.12.2013 kept the para at Sr. No. 2 pending till the disposal of vehicle. Further progress was not reported by the department. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit recommends that the department should strengthen its internal controls on management of assets and take appropriate action to avoid further loss of assets by deterioration.

6.4.15 Loss to government due to encroachment of land

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

During audit of Forestry, Fisheries and Wildlife Department, it was observed that state land measuring 661 acres had been encroached. No fruitful efforts were made to get the state land vacated. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Area
1	Divisional Forest Officer, Attock	2012-13	3466	648 Acres
2	Deputy Director Fisheries, Fish Hatchery Chhenawan, Gujranwala	2012-13	2907	13 Acres
Total Area encroached				661 Acres

Audit was of the view that weak internal controls on management of assets resulted in encroachment of the state land.

Audit pointed out the matter in March 2013. The management at Sr. No.1 had signed the observation without giving any reply. The management at Sr. No. 2 replied that efforts are being made through different agencies i.e. Anti-Corruption, Ombudsman (Provincial) and Chief Minister Punjab.

The matter was further reported to the administrative department. DAC in its meeting held on 30.01.2014 kept the para at Sr. No. 1 pending for decision by the court. Further progress was not reported by the department. As regards remaining para, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 06.12.2013.

Audit recommends that matter be probed for delay in reporting and vacation. Serious efforts to vacate the encroached land are required along with production of follow up documentary evidences to Audit.

CHAPTER 7

HEALTH DEPARTMENT

7.1 *Introduction*

Health Department comprises of four attached departments and nineteen autonomous bodies. As per Rules of Business, 1974 (amended to-date), the department has been assigned the business of:

- Public Health & Sanitation i.e., prevention & control of infectious and contagious diseases.
- Regulation of medical & other professional qualifications & standards.
- Medical registration including medical council
- Medical education including schools, medical colleges and institution for dentistry.
- Control of medicinal drugs, poisons & dangerous drugs (Drugs Act & Rules).
- Collection, compilation, registration & analysis of vital health statistics & estimation of population for future projections.
- Administrative control of the entire Nursing Cadre in the province specially those working under the Provincial Health Department or in the teaching hospitals.

7.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Health Department prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of four grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	187.162	3.468	190.630	180.200	(10.430)
PC21016	36,807.041	1,865.219	38,672.260	35,607.653	(3,064.607)
PC13034	26.835	0.001	26.836	27.666	0.830
PC22036	19,455.851	(4,894.630)	14,561.221	10,673.117	(3,888.104)
Total	56,476.889	(3,025.942)	53,450.947	46,488.637	(6,962.310)

Overview of Expenditure

The total budget of Health Department for the year ended 30 June, 2013 was Rs.53,450.947 millions. Out of this amount the actual expenditure was Rs.46,488.637 millions. The breakup of current and development expenditure is given below:

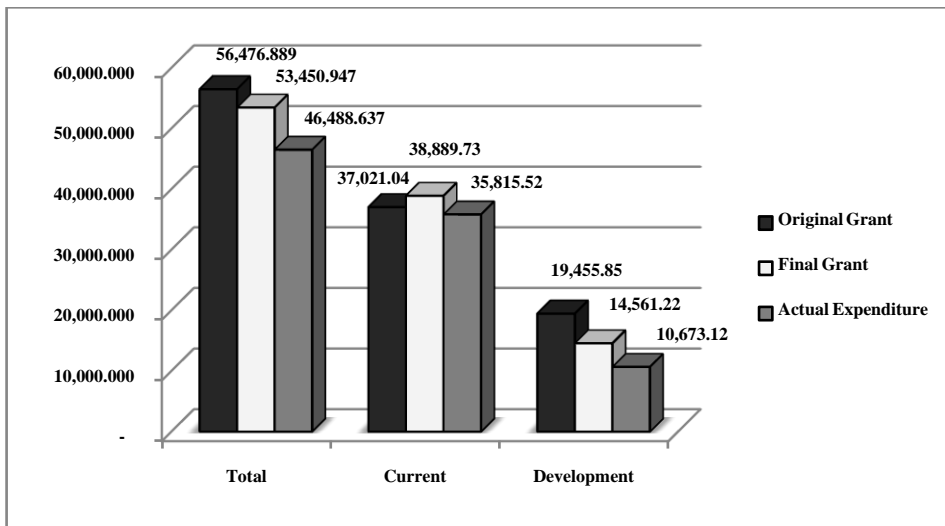
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	37,021,038,000	35,815,520,133	(1,205,517,867)	(3.26)
Development	19,455,851,000	10,673,117,340	(8,782,733,660)	(45.14)
Total	56,476,889,000	46,488,637,473	(9,988,251,527)	(17.69)

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

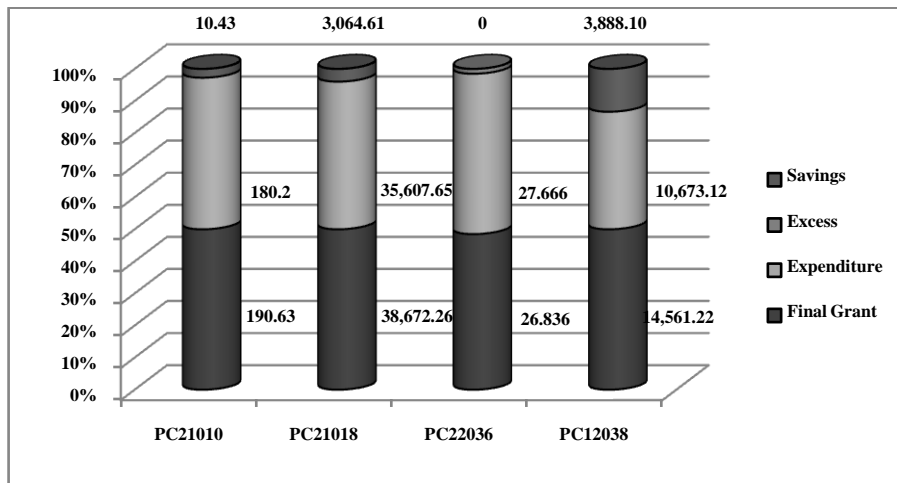
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	38,889,726,000	35,815,520,133	(3,074,205,867)	(7.90)
Development	14,561,221,000	10,673,117,340	(3,888,103,660)	(26.70)
Total	53,450,947,000	46,488,637,473	(6,962,309,527)	(13.03)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to

Rs. 6961.48 millions at the close of the year 2012-13 under grants PC21010, PC21016, & PC22036 had not been surrendered well in time.



Excess requiring regularization

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purpose. However, excess expenditure amounting to Rs. 0.830 millions for the year 2012-13 under grant PC13034 had not been got regularized so far. This was breach of legislative control over appropriations.

7.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC directives for reports discussed so far is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	48	35	13	73
2	1986-87	67	53	14	93
3	1987-88	145	91	54	63
4	1988-89	79	55	24	70
5	1989-90	101	54	47	53
6	1990-91	128	75	53	59
7	1991-92	67	47	20	70
8	1992-93	71	44	27	62
9	1993-94	88	54	34	61
10	1994-95	76	5	71	7
11	1995-96	122	-	122	0
12	1996-97	108	69	39	64
13	1997-98	201	53	148	26
14	1998-99	297	159	138	54
15	1999-00	154	118	36	77
16	2000-01	411	291	120	71
17	2001-02	270	160	110	59
18	2003-04	31	8	23	26
19	2005-06	95	32	63	34
20	2006-07	235	103	132	44
21	2009-10	295	36	259	12
Total		3089	1029	1547	33

The compliance with PAC Directives in Health Department during the years 2001-02 to 2005-06 & 2009-10 is quite low. The situation needs improvement.

7.4 AUDIT PARAS

Fraud/Misappropriation

7.4.1 *Fraud/misappropriation due to bogus issuance of lab kits-Rs. 1.47 millions*

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

During audit of Faisalabad Institute of Cardiology for the year 2012-13, it was observed that lab kits mentioned on the leaves of the indent books of wards were issued as per indent form but counterfoils of the same indents were overwritten and shown issued to Pathology and Cardiac Ward through bogus increased quantities of lab kits. Thus, public exchequer was put to a loss of Rs 1,468,889 due to fraud and misappropriation of lab kits.

Audit was of the view that fraud/misappropriation was committed due to weak supervisory and financial controls.

Audit pointed out the loss in October 2013. The management replied that the matter would be scrutinized and the audit would be informed about the findings.

The matter was further reported to the administrative department. DAC in its meeting held in January 2014 kept the para pending for inquiry at administrative level. Further progress was not reported till the finalization of this report.

Matter being very serious should be thoroughly inquired; responsibility should be fixed for fraud/misappropriation. Loss to Government should be immediately recovered from responsible(s) besides

strengthening of financial as well as supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 3590-Faisalabad Institute of Cardiology-2012-13)

7.4.2 *Fraudulent withdrawal through double claims- Rs. 672,435*

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

During audit of Governor's House Medical Center Lahore for the period 2010-12, it was observed that an amount of Rs. 672,435 was fraudulently drawn by double claim against the same vouchers.

Audit was of the view that fraud was occurred due to weak supervision and financial controls.

Audit pointed out the loss. The management replied that case is under investigation against the cashier/accountant and forwarded to the competent authority for further necessary action.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends investigating the matter, fixing the responsibility against the officials/officers concerned besides effecting recovery of the loss and strengthening supervisory/financial controls.

(PDP No. 2593-Governor House Medical Center, Lahore-2010-12)

Non-Production of Record

7.4.3 *Non production of record- Rs. 113.02 millions*

According to Section 14(2) & (3) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the officer in-charge of any office or department shall afford all facilities and provide

record for audit inspection and comply with requests for information. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of Health Department, record was not produced to audit despite repeated requests. Due to non-production of record the authenticity of expenditure of Rs. 113,019,974 could not be verified by audit. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of record	Amount (Rs)
1	Director General Health Services Punjab, Lahore	2012-13	2836	Punjab Rural Support Program vouched account	67,000,000
2	Mayo Hospital, Lahore	2011-12	2564	Complete purchase of equipment for plastic surgery record including advertisement, technical bids, financial bids, technical evaluation reports, end user comments, inspection report.	1,845,874
3	Secretary Health Government of Punjab, Lahore	2012-13	2846	Development Grant 36 vouchers	-
4	Institute of Public Health, Lahore	2012-13	4246	Complete record of repair and maintenance of hospital building	800,000
5	Children Hospital Complex, Multan	2012-13	4247	Paid vouchers, cash book etc	10,000,000
6	QMC & Allied Institution, Bahawalpur	2012-13	4278	Vouched account and related record of advances to professors for different jobs	33,374,100
Total					113,019,974

Audit was of the view that due to non production of record audit could not ascertain the authenticity of accounts.

Audit pointed out the matter in August 2012 and July 2013. The management at Sr. No. 1 replied that the record shall be provided to the Audit for verification as and when requisite document is submitted to the AG Punjab. The management at Sr. No. 2 replied that the purchase procedure was carried out by Health Department. All the relevant record is available at the purchase cell of Health Department. The reply was not satisfactory because payments were made from hospital hence it was the responsibility of hospital management to produce auditable record after obtaining the same from Health Department. The management at Sr. No. 3 did not furnish any reply. The management at Sr. No.4 replied that the requisite record would be demanded from C & W Department. The management at Sr. No. 5 noted the observation for compliance. The management at Sr. No. 6 replied that relevant record would be produced on completion of works. Replies were not satisfactory because managements did not give due care for production of record.

The matter was also reported to the administrative department. DAC was convened during July and December 2013. The para at Sr. No.1 was kept pending for compliance. The para at Sr. No.2 was kept pending for verification from the AIR of Purchase Cell. As regards para at Sr. No. 5, the department reported that the record was with Ex-Accountant, FIR had been lodged and the case was under investigation of the Anti-corruption Department. The para was kept pending for compliance. The para at Sr. No.6 was kept pending for completion of work and verification from the Building Department that the audit of the expenditure had been incurred along with work completion certificate. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit requires production of record besides fixing responsibility for not providing record to audit and the officers/officials be proceeded under relevant Efficiency and Discipline Rules.

Irregularity & Non-compliance

7.4.4 Non deposit of income into PLA-Rs. 273.83 millions

According to Rule 17.1 of Punjab Medical and Health Institutions Rules 2003, grants in aid, development funds, all receipts generated by the institutions, donations and contributions received shall be kept in the personal ledger account (PLA) of the institution.

During audit of Health Department, it was observed that hospital receipts valuing Rs. 273,829,159 were retained in bank accounts and not deposited into respective PLA accounts in violation of the above stated provision. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Shaikh Zayed Hospital & Allied Institutions, Lahore	2012-13	4305	117,042,976
2	Punjab Medical College & Allied Institutions, Faisalabad	2012-13	4201	85,548,246
3	Punjab Medical College & Allied Institutions, Faisalabad	2012-13	4203	56,544,925
4	Faisalabad Institute of Cardiology	2012-13	3584	14,693,012
Total				273,829,159

Audit was of the view that non-deposit of hospital receipts in PLA was violation of prescribed procedure due to weak financial and supervisory controls.

Audit pointed out the lapse from August to October 2013. The management at Sr. No. 1 replied that Shaikh Khalifa Bin Zayed Medical &

Dental College Lahore was approved by the Federal Government on the basis of self generation without any additional funds from Federal Government. No grant in aid has been released by the Federal as well as Provincial Government, so thereafter no need was observed to open PLA. The reply was not considered satisfactory being evasive. The Managements at Sr. No. 2 & 3 stated that detailed reply would be submitted later on. The management at Sr. No. 4 stated that balance amount is a part of share money required to be distributed to doctors and support staff. Replies were not satisfactory because no documentary evidences in support of replies were shown to audit.

The matter was also reported to the administrative department. DAC in its meeting held in January 2014 kept the para at Sr. No. 4 pending for regularization from the competent authority. The para at Sr. No. 2 kept pending for conducting inquiry at administrative level and fixing responsibility for not depositing the amount into PLA. Further progress was not reported by the department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit requires that government receipts be deposited in Personal Ledger Account besides fixing the responsibility for keeping them in commercial bank accounts besides strengthening the financial controls.

7.4.5 Irregular receipt of user charges-Rs. 240.26 millions

According to Rule 3(1)(e) of the Punjab Medical & Health Institution Rules 2003, Board shall determine user charges and fees for admission, clinical and procedural services and facilities with the prior approval of government.

During audit of Health Department, it was observed that user charges were received from patients at the rates prescribed by the board

without getting prior approval from the Government in violation of the above stated provision. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Punjab Medical College & Allied Institutions Faisalabad	2012-13	4184	90,756,467
2	Principal Fatima Jinnah Medical College/Ganga Ram Hospital & Allied Institutions Lahore	2012-13	3786	34,807,359
3	Principal Services Hospital /SIMS School Lahore	2012-13	4265	32,784,281
4	Faisalabad Institute of Cardiology	2012-13	3587	41,078,264
5	BVH /Quaid-e-Azam Medical College and Nursing School Bahawalpur	2011-12	2802	40,835,484
Total				240,261,855

Audit was of the view that collection of user charges without prior approval of Government valuing Rs. 240,261,855 was unlawful.

Audit pointed out the irregularity from September to November 2013. The managements replied that cases have been referred to Government for approval.

The matter was also reported to the administrative department. DAC was convened in September, December 2013 and January 2014. The paras at Sr. No. 1, 2, 3, 4 & 5 were kept pending till the approval of the user charges by the Health Department. Further progress was not reported by the department. As regards remaining para, neither any reply was received nor DAC meeting convened for the remaining formations despite repeated reminders till the finalization of this report.

Audit recommends that irregular collection of user charges needs to be regularized from competent authority besides getting approval of the rates from the Government and strengthening of financial controls to avoid recurrence of such lapses in future.

7.4.6 Irregular procurement of medicine- Rs. 57.94 millions

According to Rule 4 of the PPRA Rules 2009, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

During audit of Faisalabad Institute of Cardiology for the period 2012-13, it was observed that procurement of medicine amounting to Rs. 57,939,850 was made without observing above said rules.

Audit was of the view that lapse occurred due to weak supervision and financial controls.

Audit pointed out the matter in October 2013. The management noted the observation for compliance

The matter was also reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that irregular expenditure be got regularized by competent authority besides strengthening of financial as well as supervisory controls.

(PDP. No. 3597- Faisalabad Institute of Cardiology- 2012-13)

7.4.7 Un-authorized payment of sales tax-Rs.45.19 millions

According to Section 52 (a) under Sixth schedule of the Sales Tax Act 1990, operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of 200 or more beds are exempted from payment of sales tax.

During audit of Health Department, it was observed that an amount of Rs. 45,185,871 was paid on account of GST in respect of utility charges like Electricity and Sui-Gas despite the fact that the hospitals were exempted from payments of sales tax.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Principal PGMI/LGH & Nursing School, Lahore	2011-12	2537	10,837,364
2	Government Mian Nawaz Sharif Hospital, Lahore	2012-13	2828	250,669
3	Punjab Medical College & Allied Institutions Faisalabad	2012-13	4183	17,329,566
4	Principal FJMC/Ganga Ram Hospital & Allied Institutions Lahore.	2012-13	3807	1,680,290
5	Principal Services Hospital/SIMS/school Lahore	2012-13	4260	7,933,378
6	Children Hospital Complex Lahore	2012-13	4252	793,233
7	Faisalabad Institute of Cardiology	2012-13	3586	6,361,371
Total				45,185,871

Audit was of the view that laxity on the part of the management resulted in loss to the institutions.

Audit pointed out the lapse. The managements replied that matter would be taken up with the authorities for necessary clarification.

The matter was also reported to the administrative department. DAC meetings were held in May, December 2013 and January 2014. paras at Sr. No.1, 2, 3, 4, 6 & 7 were kept pending for compliance. The para at Sr. No. 5 was kept pending for clarification from FBR. Further progress was not reported till the finalization of this report.

Audit requires that irregular payment of GST needs to be recovered / adjusted in the next utility bills besides strengthening the supervisory and financial controls.

7.4.8 Irregular expenditure due to appointment of contingent paid staff-Rs. 31.58 millions

According to Finance Department's letter No.FD.SO.(GOODS)44-4/2011 dated 07.07.2012, no contingent paid staff shall be appointed without prior approval of Finance Department.

During audit of Punjab Medical College & Allied Institutions, Faisalabad for the year 2012-13, it was observed that management appointed contingent paid staff without approval of Finance Department. This resulted in irregular expenditure of Rs 31,577,484.

Audit was of the view that lapse occurred due to weak supervision and financial controls.

Audit pointed out the matter in September 2013. The management replied that Allied Hospital is a tertiary care hospital which is providing specialized Health care facilities. In order to overcome acute shortage of staff the management appointed contingent paid staff with the approval of BOM. Reply was not tenable.

The matter was further reported to the administrative department. DAC in its meeting held on January 2014, kept the para pending for regularization. Further progress was not reported till the finalization of this report.

Audit recommends that the irregularity be got regularized from Finance department besides strengthening of financial and supervisory controls.

(PDP. No. 4180 PMC & Allied Institutions Faisalabad, for the year 2012-13)

7.4.9 Blockage of capital-Rs. 21.75 millions

According to Rule 15.21(4) & (5) of PFR Vol-I, stores, in many cases, represent a locking up of capital which is not justifiable unless essential and purchase and retention of store in excess of the probable requirement of the department in the near future may result in loss to Government through deterioration. Moreover, Rule ibid also provides that balances of stores should not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit.

During audit of Health Department, it was observed that equipment worth Rs. 21,747,600 were purchased but the same were still lying unused even after a lapse of almost two and half years. The warranty of most of the articles was due to be expired prior to its utilization. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Shaikh Zayed Hospital & Allied Institutions Lahore	2012-13	4310	15,847,600
2	Faisalabad Institute Of Cardiology	2012-13	3594	200,000
3	QMC & Allied Institutions Bahawalpur	2012-13	4285	5,700,000
Total				21,747,600

Audit held that stores were procured in excess of the requirement. Thus, public money was blocked by the management due to weak supervisory and financial controls.

Audit pointed out the matter from August to October 2013. The management at Sr. No. 1 replied that the date of completion for 2nd floor building was 30.6.2010 which was extended up to 30.6.2012, however the project was ready for commencing. The reply was not tenable as the warranty of most of the articles was due to be expired prior to its utilization. The management at Sr. No. 2 replied that the store articles are specific for cardiac surgery patients and hospital must have same quantity as per recommendation of the end user. Reply was not satisfactory because not a single quantity was issued from the store which showed that items were purchased without immediate requirement. The management at Sr. No. 3 replied that generators were purchased for hostels due to load shedding of electricity which was absolutely necessary for student.

The matter was also reported to the administrative department. DAC meetings were held in December 2013 and January 2014. The para at Sr. No. 2 was kept pending for inquiry by administrative department.

The para at Sr. No.3 was kept pending for finalization of payment and revision of PC-I. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that responsibility be fixed for procurement of stores in excess and irregularity be got regularized besides strengthening of Financial as well as supervisory controls.

**7.4.10 Drug testing of medicine/disposables not conducted-
Rs. 15.59 millions**

According to Sub-Section 2 of Section 22 of the Drugs Act, 1976, the Government Analyst, as far as may be, shall submit the report within sixty days of the receipt by him of the sample of the drug and , if he is not able to do so for reasons beyond his control, shall communicate the reasons to the inspector in writing and shall endorse its copy to the [Central Licensing Board or, as the case may be, the Registration Board or the Provincial Quality Control Board] who shall have the sample tested from the same or any other Government Analyst or a Government Drug Testing Laboratory or any other laboratory and shall ensure the receipt of results of such test and analysis within a further period as may be prescribed and shall make the test report available to the inspector for further action.

During audit of Health Department, it was observed that expenditure to the extent of Rs. 15,590,123 was incurred on purchase of medicine/disposables without getting them tested from Provincial Quality Control Board, Government of the Punjab, Health Department Lahore.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Children Hospital, Lahore	2011-12	2493	8,084,000
2	Children Hospital & Institute of Child Health, Multan	2011-12	2595	7,506,123
Total				15,590,123

Audit was of the view that medicines were consumed without obtaining requisite DTL reports resulting in unauthorized expenditure of Rs. 15,590,123.

Audit pointed out the matter in August 2013. The management at Sr. No.1 & 2 noted the observations for compliance.

The matter was also reported to the administrative department. DAC meeting was convened during August 2013. As regards para at Sr. No.1, Committee kept the para pending for want of batch certification by the manufacturers and Provincial Quality Control Board. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that responsibility be fixed for consuming medicines without obtaining DTL reports besides strengthening the supervisory and financial controls.

7.4.11 Un-authorized payments of share money-Rs.7.32 millions

According to Health Department letter No.(H&D)12-13/73 dated 27.04.1974, only those doctors will be entitled to share of fee who are not in receipt of Non Practice Allowance (NPA). Further, as per Government of Punjab Health Department notification No. SO. (NIB)12.12.73 dated 11.4.1985 following is the formula for distribution of Hospital receipt:

Government share	45%
Doctors share	35%
Paramedical share	20%

During audit of Health Department, it was observed that the doctors were paid share of fee as well as N.P.A. in violation of the government instructions. Moreover, the share money was also paid to the doctors and staff related to the Administration and not providing services in the requisite laboratories. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Principal FJMC/Ganga Ram Hospital & Allied Institutions Lahore.	2012-13	3795	1,628,732
2	Principal PGMI/LGH & Nursing School, Lahore	2011-12	2539	1,085,155
3	Principal Services Hospital /SIMS Lahore	2012-13	4255	736,254
4	Children Hospital, Lahore	2011-12	2494	448,244
5	Punjab Medical College & Allied institutions Faisalabad	2012-13	4191	115,176
6	Faisalabad Institution Of Cardiology	2012-13	3588	907,494
7	BVH & Quaid e Azam Medical College & Nursing School, Bahawalpur	2011-12	2496	2,397,273
Total				7,318,328

Audit was of the view that due to non observance of government instructions and weak financial controls unauthorized payment of Rs. 7,318,328 was made to the non-entitled doctors.

Audit pointed out the lapse in October 2012 and November 2013. The management at Sr. No.1 replied that the matter had already been taken up with Government for clarification. The management at Sr. No. 2 replied that the non practicing allowance is a part of salary which was given to the doctors who were not involved in private practice and the share was given to doctors who performed duties in hospital in private

capacity. The reply was not satisfactory because as per above government instructions only those doctors were entitled for share of fee who were not in receipt of NPA. The managements at Sr. No. 3&7 replied that share distribution formula had been approved by the BOM. Replies were not satisfactory because no such power had been entrusted to BOM under Section 3 of PM&HI Act, 2003. The management at Sr. No. 4 stated that the reply would be submitted later on. The management at Sr. No. 5 replied that letters for recovery have been issued to the concerned. The management at Sr. No. 6 stated that share was paid to the doctors on the analogy of Punjab Institute of Cardiology, Lahore. Reply was not tenable as share was distributed to those doctors who had received non practicing allowance in gross violation of above orders.

The matter was further reported to the administrative department. DAC was convened during August, September, December 2013 and January 2014. As regards paras at Sr. No. 1 & 2 it was decided that a committee would be constituted by the Government in this regard. Paras at Sr. No. 3, 4 & 6 were kept pending for recovery. As regards para at Sr. No. 5, recovery of Rs. 249,926 was verified and para was reduced to Rs. 115,176. In case of remaining paras, neither any reply was received nor DAC meeting convened for the remaining formations despite repeated reminders till the finalization of this report.

Audit requires recovery of the unauthorized payment besides fixing of responsibility for negligence.

7.4.12 Irregular procurement of medicine/surgical items- Rs.5.65 millions

As per PPRA Rules 4, the procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

During audit of Health Department, it was observed that managements of the following Institutions procured medicines, surgical and chemical items through LP and on quotation basis to avoid tendering process and without devising a fair procurement mechanism. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Description of purchases	Amount (Rs.)
1	Bahawal Victoria, Hospital, Quaid-e-Azam Medical College & Nursing School, Bahawalpur	2011-12	2567	Purchase of medicines and surgical items through LP instead of purchasing through open tendering	5,160,256
2	Punjab Medical College & Allied Institutions Faisalabad	2012-13	4202	Purchase of chemical items on quotations without any procurement planning and adopting open tendering procedure.	492,371
Total					5,652,627

Audit was of the view that procurement process was split to avoid tendering process which rendered the expenditure of Rs. 5.652 millions as non-transparent and uneconomical due to weak financial and supervisory controls.

Audit pointed out the lapse in September 2012 and September 2013. The management at Sr. No. 1 stated that tenders are advertised in each year. The budget was received in September 2011, minimum 3 to 4 months was required for finalization of contracts. The emergency purchase was made in the best interest of public. The management at Sr. No. 2 stated that purchase of chemical items was made on the demand of different departments and not split up. Replies were not considered satisfactory being evasive.

Matter was also reported to the administrative department. DAC meetings were held during September 2013 and January 2014. The reply of the management at Sr. No. 1 was accepted to the extent of Rs.1,246,141. The committee kept the para pending for regularization from the competent authority for the balance amount of Rs.5,160,256. In case of para at Sr. No. 2 kept pending for regularization after probe. Further progress was not reported till the finalization of this report.

Audit recommends that irregular expenditure be got regularized from competent authority besides strengthening internal and financial control.

7.4.13 Irregular purchase of medicine-Rs. 4.13 millions
Loss due to purchase at higher rate-Rs. 615,000

According to Rule 4 of the Punjab Procurement Rules 2009, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

Rule 38 further requires that the bidder with the lowest evaluated bid, if not in conflict with any other law, rules, regulations or policy of the Government of the Punjab, shall be awarded the procurement contract, within the original or extended period of bid validity.

Examination of record of Faisalabad Institute of Cardiology revealed that management purchased a quantity of 7500 Injections Heparine valuing Rs. 4,125,000 from M/s Ali Medical Store against supply order dated 05.07.2012 which was not covered under any procurement contract. Government was also put to a loss of Rs. 615,000 due to purchasing same medicine during same year at higher rate.

Audit was of the view that lapse occurred due to weak supervisory and financial controls.

Audit pointed out the lapse during October 2013. The management replied that the difference of rate was due to change of brands which were made on the recommendation of end user. Reply was not satisfactory because no due care was given to make the expenditure economical. Further, management did not offer any comment for purchasing injections without drawing procurement contract.

The matter was reported to the administrative department. DAC in its meeting held in January 2014 kept the para pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends that matter should be looked into, loss recovered and irregularity regularized besides strengthening of financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 3592- Faisalabad Institute of Cardiology, Faisalabad -2012-13)

7.4.14 Undue retention of government money-Rs. 3.68 millions

According to Rule 4.1 of PFR Vol-I, the departmental controlling officer should see that all amounts due to government are regularly received and checked against demands and they are paid into the treasury.

During audit of Health Department, it was observed that amount to the stated extent was drawn from government treasury for purchase of Vital Sign Monitors and Toyota Corolla car. Instead of utilizing the amount, it was placed in the bank account being maintained by the institution which resulted in unauthorized retention of government money.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Principal PGMI/LGH and Nursing School Lahore	2011-12	2538	2,075,350
2	Principal Services Hospital/SIMS/school Lahore	2012-13	4270	1,600,000
Total				3,675,350

Audit was of the view that government money was retained in the commercial banks without any authority.

Audit pointed out the matter in September 2012 and November 2013. The management at Sr. No. 1 replied that the order to the firm had been cancelled, CDR had been forfeited and re-tendering process had been initiated through add in press. The reply was not tenable as amount already drawn before acceptance of tender was not yet refunded/ deposited in government treasury. The management at Sr. No. 2 admitted the lapse.

The matter was further reported to the administrative department. DAC meetings were held on May 2013 and January 2014, As regards para at Sr. No.1, the committee did not accept the contention of the management and kept the para pending for clarification from Purchase Cell Health Department as well as production of Bank Account details. The para at Sr. No. 2 was kept pending till purchase of vehicle. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility be fixed for unauthorized withdrawal and retention of money, either the amount be utilized for the purpose for which it was drawn or deposited in Government Treasury besides strengthening of financial as well as supervisory controls.

7.4.15 Unauthorized expenditure from reserve fund-Rs. 2.81 millions

According to Clause 17 (6) of the Punjab Medical & Health Institutions Act 2003, there shall be a Reserve Fund to which shall be credited an appropriate percentage of such receipts as may be determined by the Board. The Reserve Fund shall be utilized in accordance with the financial rules of the Institution for expenditure of development nature over and above the normal development grant provided by Government in the ADP.

During audit of Principal FJMC, Ganga Ram Hospital & Allied Institutions Lahore for the year 2012-13, examination of bank statement of reserve funds showed that expenditure for Rs. 2,813,245 was incurred on purchase of transformer, POL and payment of Sui gas bills against the provision of above stated Rule.

Audit was of the view that lapse occurred due to weak supervision and financial controls.

Audit pointed out the matter in August 2013. The management replied that the interim arrangement of payment was made out of reserve fund being no budget in relevant head of account was available during 2012-13. Now the budget 2013-14, has been released on 22.08.2013, the recoupment of above POL and Sui Gas bill payment is under way to credit to relevant head of accounts. Reply was not satisfactory because expenditure was incurred out of reserve fund in contravention of rules.

Matter was also reported to the administrative department. DAC in its meeting held in December 2013 kept the para pending for recoupment of the amount expended from the reserved fund.

Audit recommends that the irregularity be got regularized from competent authority besides strengthening of financial and supervisory controls.

(PDP No. 3806-Principal FJMC, Ganga Ram Hospital & Allied Institutions Lahore -2012-13)

7.4.16 Unauthorized expenditure due to non termination of services of reemployed personnel - Rs.2.71 millions

According to S&GAD letter No.SI-2-36/2000 dated.10.4.2008, all Heads of Government departments /Autonomous Bodies in Punjab were directed to terminate the services of civil servants re-employed after their retirement from Government service with immediate effect.

During audit of Secretary Health, Lahore for the year 2012-13, it was observed that the managements continued paying salaries to the re-employed personnel despite the fact that the Government had ordered to terminate their services with immediate effect. Violation of Government orders resulted in unauthorized payment of salaries of Rs.2,708,761.

Audit pointed out the matter in September 2013. The management noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that responsibility be fixed for non implementation of Government orders.

(PDP No. 2841-The Secretary, Health Government Of Punjab Lahore, for the year 2012-13)

7.4.17 Irregular purchase of furniture and stationery items- Rs.1.88 millions

According to Rule 12 of PPRA Rules 2009, the procurement 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 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 Nawaz Sharif Medical College, Gujrat for the year 2011-12, it was revealed that furniture and stationery were purchased without advertisement.

Audit was of the view that non observance of rules and regulations resulted in irregular procurement of Rs. 1,875,870.

Audit pointed out the matter in February 2013. The management stated that reply shall be communicated with record.

The matter was also reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that responsibility be fixed and matter be got regularized with the sanction of Finance Department besides strengthening of financial and supervisory control.

(PDP No. 2680 & 2684- Nawaz Sharif Medical College, Gujrat-2011-12)

7.4.18 Irregular purchases against austerity measures- Rs.1.04 millions

As per Finance Department letter no.FD.SO. (G-1)7-12/2009 Dated 15.09.2012, austerity committee will examine & recommend purchase of vehicles and decide the demand for refurbishment/interior decoration of offices, purchase of durable goods/machinery (IT equipment) and furniture and fixture.

During audit of QMC & Allied Institution Bahawalpur for the year 2012-13, it was observed that computers, refrigerators, LCD etc were purchased for Rs.1,043,641 without getting approval of the Austerity committee in contravention of directions of Finance Department.

Audit was of the view that non observance of government instructions resulted in irregular purchases.

Audit pointed out the lapse in August 2013. The management replied that the expenditure was incurred out of the institutional receipt and it was absolutely necessary to purchase computer items. The reply was not tenable as approval of austerity committee was not obtained in contravention of rules.

The matter was also reported to the administrative department. DAC meeting was held in December 2013. The para was kept pending for regularization as the prior approval of the Austerity Committee was not obtained. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility be fixed, and irregular expenditure be got regularized from Finance Department, besides strengthening of financial and supervisory controls.

(PDP No. 4284-QMC & Allied Institutions Bahawalpur --2012-13)

7.4.19 Unauthorized use of vehicle-Rs. 893,200

According to Rule 2.10 (a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incur from Government revenues as a ordinary produce would exercised in respect of expenditure of his own money. Further, as per Letter No. SO(B&A)3-17/2009 (P) Dated February 24, 2011 by the order of the Chief Minister, Punjab approve the termination of PMU of Children Hospital Complex, Multan.

During audit of Children Hospital & Institute of Child Health Multan for the year 2011-12, it was observed that Chief Minister Punjab, approved the termination of PMU of Children Hospital Complex, Multan. It was required that all vehicles should be returned to the Government from the date of termination of Project/PMU but vehicle No.MNJ-1008 was being used by the Ex. Project Director irregularly. An expenditure of Rs.893,200 was irregularly incurred on POL and maintenance of the vehicle.

Audit pointed out the matter in October 2013. The management noted the observation for compliance.

The matter was also reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that vehicle be returned to Government and irregular expenditure incurred on POL and repair of vehicle be got recovered from the responsible.

(PDP No. 2580–The Children’s Hospital & the Institute of Child Health, Multan -2011-12)

7.4.20 Irregular payment of incentive allowance and honorarium-Rs. 847,024

As per Rule 16 of Rules of Business 1974, no department shall, without previous consultation with the Finance Department, authorize any orders which directly or indirectly affect the finance of the Province or cases requiring changes in statutory rights and privileges of a government servant which have financial implications. Similarly, according to Rule 2.30 of CSR, Honorarium means a recurring or non-recurring payment granted to a Government servant from general revenues as remuneration for special work of an occasional character.

During audit of Shaikh Khalifa Bin Zayed Al Nahyan Medical & Dental College Lahore, it was observed that difference of incentive allowance and honorarium valuing Rs. 847,024 was paid to the teaching/clinical faculty in contravention of above stated rules.

Audit was of the view that non observance of rules resulted in irregular expenditure.

Audit pointed out the matter in October 2013. The management noted the observation.

The matter was also reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that concurrence of Finance Department be obtained besides strengthening of financial and internal controls.

(PDP No.4309&4312-Shaikh Khalifa Bin Zayed Al. Nahyan Medical & Dental College Lahore -2012-13)

7.4.21 Irregular payments of salary processing charges to bank for preparation and maintenance of pay rolls-Rs 670,685

According to Rule 2.32 (a) of PFR Vol-I, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During audit of Punjab Medical College and Allied Institutions Faisalabad for the year 2012-13, it was observed that management paid Rs. 670,685 to Manager Habib Bank Ltd Faisalabad as salary processing charges for preparation and maintenance of computerized pay rolls. Expenditure was held irregular because the preparation and maintenance of pay rolls of the employees was sole responsibility of the management. Softcopy record of pay rolls for the period 2012-13 was not provided for audit scrutiny.

Audit was of the view that lapse occurred due to weak administrative and financial controls.

Audit pointed out the lapse in September 2013. The management replied that the arrangements would be made by this institution for salary processing and maintenance of payrolls. Lapse was admitted by the management.

The matter was reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that detailed inquiry be initiated for gross violation of canons of financial propriety and responsibility be fixed besides recovery of unauthorized payments.

(PDP No.4199– Punjab Medical College and Allied Institutions, Faisalabad-2012-13)

7.4.22 Irregular adhoc appointment of Law Officers by BOM-Rs. 600,000

According to Notification issued by the Finance Department vide no. Nil dated 29-09-2006:

- (i) for creation of the posts of law officer and senior law officer, SNE (schedule of new expenditure) should be submitted.
- (ii) Recruitment of law officer and senior law officer will be carried out by special committee to be constituted by chief secretary Punjab.

During audit of QMC & Allied Institution Bahawalpur for the period 2012-13, it was observed that two law officers were appointed on adhoc basis. The appointments were made for a period of six months or till the arrival of new incumbent recommended by the special selection Board whichever is earlier. The expenditure amounting to Rs.600,000 was held irregular because neither the SNE was got approved nor the appointments were made through advertisement.

Audit pointed out the matter in August 2013. The management replied that the appointments of the law officers were made after advertising in the news paper on recommendation of special selection Board. The reply was not tenable as the department did not produce any evidence in support of the reply.

The matter was also reported to the administrative department. DAC meeting was held in December 2013. The para was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility for violation of the laid down procedure be fixed besides irregular appointment be got regularized from competent authority.

(PDP.4290. QMC & Allied Institution Bahawalpur for the period 2012-13)

Internal Control Weakness

7.4.23 Loss due to late payment surcharges on account of Sui Gas-Rs.4.28 millions

According to Rule 2.10 (a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of Health Department, it was observed that utility bills were not paid within due date. Due to late payment surcharges were invoked which caused heavy loss of Rs 4,279,896 to the public exchequer.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Principal Services Hospital /SIMS Lahore School	2012-13	4261	1,541,524
2	Principal FJMC Ganga ram Hospital & Allied Institution Lahore	2012-13	3808	150,261
3	Mayo Hospital Lahore	2012-13	3638	2,588,111
Total				4,279,896

Audit was of the view that lapse occurred due to weak supervision and financial controls.

Audit pointed out the matter in August to November 2013. The management at Sr. No. 1 replied that the payments procedure out of SDA account is quite lengthy hence surcharge cannot be avoided in spite of our best efforts. The management at Sr. No. 2 replied that the matter was under inquiry. The management at Sr. No.3 noted the observation for compliance.

The matter was further reported to the administrative department. DAC meeting was held in December 2013. The committee reduced the para at Sr. No. 2 for Rs. 150,261. The paras at Sr. No. 1 & 3 were kept

pending for a probe at administrative level. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility for delay needs to be fixed besides strengthening financial and internal controls.

7.4.24 Loss due to purchase of medicines and disposable items at higher rates - Rs.3.32 millions

According to Rule 4 of the Punjab Procurement Rules 2009, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

During audit of Health Department, comparison of rates for medicines /surgical items offered by the firms in organizations like Ganga Ram Hospital and Mayo Hospital etc revealed that lesser rates were offered by the same firms for purchase of same items during the same period. Similarly, purchases were also made at higher rates as compared rates adopted in sister organizations. The details are given hereunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Punjab Medical College and Allied Institutions, Faisalabad	2012-13	4187	2,198,350
2	Mayo Hospital Lahore	2012-13	3782	173,240
3	Punjab Medical College and Allied Institutions, Faisalabad	2012-13	4186	174,500
4	Principal Services Hospital/Sims, Lahore	2012-13	4264	230,375
5	Government Nawaz Sharif Hospital, Lahore	2012-13	2825	222,753
6	Principal Services Hospital/Sims, Lahore	2012-13	4259	181,353
7	Mayo Hospital Lahore	2012-13	3783	137,000
Total				3,317,571

Audit was of the view that due to weak supervisory and financial controls, loss of Rs. 3,317,571 millions was sustained by government.

Audit pointed out the loss. The management at Sr. No. 1 & 5 replied that amount would be recovered if due. The managements at Sr. No. 2, 3, 4, 6 & 7 replied that amounts would be recovered. Lapse was admitted by the managements.

The matter was also reported to the administrative department. DAC meetings were convened during December 2013 and January. As regards para at Sr. No.5, the committee kept the para pending for audit compliance. The paras at Sr. No. 2 & 3 were kept pending for want of balance recoveries of Rs.173,240 and Rs. 174,500 respectively. Paras at Sr. No. 4, 6 & 7 were kept pending for want of recovery from suppliers. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor DAC meeting convened for the remaining formations despite repeated reminders.

Audit requires recovery of the loss besides strengthening of financial as well as supervisory controls to avoid recurrence of such lapses in future.

Recovery and overpayments

7.4.25 Loss due to excess payments - Rs. 113.86 millions

According to the Government of the Punjab, Health Department Notification No. S.O.WMO/1-1/2009 dated 6.05.2009 and No. SO (AMI)16-1/81(P-6) dated 6.8.2009, services of Medical Officers/Women, Medical Officer/Registrars/Assistant Anesthetists/Demonstrators etc were regularized by the competent authority. As per clauses 2(iv) and 2 (xi) of the respective notifications the appointments on regular basis shall be prospective in nature and the officer shall have no right of entitlement to any back benefits.

During audit of Principal FJMC Ganga Ram Hospital & Allied Institutions, Lahore for the year 2012-13, it was observed that the adhoc allowances of 165 doctors were granted in violation of the government instructions.

Audit was of the view that weak financial controls and disregard to government instructions resulted in excess payment of allowances amounting to Rs. 113,857,000.

The matter was pointed out in September 2013. The management replied that case had been taken up with AG Punjab Lahore. The recoverable amount as per Government policy had been calculated. Now the AG office has again been approached for the issuance of revised pay slips. Lapse was admitted by the management.

The matter was also reported to the administrative department. DAC meeting was convened in December 2013. The committee kept the para pending for compliance

Audit requires recovery of the overpaid amount besides fixing responsibility.

(PDP No. 3796- Principal FJMC, Ganga Ram Hospital & Allied Institutions, Lahore -2012-13)

7.4.26 *Un-authorized payments of honorarium to clinical faculty-Rs. 79.17 millions*

As per Rule 2.30 of CSR, Honorarium means a recurring or non-recurring payment granted to a Government servant from general revenues as remuneration for special work of an occasional character.

During audit of Shaikh Khalifa Bin Zayed Al Nahyan Medical & Dental College Lahore for the year 2012-13, it was observed that management of the Institution paid honorarium on provisional basis to clinical faculty subject to approval by BOG to Professors, Associate

Professors, Assistant Professors and Demonstrators / Lecturer at a monthly rate of Rs. 100,000, Rs. 75,000, Rs. 50,000 and Rs. 25,000 respectively after obtaining undertakings from faculty members.

Audit was of the view that payments of Rs 79,166,601 on account of honorarium to clinical faculty on monthly basis was violation of rule and caused loss to public exchequer due to weak financial and administrative controls.

Audit pointed out the loss in October 2013. The management replied that honorarium was approved to the teaching faculty and support staff by the BOG. The reply was not accepted because honoraria cannot be granted on regular basis.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends fixing the responsibility for loss, early recovery from responsible(s) besides strengthening of internal controls to avoid recurrence of such lapses in future.

(PDP No. 4295- Principal Shaikh Zayed Hospital & Allied Institutions, Lahore -2012-13)

7.4.27 Loss due to non deduction of income tax-Rs.24.27 millions

According to Section 153(1) of Income Tax Ordinance 2001, every prescribed person making a payment shall deduct tax @ 3.5% on sale of goods and 6% on services rendered from the gross amount payable as specified in Division III of Part III of the First Schedule. Further, the Federal Board of Revenue (Revenue Wing) vide letter No. C.No.4(45)ITP/2011-67023-R; dated 21.05.2013 clarified that the stipend/emoluments paid to the Post Graduate Trainee Doctors is taxable under

Section 149 of the Income Tax Ordinance, 2001 read with clause 1(a) of Division-1 of First Schedule to Income Tax Ordinance, 2001.

During audit of Health Department, it was observed that in 18 cases, managements of the health institutions did not deduct Income Tax at source from the contractors / employees as warranted under law. (Annexure-8)

Audit was of the view that weak financial controls resulted in non deduction of income tax amounting to Rs. 24,271,284.

Audit pointed out the loss. The managements at Sr. No. 1, 5 to 8, 10, 12, 15 & 16 accepted the lapse where as in remaining cases managements did not furnish satisfactory replies.

The matter was also reported to the administrative department. DAC meetings were convened during May 2013, December 2013 and January 2014. As regards paras at Sr. No. 1, 4, 5 & 7 the committee reduced the paras for balance recovery and for Sr. No. 8, 9, 12, 15, 16 & 17 the committee kept the paras pending for recovery. As regards remaining paras, neither any reply was received nor DAC meeting convened for the remaining formations despite repeated reminders till the finalization of this report.

Audit recommends fixing the responsibility, immediate recovery besides strengthening of financial as well as supervisory controls to avoid recurrence of such lapses in future.

7.4.28 Overpayment of pay and allowances-Rs. 12.79 millions

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

During audit of Health Department, it was observed that pay & allowances, conveyance allowance, HRA, 5% house rent charges, special incentive and social security benefit were irregularly paid to the officers/officials. (Annexure-9)

Audit was of the view that weak administrative and financial controls led to overpayment of inadmissible pay & allowances for Rs 12,787,928.

Audit pointed out the loss. The managements at Sr. No. 1, 2, 6 to 9, 11 and 14 to 18 noted the observations for recovery and compliance. In remaining cases, the replies of the managements were not tenable.

The matter was reported to the administrative department. DAC meetings were held in May, August, September, December 2013 and January 2014. The committee kept the paras at Sr. No. 8, 10,13,15 & 16 pending for balance recovery and paras at Sr. No. 6, 9, 11 & 14 were pending for recovery. Neither further progress was reported nor DAC meeting convened for remaining formations despite repeated reminders till the finalization of this report.

Audit stresses immediate recovery besides fixing the responsibility for overpayments of pay & allowances besides strengthening of financial and administrative controls to prevent recurrence of such lapses in future.

7.4.29 Purchase of medical equipment at higher rates-Rs. 6.68 millions

According to Rule 2.32 (a) of PFR Vol-I, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During audit of Services Hospital/SIMS Lahore for the year 2012-13, it was observed that medical equipment was purchased over and

above the cost prescribed in the revised PC-1 of the scheme “Renovation of Building and Procurement of Electro-Medical Equipment for Services Hospital”. This resulted in loss of Rs. 6,680,000.

Audit was of the view that lapse occurred due to weak supervision and financial controls.

Audit pointed out the matter in November 2013. The management replied that compliance would be shown after scrutiny of record.

The matter was further reported to the administrative department. DAC in its meeting held on January 2014, kept the para pending for regularization from the competent authority. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility be fixed for purchase of equipments at higher rates than the rates provided in PC-1, loss be recovered from person responsible besides strengthening of financial as well as supervisory controls.

(PDP No. 4263-Principal Services Hospital SIMS Lahore for the period 2012-13)

7.4.30 Non recovery of liquidated damages-Rs. 5.24 millions

According to clause 7.2 of the contract agreement penalty @ 0.1 % per day of the cost not exceeding 10 % of the purchase order value for late delivery supply shall be imposed upon the supplier. Further, as per clause of 11(b) of the tender document, in case of late delivery of goods beyond the periods specified in the schedule of requirements, penalty @ 2% per month, 0.067% per day of the cost of late delivered supply shall be imposed upon the supplier.

During audit of following Institutions, it was observed that firms failed to supply the medical equipments within the stipulated period as per terms of the agreements / supply orders. The respective managements

failed to recover late delivery charges amounting to Rs. 5,235,262. The details are as under:

Sr. No	Name of Formation	Period of audit	PDP No	Description	Amount (Rs.)
1	Mayo Hospital Lahore	2012-13	3789	Late delivery of CT Scan Machine	2,349,320
2	Bahawal Victoria Hospital, Quaid-e-Azam Medical College and Nursing School Bahawalpur	2011-12	2497	Late supply of Bed Lifts, Anesthesia Machine, ICU Ventilators etc	2,016,622
3	Principal Services Hospital/Sims Lahore	2012-13	4269	Late delivery of student bus	571,810
4	Nawaz Sharif Medical College Gujrat	2011-12	2824	Late delivery of Electric Endo Scope System	173,403
5	Shaikh Zayed Hospital & Allied Institutions Lahore	2012-13	4317	Late delivery of scanners and furniture etc	124,107
Total					5,235,262

Audit was of the view that weak financial controls resulted in non recovery of late delivery charges.

Audit pointed out the loss. The management at Sr. No. 1 replied that C.T Scan machine was procured by the Health Department and relevant purchase record is lying in purchase cell. The management at Sr. No. 2 replied that as per purchase manual LD charges are due from the date of shipment. The managements at Sr. No. 3 & 5 noted the observation for compliance and necessary action. The management at Sr. No. 4 replied that equipment was supplied within stipulated time. The replies of the managements were not tenable.

The matter was also reported to the administrative department. DAC meeting was held on September 2013, December 2013 and January 2014. The paras at Sr. No. 1 & 3 were kept pending for want recovery of LD charges. As regards para at Sr. No. 2 was kept pending for compliance. Further progress was not reported till the finalization of this

report. As regards remaining paras, neither any reply was received nor DAC meeting convened for remaining formations despite repeated reminders.

Audit recommends fixing the responsibility, early recovery of loss from responsible(s) besides strengthening of financial and supervisory controls.

7.4.31 Un-authorized payment of additional incentive-Rs.2.50 millions

According to the minutes of 37th meeting of Board of Governors held on 8.2.2010, the Board decided to extend the facility of additional incentive to the teachers of Basic Sciences department at the following rates;

Professor.	100,000 per month
Associate Professor.	75,000 per month
Assistant Professor	50,000 per month
Demonstrator/lecturer	25,000 per month,

Further, the Chairman and Dean was given financial powers of Rs.100,000 month to grant additional benefits to support staff of FPGMI, SZH and SFINHS, who are working for the college till the PC-I is approved and respective vacancies filled.

During audit of Health Department, it was observed that additional incentive @ Rs 100,000 per month was paid to the Professor of Medicine whereas it was only admissible to the teachers of the basic sciences department. Similarly, it was also paid to employee (on deputation) posted as Accounts Officer at Medical College at a monthly rate of Rs 25,000 without performing any additional duty in contravention of BOG's decision.

The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No	Amount (Rs.)
1	Shaikh Zayed Hospital & Allied institutions Lahore	2012-13	4298	2,000,000
2	Shaikh Zayed Hospital & Allied institutions Lahore	2012-13	4311	500,000
Total				2,500,000

Audit was of the view that unauthorized payment of additional incentive to non-entitled personnel on monthly basis resulted in loss.

Audit pointed out the loss in October 2013. The management replied that the incentive allowance was sanctioned by the Chairman and Dean SZPGMI to Professor of medicine for performing the extra duties as Principal SKZ Medical and Dental College. No evidence in support of reply was shown to audit. The management at Sr. No. 2 stated that the incentive allowance was granted to the officer by the Chairman and Dean SZPGMI. The Chairman and Dean is competent to grant incentive up to Rs.100,000 to the support staff. The reply was not tenable as the officer concerned was on deputation and posted as Accounts Officer SKMDC.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends fixing the responsibility for loss, early recovery from responsible(s) besides strengthening of internal controls to avoid recurrence of such lapses in future.

7.4.32 Loss due to less recovery of stamp duty-Rs. 2.05 millions

Government of the Punjab vide Section 22(A)(b) of Schedule-I of Stamp Act 1899 read with Finance Act 1995 (Act-VI of 1995) levied stamp duty on the contracts entered into for procurement of stores and

materials by a contractor with government, agencies or organizations set up or controlled by the provincial government at the rate of 25 paisa for every Rs.100 or part thereof of the amount of contract.

During audit of following Institutions, it was observed that managements entered into contracts with various firms/contractors for procurement of stores but the stamp duty at prescribed rates was not recovered which caused loss of Rs 2,045,284 to public exchequer as per detail given below:

Sr. No	Name of Formation	Period of audit	PDP No	Amount (Rs.)
1	QMC & Allied Institution, Bahawalpur	2012-13	4279	1,404,128
2	Mayo Hospital Lahore	2012-13	3788	428,656
3	Lady Willingdon Hospital, Lahore	2012-13	2995	212,500
Total				2,045,284

Audit was of the view that due to weak financial and supervisory controls public exchequer was put to the loss to the stated extent.

Audit pointed out the loss in August 2013. The management at Sr. No.01 did not furnish any reply. The management at Sr. No.02 replied that amount would be recovered from contractors. The lapse was admitted by the management. The management at Sr. No.03 noted the observation for compliance.

The matter was also reported to the administrative department. DAC meetings were held on December 2013 and January 2014. Paras at Sr. No.1 was kept pending for compliance with the direction that a circular regarding collection of the stamp duty from the contractor may be issued by the Director Internal Audit Wing Health Department to all DDOs of the Government of the Punjab Health Department. The para at Sr. No. 2 was kept pending for want of recovery of loss. The para at Sr. No. 3 was kept

pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends fixing the responsibility for loss, early recovery from responsible(s) besides strengthening of internal controls to avoid recurrence of such lapses in future.

7.4.33 Loss due to acceptance of medicine below fixed shelf life without imposing penalty charges-Rs. 1.89 millions

According to the Government of the Punjab Health Department letter No. SO(P-1)1-55/2008(Pt-1) dated 5-01-2010, The shelf life must be up to 85 % for the locally manufactured drugs and 75 % for the imported drugs. The lower limit of the shelf life must be up to 80 % and 70 % with imposition of 1 % penalty charges of actual shortfall in shelf life below prescribed limit for locally manufactured and imported medicines respectively. In case of vaccines & other biotechnical products, the stores with the shelf life up to 70 % will be accepted without penalty charges and up to 60 % with imposition of 1 % penalty charges of actual short fall in shelf life below prescribed limit.

During audit of Health Department, it was observed that managements of the 5 formations purchased / accepted medicine/drugs at the shelf life below the limit of 85 % and 75 % without imposing penalty charges.

Sr.No	Name of Formation	Period of Audit	PDP No	Amount (Rs)
1	Children Hospital and the Institute of Child Health, Multan	2012-13	2579	1,540,800
2	Shaikh Zayed Hospital & allied Institutions Lahore	2012-13	4319	345,909
Total				1,886,709

Audit was of the view that acceptance of medicine/drugs below prescribed limit without imposing penalty charges in violation of Government instructions resulted in loss.

Audit pointed out the loss. The management at Sr. No. 1 noted the observation for compliance. The management at Sr. No 2 replied that items were purchased within prescribed shelf life no short fall was involved. Reply was not satisfactory because items were accepted below the prescribed limits without imposing penalty charges.

The matter was also reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that responsibility be fixed for violation of the government instructions besides recovering the penalty charges from the responsible(s) and strengthening the supervisory and management controls.

7.4.34 *Loss due to non-recovery of cost of risk purchases - Rs.1.73 millions*

According to Rule 4.7(1) of PFR Vol-I, it is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to government, which have to be brought to account, are correctly and promptly assessed, realized and credited to government account. Further, as per clause 1 of the Purchase orders; the delivery period was within 30 days as per delivery schedule, failing which risk purchase will be done without further notice.

During audit of following Institutions, it was observed that supply orders for purchases of medicines and furniture were issued. The firms did not supply the store within stipulated period. Resultantly the hospital managements purchased items through LP at higher rates. The cost of risk purchases was not recovered from the firms.

The details are as under:

Sr. No	Name of Formation	Period of audit	PDP No	Description	Amount (Rs.)
1	Principal Services Hospital / Sims Lahore	2012-13	4272	Non-supply of medicine	1,478,557
2	Principal Services Hospital / Sims Lahore	2012-13	4257	Non-supply of medicine	114,018
3	Shaikh Zayed Hospital & Allied Institutions Lahore	2012-13	4321	Non-supply of furniture	135,670
Total					1,728,245

Audit was of the view that due to weak financial and supervisory controls loss was not made good from the firms.

Audit pointed out the loss in October and November 2013. The management at Sr. No. 1 & 2 replied that loss would be recovered. The management at Sr. No. 3 replied that legal action was underway.

The matter was further reported to the administrative department. DAC in its meeting held on January 2014, kept the paras at Sr. No.1 & 2 pending for recovery. Further progress was not reported by the department. As regards remaining para, neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends fixing the responsibility for loss, early recovery from responsible(s) besides strengthening of internal controls to avoid recurrence of such lapses in future.

7.4.35 Payment of SEMS allowance beyond the sanctioned strength-Rs.1.57 millions

According to Finance Department's letter No S.O (AB-II) 3-23/2003, dated 14.06.2004, extra 50% stipend of basic pay for

Strengthening of Emergency Medical Services (SEMS) shall be payable to the incumbents of newly created posts and already existing posts.

During audit of Bahawal Victoria Hospital, Quaid-e-Azam Medical College and Nursing School Bahawalpur for the period 2011-12, it was observed that SEMS Allowance was paid to nurses and doctors over and above sanctioned strengths.

Audit was of the view that due to weak financial and administrative controls public exchequer was put to a loss of Rs. 1,564,000.

When pointed out the lapse, the management replied that SEMS allowance was paid as per government instructions. The reply of the management was not tenable.

The matter was further reported to the administrative department. DAC meeting was held in September 2013. The committee kept the para pending for advice. Further progress was not reported till the finalization of this report.

Audit recommends fixing the responsibility for loss, early recovery from responsible(s) besides strengthening of internal controls to avoid recurrence of such lapses in future.

(PDP No. 2498-BVH, Quaid-e-Azam Medical College and Nursing Hospital, Bahawalpur-2011-12)

7.4.36 Non recovery of gas charges from doctors residing in doctor's hostel-Rs. 1.03 millions

According to Rule 4.1 of PFR Vol-I, the department authorities should see that all sums due to government are correctly assessed and regularly received and checked against the demands and they are paid to Govt. treasury accordingly.

During audit of Faisalabad Institute of Cardiology, Faisalabad for the year 2012-13, it was observed that an amount of Rs. 1,033,444 was paid to Sui Northern on account of gas charges of meters installed at Doctor's Hostel. Electricity charges were recovered from the doctors but gas charges were not recovered from the doctors.

Audit was of the view that loss occurred due to weak supervisory and financial controls.

Audit pointed out the loss in October 2013. The management replied that recovery would be made from concerned doctors. Lapse was admitted by the management.

The matter was also reported to the administrative department. DAC in its meeting held in January 2014 kept the para pending for advice from C&W department regarding rates of the gas charges. Further progress was not reported till the finalization of this report.

Audit recommends recovery be effected besides strengthening of financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 3585- Faisalabad Institute of Cardiology, Faisalabad-2012-13)

7.4.37 Less realization of government dues-Rs. 988,263

According to Rule 4.7(1) of the PFR Vol-I, it is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to government, which have to be brought to account, are correctly and promptly assessed, realized and credited to government account.

During audit of Mayo Hospital, Lahore for the period 2012-13, it was observed that government dues on account of auction money was less realized which caused loss of Rs. 988,263 to public exchequer.

Audit was of the view that loss occurred due to weak financial and administrative controls.

When pointed out the matter, the management noted the observation for compliance.

The matter was reported to the administrative department. DAC in its meeting held in December 2013, kept the para pending for issuance of notice to the contractor and imposing penalty. Further progress was not reported till the finalization of this report.

Audit recommends immediate recovery besides fixing the responsibility for lapses and strengthening of financial and administrative controls to prevent recurrence of such lapses in future.

(PDP No. 3781-Mayo Hospital, Lahore-2012-13)

Others

7.4.38 Loss due to non auction of canteens/medical store- Rs. 31.77 millions

According to Rule 4.1 of PFR Vol-I, the departmental controlling officer should see that all sums due to government are regularly received and checked against demands and they are paid into the treasury.

During audit of Health Department, it was observed that the canteens and medical store were not auctioned therefore recoveries were not effected from the contractors which resulted in loss to Government for Rs 31,773,818. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars	Amount (Rs.)
1	QMC & Allied Institution, Bahawalpur	2012-13	4275	Recovery of outstanding rent	15,273,818
2	QMC & Allied Institution, Bahawalpur	2012-13	4274	Non auction of canteen	10,000,000

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars	Amount (Rs.)
3	Shaikh Zayed Hospital & Allied Institutions Lahore	2012-13	4304	Non auction of canteen	5,000,000
4	Lady Willingdon Hospital Lahore	2012-13	2998	Non auction of hostel canteen & medical store	1,500,000
Total					31,773,818

Audit was of the view that weak management controls led to loss of government revenue.

Audit pointed out the lapse from July to August 2013. The management at Sr. No. 1 & 2 replied that canteen no.1 was awarded to the contractor for a period of 10 years but he committed default in payment of rent. The reply was not supported by the documentary evidence. The management at Sr. No. 3 & 4 replied that mess is being run by the hospital committee on no profit no loss basis, no recovery is involved.

The matter was also reported to the administrative department. DAC meetings were held on December 2013 and January 2014. As regards paras at Sr. No.1 & 2, the department reported that the case was subjudice. The committee kept the para pending for pursuance of the case in the court of law and auction of the canteen. In respect of para at Sr. No. 4, the inquiry proceedings being conducted by the administrative department needs to be finalized as earlier as possible. As regards remaining paras, neither any reply was received nor DAC meeting convened for the remaining formations despite repeated reminders till the finalization of this report.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit recommends that responsibility be fixed for non auction of canteens and medical store. Loss sustained to the Government be recovered besides financial and supervisory controls be strengthened.

7.4.39 Loss due to non functional equipment-Rs. 2.86 millions

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

During audit of Health Department, it was observed that life saving equipments remained non-functional for a considerable period. No efforts were made for the repair of machines which deprived not only poor patients for getting benefits from these machines but also caused loss in millions to the revenues of respective institutions. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Description	Amount (Rs.)
L	Shaikh Zayed Hospital Lahore	2012-13	4297	Lithotripter Modulith SLX Patient Table with integrated shock wave system remained out of order for two years	2,860,000
2	Children Hospital, Lahore	2011-12	2492	MRI machine remained out of order for more than one year	-
Total					2,860,000

Audit was of the view that weak supervisory controls caused non-functioning of life saving machines.

Audit pointed out the matter. The management at Sr. No.1 replied that the contract is under process and would be finalized soon. The

Management at Sr. No.2 stated that reply would be submitted later on. Replies were not considered satisfactory being evasive.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report.

Audit requires that the matter for non maintenance of machines be inquired at appropriate level and responsibility be fixed.

CHAPTER 8

HIGHER EDUCATION DEPARTMENT

8.1 *Introduction*

Education is the medium and vehicle for the preservation, transmission and promotion of cultural, social and economic values and provides the means to realize the objectives through the process of curricula, teaching and learning. Education is universally recognized to be the prime key to multi-dimensional development of a nation. To create a safe and secure environment where the human beings can live with dignity, peace and equality.

Higher education, according to National Education Policy 1998, is recognized as a capital investment and is of paramount importance for economic and social development of the country. Institutions of higher education have the main responsibility for equipping individuals with advanced knowledge and skills required for keeping the country on the crossroad of progress and prosperity.

The Higher Education Department, Government of the Punjab deals with Universities, Boards and colleges from Inter to Postgraduate level in various disciplines. There are two attached departments of Higher Education Department:

- Directorate Public Instructions (Colleges)
- Director General Public Libraries

8.2 *Comments on Budget & Accounts (Variance Analysis)*

Introduction

The Appropriation Accounts for the year 2012-13 of Higher Education Department prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab for voted items of budget.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of three grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	123.812	(17.477)	106.335	103.318	(3.017)
PC21015	17449.377	2,551.037	20,000.414	18,315.949	(1,684.465)
PC22036	8,639.876	(3,215.466)	5,424.410	4,980.969	(443.441)
Total	26,213.065	(681.906)	25,531.159	23,400.236	(2,130.923)

Overview of Expenditure

The total budget of Higher Education Department for the year ended 30 June, 2013 was Rs. 25,531.159 millions. Out of this amount the actual expenditure was Rs. 23,400.236 millions. The breakup of current and development expenditure is given below:

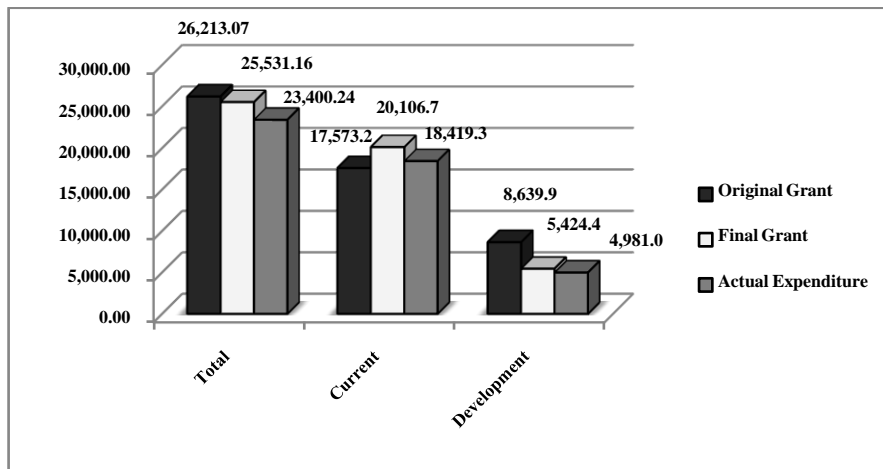
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	17,573,189,000	18,419,267,305	846,078,305	(4.81)
Development	8,639,876,000	4,980,968,988	(3,658,907,012)	(42.35)
Total	26,213,065,000	23,400,236,293	(2,812,828,707)	(10.73)

This composition changed due to supplementary grants & surrenders. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

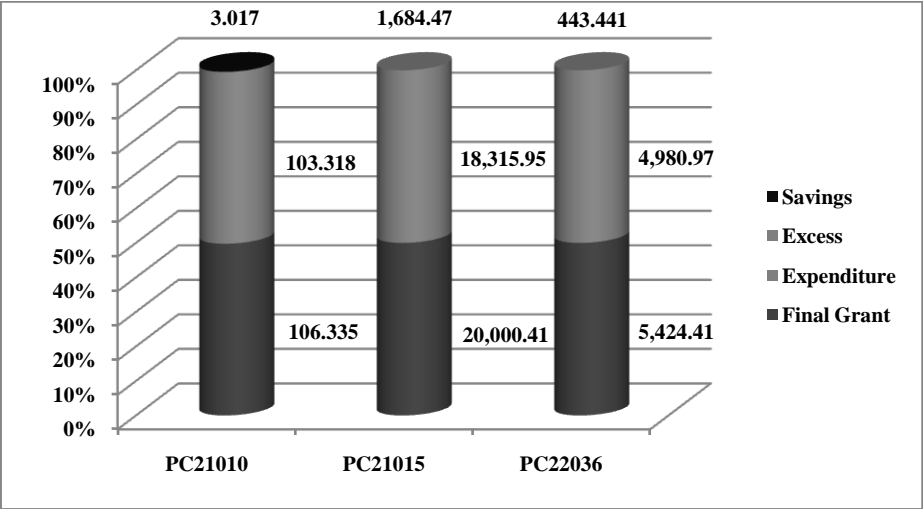
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	20,106,749,000	18,419,267,305	(1,687,481,695)	(8.39)
Development	5,424,410,000	4,980,968,988	(443,441,012)	(8.17)
Total	25,531,159,000	23,400,236,293	(2,130,922,707)	(8.35)



Anticipated savings not surrendered

According to the rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, savings amounting to Rs. 2,130.923

millions at the close of the year 2012-13 under grants PC21010, PC21015 & PC22036 had not been surrendered well in time.



8.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports of Education Department discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	65	53	12	82
2	1987-88	112	93	19	83
3	1989-90	165	48	117	29
4	1991-92	67	17	50	25
5	1993-94	41	21	20	51
6	1995-96	50	22	28	44
7	1997-98	197	103	94	52
8	1999-00	447	244	203	55
9	2001-02	471	328	143	70
Total		1615	929	686	58

The Education Department was split into Four Departments i.e Higher Education Department, Special Education Department, School Education Department & Literacy Department in the Financial Year 2003-04. The status of compliance with PAC Directives, for reports of Higher Education Department discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	2003-04	61	0	61	0
2	2005-06	86	0	70	81
3	2009-10	91	35	56	37
Total		238	35	187	15

The compliance with PAC Directives in Higher Education Department is quite low. Concerted & consistent efforts are required on the part of department to improve upon the compliance percentage

8.4 AUDIT PARAS

Fraud/Misappropriation

8.4.1 *Embezzlement of tuition and admission fee-Rs. 8.70 millions*

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

During audit of Government APWA College, Lahore for the period 2011-12, it was observed that an amount of Rs. 8,696,020 was embezzled by the senior clerk as depicted vide Director Education (Colleges) letter No.7955/E.II dated 23.05.2012. The official managed fraud through bogus bank's stamps and treasury challans. The Principal lodged FIR against the accused whereas departmental inquiry had not been finalized. The details are as under:

Sr. No.	Detail of embezzled amount	Amount embezzled (Rs.)
1	Bogus challans of tuition/admission fee and canteen rent	7,313,207
2	Embezzlement of Rs.36,000 due to adding of figures of "zero" in challan of Rs.4,000 by showing it as Rs.40,000	36,000
3	Misappropriation of certificate fee	229,050
4	Doubtful deposit of certificate fee	72,900
5	Amount deposited appeared to be doubtful	1,044,863
	Total	8,696,020

Audit was of the view that weak financial controls resulted in fraud.

When pointed out in March 2013, it was replied that the case was under process.

The matter was further reported to the administrative department in June 2013. DAC in its meeting held on 24.09.2013 kept the para pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends finalization of inquiry and recovery of the amount.

(PDP No. 2469-APWA College, Lahore-2011-12)

Non-production of record

8.4.2 *Non-production of record-Rs. 4,318 millions*

According to Section 14 of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Article 171(2) of the Constitution of Islamic Republic of Pakistan 1973, the head of the department and the officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of Higher Education Department, relevant record was not produced to audit as detailed below:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Secretary Higher Education, Lahore	2012-13	3541	3,927,420,000
2	University of the Punjab, Lahore	2012-13	3333	281,167,000
3	University of the Punjab, Lahore	2012-13	3526	81,982,000
4	University of the Punjab, Lahore	2012-13	3350	20,685,000
5	Lahore College for Women University	2012-13	3572	5,400,000
6	Secretary Higher Education, Lahore	2012-13	3569	1,125,352
7	University of the Punjab, Lahore	2012-13	3538	-
8	University of the Punjab, Lahore	2012-13	3327	-
9	University of the Punjab, Lahore	2012-13	3353	-
Total				4,317,779,352

Audit was of the view that due to non production of record audit could not ascertain the authenticity of accounts.

Audit pointed out the matter during July to November 2013. In reply, some formations noted the observations for compliance and rest of the formations did not offer any reply.

The matter was further reported to the administrative department during November 2013. Neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit recommends disciplinary action against the responsible for hindering the auditorial functions besides production of record.

Irregularity & Non-compliance

8.4.3 Irregular expenditure without pre-audit-Rs.380.76 millions

As per Para 5 (a) of Lawrence College Regulations, the accounts of college shall be maintained in the prescribed form and manner and shall be audited annually by an auditor so appointed by the board.

During audit of Lawrence College, Ghora Gali, Murree for the period 2007-09 and 2011-12, it was noticed that there was absolutely no pre-audit system. No financial statements were being prepared and all the cheques of the college were signed solely by the Principal with-out any co-signatory.

Audit was of the view that the genuineness of accounts could not be authenticated in the absence of pre-audit system.

The matter was pointed out in April 2013. The management replied that the point was noted for future compliance.

The matter was further reported to the administrative department in September 2013. As per working papers submitted to DAC for meeting scheduled on 25.11.2013, it was replied that recommendations of the auditor would be sent to BOG for approval. The para could not be discussed due to non availability of the Principal.

Audit recommends strengthening of financial controls through development of an elaborate accounting system including internal audit and pre-audit mechanisms.

(PDP No.2719-Lawrence College, Ghora Gali, Murree -2007-09 &2011-12)

8.4.4 Irregular expenditure on purchase-Rs. 32.87 millions

As per Para 12 of PPRA 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.” and as per Rule 50 of PPRA, 2009, “any unauthorized breach of these Rules shall amount to mis-procurement”.

During audit of Higher Education Department for the period 2012-13, it was observed that an amount of Rs. 32,866,174 was incurred on purchases. The purchases were held irregular on the following grounds:

1. Competitive rates were not obtained through PPRA web-site in violation of Punjab Procurement Rule 12 (PPRA, 2009).
2. Precise and unambiguous bidding documents were not formulated by the procuring agency of the Board in violation of Rule 23 (1) of PPRA, 2009
3. Specifications and drawings or performance criteria (where applicable) were not made before making purchases in violation of Rule 23 (1) and (2) (f) of PPRA, 2009

4. Quotations were not obtained on the basis of single stage one envelope or two envelope method in violation of Rule 36 (a) and (b) of PPRA, 2009.
5. Procuring agency of the institutions did not formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated in violation of Rule 29 of PPRA, 2009.
6. The results of the evaluation so made were not communicated to the concerned firms in violation of Rule 35 of PPRA, 2009.
7. The performance security was not obtained as required under Rule 25 of PPRA Rules, 2009.

The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1.	Lawrance College, Ghora Gali, Muree	2007-09, 2011-12	2464	10,636,667
2.	Lawrance College, Ghoragali, Muree	2012-13	3565	6,558,195
3.	Lawrance College, Ghora Gali, Muree	2007-09, 2011-12	2461	4,979,426
4.	University of Sargodha	2011-12	2216	4,400,000
5.	BISE, Sargodha	2010-12	2241	1,823,990
6.	Lahore College for Women University, Lahore	2012-13	3544	1,744,602
7.	Lahore College for Women University, Lahore	2012-13	3599	1,289,000
8.	Secretary, Govt. of the Punjab, Higher Education Department	2011-12	2240	797,454
9.	Punjab University, Lahore	2012-13	3344	636,840
Total				32,866,174

The matter was pointed out from July to November 2013. Some formations noted the observations for compliance and rest of the formations did not offer any reply.

The matter was further reported to the administrative department. DAC in its meetings held on 12.02.2013, 08.11.2013 and 25.11.2013 kept the paras at Sr. No. 3 & 4, pending for regularization. The para at Sr. No. 5 was kept pending for revised reply. As regards remaining paras, neither any reply was received nor DAC convened till the finalization of this report.

Audit emphasizes implementation of PPRA Rules 2009 in letter and spirit besides fixing responsibility for non adherence the rules.

8.4.5 Unjustified re-employment of retired employee and payment-Rs.24.19 millions

As per instructions issued by the Government of the Punjab vide letter No. SI-2-35/2000 dated 10.04.2008, re-employment of the retired officers/officials were required to be terminated.

During audit of Government Kinnaird College for Women, Lahore for the period 2012-13, it was observed that the following officers have been appointed / re-employed on fixed gross pay as per list below in contravention to above instructions. Moreover, terms and conditions of appointments were not known to audit.

Sr. #	Name	D.O.A	Rank	Salary per month (Rs.)	No. of Months	Amount (Rs.)
1	Dr. Nikhat Khan	20.01.2011	Prof/ Physics	126,424	30	3,792,720
2	Dr. Seemeen. S. Khan	23.01.2013	Prof/Chemistry	73,000	18	1,314,000
3	Maimunah Mushtaq	01.02.2011	Prof/Arabic	61,000	29	1,769,000

Sr. #	Name	D.O.A	Rank	Salary per month (Rs.)	No. of Months	Amount (Rs.)
4	Nasreen Z. Pasha	02.01.2013	Ass. Prof/English	45,000	5	225,000
5	Farida Majeed	17.01.2005	Ass. Prof/IR	52,000	60	3,120,000
6	Bano Ashraf Javed	28.01.2013	Ass. Prof/IR	40,000	5	200,000
7	Saleha Abid Hussain	07.06.2006	Ass. Prof/Pol Science	52,000	60	3,120,000
8	Ghazala Hameed	11.11.2007	Ass. Prof/English	52,000	60	3,120,000
9	Sabiha Khawar Zain	14.01.2008	Ass. Prof/Physics	52,000	60	3,120,000
10	Mrs. Rashida Butt	16.08.2010	Ass. Prof/Social Work	52,000	60	3,120,000
11	Mrs. Nasreen Rehan	16.08.2010	Lecturer/Philosophy	38,000	34	1,292,000
Total						24,192,720

Audit was of the view that deviation from government instructions and weak management controls resulted in irregular re-employments.

The matter was pointed out in July 2013. The management replied that appointments were made with the approval of B.O.G but the contention of management was not acceptable as appointments were made in contravention of the government instructions.

The matter was further reported to the administrative department in December 2013. Neither any reply was received nor DAC meeting convened till finalization of this report.

Audit recommends strict implementation of government instructions.

(PDP No.4245-Kinnaird College for Women, Lahore-2012-13)

8.4.6 Irregular expenditure on advertisement-Rs.3.25 millions

As per Information Culture & Youth Affairs Department letter No. SO. P&C.(INF)-V-5/71 dated 18.10.2003, the Director General Public Relations, Punjab will be responsible for selection of newspapers and release of advertisements in accordance with the advertisement policy.

During audit of the Lahore College for Women University, Lahore for the year 2012-13, it was observed that an amount of Rs. 3,251,834 was incurred on payment of advertisement without involving DGPR Punjab. The details are as under:

Date	Particulars	Cheque #	Amount (Rs.)
24.12.2012	Advertisement to MIDAS Pvt LTD	7073496	390,665
24.12.2012	Advertisement to MIDAS Pvt LTD	7073498	323,854
15.05.2013	Advertisement to MIDAS Pvt LTD	7725589	731,591
28.06.2013	Advertisement to MIDAS Pvt LTD	8048033	1,805,724
Total			3,251,834

Audit was of the view that non adherence to the government instructions resulted in irregular expenditure.

When the matter was pointed out during audit, the management noted the observation for compliance.

The matter was further reported to the administrative department in December 2012. Neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit recommends fixing of responsibility besides regularization of the matter from the competent authority.

(PDP No.3545-LCWU, Lahore -2012-13)

8.4.7 Purchase of durable goods without concurrence of the austerity committee-Rs. 3.14 millions

As per Para 3 (vii) of Finance Department Letter No. FD.SO(GOODS) 44-4/2011, dated 23.07.2011 regarding austerity/economy measures for the financial year 2011-12, purchase of the durable goods, machinery & equipments, furniture & fixture including generator and luxury items etc shall not be allowed except with the prior concurrence of the austerity committee constituted for the purpose.

During audit of following entities of Higher Education Department for the period 2012-13, it was observed that an amount of Rs. 3,137,037 was incurred on purchase of machinery & equipments, furniture & fixture including generator and computers, but concurrence of the authority committee was not obtained in violation of the instructions issued by the finance department.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Lawrance College Ghora Gali, Murree	2007-12	2459	2,256,250
2	Director Colleges, Gujranwala	2006-12	2718	880,787
Total				3,137,037

Audit was of the view that weak internal controls and financial management led to irregular expenditure.

Audit pointed out the matter during July to November 2013. The management at Sr. No. 1 replied that the amount was approved in the budget by finance committee, the reply was not tenable. The management at Sr. No. 2 noted the observation for compliance.

The matter was further reported to the administrative department in June 2013. DAC in its meetings held on 25.11.2013 and 02.12.2013 kept

the paras, pending regularization from the competent authority. Further progress was not reported till the finalization of this report.

Audit recommends to regularize the matter with the sanction of competent authority besides fixing responsibility for irregularity.

8.4.8 *Irregular appointments without advertisement*

According to Section 9 (4) (3) (a) of the Public Sector Universities (Amendment) Act 2012, the vice Chancellor shall within seven days of taking an action under sub section (3) submit a report of the action taken to the pro-chancellor and to the member of the syndicate; and, the Syndicate shall, within forty five days of such an action of the Vice chancellor, pass such order as the syndicate deems appropriate. Moreover, under the Chapter titled “Fundamental Rights” of the Constitution of Pakistan, equality of citizens and safeguard against discrimination in services has been guaranteed. Article 25 of the Constitution provides that all citizens are equal before law and are entitled to equal protection of law while article 27 provides that no citizen otherwise qualified for appointment in the service of Pakistan shall be discriminated against. Furthermore, Supreme Court of Pakistan in its judgment dated 19.01.1993 in Human Rights Case No. 104 of 1992 stated that recruitments, both adhoc and regular, without publicly and properly advertising the vacancies, is violation of fundamental rights. As such no post could be filled in without proper advertisement, even on adhoc or contract basis.

During audit of Lahore College for Women University for the period 2012-13, it was observed that appointments were made without advertisement through press by the Vice Chancellor of the University under emergency powers. It was also observed that the appointments were initially made for the period of six months/one year on fixed salary

packages. Later on, the extensions were granted with revised higher pay packages without the approval of the Chancellor.

Audit was of the view that this was due to weak internal controls and financial management.

Audit pointed out the matter September 2013. The management replied that all contractual appointments have been made by the Vice Chancellor in exercise of emergency powers vested in her as provided in the Act. Thus no violation has been made. The reply was not acceptable because all the appointments were made without open advertisement.

The matter was further reported to the administrative department in December 2013. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report

Audit recommends to look into the matter at administrative level and the irregularities be got regularized from the competent authority.

(PDP Nos. 3558-Lahore College for Women University-2012-13)

Performance

8.4.9 Non incurring of expenditure from Endowment Fund grant for research-Rs.10 millions

As per Finance Department U.O. No. FD (AB-III) 20-9/99 dated 12.07.1999, an amount of Rs. 40 millions was released for various purposes out of which Rs. 10 millions were specified as Endowment Fund for research.

During audit of Islamia University, Bahawalpur for the period 2011-12, examination of the cash book of Endowment Fund Account No.450240 and Endowment profit Account No.SNTD-357550 revealed that grant was invested for five years w.e.f. 31.01.1999 to 31.08.2004 in HBL, IUB Branch while it was meant for research purpose only.

Audit was of the view that non utilization of the grant for research purposes was left unspent due to weak financial controls.

The management did not furnish reply to the audit observation.

The matter was further reported to the administrative department in December 2012. DAC in its meeting held on 11.01.2013 directed the department to ensure proper utilization of the grant and probe the matter regarding wasting of time for utilization of funds. Further progress was not reported till the finalization of this report.

Audit recommends to justify the position for non incurring of research grant endowment fund profit and status of the original endowment fund be produced for audit scrutiny. Further, reasons for opening of two accounts of Endowment Fund Grant be justified.

(PDP No. 2184- Islamia University of Bahawalpur-2011-12)

Internal Control Weakness

8.4.10 Un-authorized expenditure on account of POL/repair- Rs. 8.48 millions

As per Rule 6 (iii) of chapter-vi of the University Financial Rules, University vehicles may, under special circumstances and with the prior permission of the head of the department, be used for private purpose on payment.

During audit of the University of the Punjab, it was noticed that 5 vehicles were allocated to Academic Staff Association (ASA) without any lawful authority. The POL and repair & maintenance amounting to Rs.3,875,395 were born by the university during the financial year. It was further transpired that the ASA rented out these vehicles and the amount of rent Rs.2,646,655 was deposited in the ASA account instead of university receipt account. The allocation of vehicle to ASA, commercial

usage and deposit of rent into ASAs' account was without any lawful authority. Moreover, an amount of Rs.4,304,404 was spent by ASA out of its accounts but vouched account of the same was not shown to audit.

Audit pointed out the matter in August 2013. The management replied that for welfare of the faculty, University has provided five vehicles to the ASA. The income of these vehicles is deposited in the bank Account No. 01820023666603 and diesel to these vehicles was issued according to average.

The matter was further reported to the administrative department in December 2013. Neither any reply was received nor DAC meeting convened despite repeated reminder till finalization of this report.

Audit recommends that recovery be effected besides strengthening of internal controls.

(PDP No.3424-University of the Punjab, Lahore -2012-13)

Recovery and overpayments

8.4.11 Un-authorized payment of house requisition-Rs.298.46 millions

Section 31 (2) (ii) of University of the Punjab Act, 1973 states that the draft of statutes shall be provided by the Syndicate to the Senate which may approve it or pass it with such modifications as the Senate may think fit, or may refer it back to the Syndicate for reconsideration or may reject it provided that the draft of Statutes concerning any of the matters mentioned in clause (b) of sub-section (1) of this section, shall be forwarded to the Chancellor and shall not be effective until it has been approved by the Chancellor.

During audit of University of the Punjab for the period 2012-13, it was observed that an amount of Rs. 2,886,458,049 was paid to the employees of the University on account of house requisition without

approval of the Chancellor. Therefore, the expenditure was held irregular and unauthorized.

Sr. No	Codes	Budget Head	Estimate	Revised	Amount (Rs.)
1	03403-01	House Requisition (Faculty)	51.734	54.224	54,004,332
2	03403-02	House Requisition (Officers)	49.889	49.889	49,547,835
3	03403-03	House Requisition (Staff)	174.522	174.522	172,733,883
4	03403-04	House Requisition (New Employees)	25.000	22.510	10,171,999
Total					286,458,049

Similarly, Rs. 12,000,000 were also paid to the employees of IER Department on account of house requisition.

Audit was of the view that the said lapse was due to weak financial controls.

The matter was brought to the notice of university management. It was replied that statutes regarding House Requisition were approved by the Senate in the 349th meeting of Senate held on 01.08.2005 under the chair of Chancellor / Governor.

The matter was further reported to the administrative department during November and December 2013. Neither any reply was received nor DAC meeting convened despite repeated reminders till the finalization of this report

Audit recommends recovery from the concerned besides action against the person responsible for payments.

(PDP Nos.3335 & 3348-University of the Punjab, Lahore -2012-13)

8.4.12 Un-lawful payment of conveyance allowance-Rs.8.45 millions

As per Para 4 of Finance Department letter No. FD.SR.1.9-4/86 (P) (PR) dated 04.12.2012, the employees who are residing in the residential

colonies situated within work premises are not entitled to the facility of conveyance allowance.

During audit of University of the Punjab for the period 2012-13, it was observed that an amount of Rs.8,453,150 was paid to employees who were residing within the work premises in contravention of instructions of the Finance Department.

Audit was of the view that weak financial controls led to overpayment.

Audit pointed out the matter during July to November 2013. The management replied that the conveyance allowance was being paid to the University employees residing in the University premises in accordance with the Notification No.SO(UNIV)5/206-78 dated 07.07.1979 issued by the Education Department, Govt. of the Punjab. The reference quoted by the management was obsolete therefore not acceptable.

The matter was further reported to the administrative department during November 2013. Neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit recommends to effect recovery from the concerned besides fixing responsibility.

(PDP Nos. 3351 & 3425-University of the Punjab, Lahore -2012-13)

8.4.13 *Unlawful occupation of college residences by the retired persons-Rs. 3.76 millions*

According to Rule 2.33 of PFR Vol-I, every government Servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During audit of Government Murray College, Sialkot for the period 2011-13, it was observed that certain un-authorized persons were

residing in the residences of the college. They were neither subscribing towards House Rent nor vacated the residences for the last many years. It was a severe negligence on the part of college management. No step had been taken to get it vacated from the unlawful occupant.

Audit was of the view that weak management controls resulted in unlawful occupation of government residences.

Audit pointed out the matter during July to November 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department in July and December 2013. DAC in its meeting held on 27.14.2013 kept the PDP No. 2714 pending for recovery. As regards other para, neither departmental reply was received nor DAC meeting convened till the finalization of this report.

Audit recommends to get the residences vacated from the illegal occupants besides effecting recovery from the concerned.

(PDP No.2714-Government Murray College, Sialkot -2011-12)

(PDP No.4057-Government Murray College, Sialkot -2012-13)

8.4.14 *Irregular payment of allowances without approval of the Chancellor-Rs. 2.68 millions*

The provision of the Acts of the Universities that Statutes may be made to regulate or prescribe the scales of pay and other terms and conditions of service of officers, teachers and other employees of the university and the draft of statutes shall be provide by the Syndicate to the Chancellor who may approve it with or without modifications or may refer it back to the Syndicate for reconsideration or may reject it provided that the Statutes shall not be effective until it has been approved by the Chancellor.

During audit of following institutions of Higher Education Department, it was observed that sub-campus and headship allowances were paid to the University employees without the approval of Chancellor. Therefore, the payment was held irregular.

Sr. No.	Name of formation	Nature of allowance	Period of audit	PDP No.	Amount (Rs.)
1.	Islamia University Bahawalpur	Sub-campus allowance	2011-12	2199	2,176,920
2.	Government College University, Lahore	Head ship allowance	2011-12	2239	504,600
Total					2,681,520

Audit was of the view that payment of inadmissible allowances worth Rs. 2,681,520 was made due to weak financial and management internal controls.

Audit pointed out the matter from July to November 2013. The management at Sr. No. 1 replied that suitable reply would be submitted after consulting the relevant record. The management at Sr. No. 2 replied that allowances were made with the approval of the Syndicate. The reply was not tenable because the approval of the Chancellor was not obtained.

The matter was further reported to the administrative department in December 2012. DAC in its meetings held on 11.01.2013 and 27.11.2013 kept the paras pending for approval of the Chancellor. Further progress was not reported till the finalization of this report.

Audit recommends recovery of inadmissible allowances from the concerned at the earliest besides fixing responsibility.

8.4.15 Non- deduction of income tax-Rs.1.68 millions

According to Section 153 (1) of income tax ordinance 2001, income tax is required to be deducted at source @ 3.5% on supply of goods and 6% on services rendered respectively.

During audit of institutions of Higher Education Department, it transpired that payments were made to different contractors and employees of institutions but income tax worth Rs. 1,682,957 was not deducted at source. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	University of Engineering and Technology, Lahore	2011-12	2237	860,557
2	Secretary Higher Education Department, Lahore	2012-13	3539	597,400
3	Secretary Higher Education Department, Lahore	2012-13	3528	225,000
Total				1,682,957

Audit was of the view that weak internal controls and financial management led to non deduction of income tax.

The matter was pointed out from July to November 2013. Some formations noted the observations for compliance and rest of the formations did not offer any reply.

The matter was further reported to the administrative department during November 2013. DAC in its meetings held 12.11.2013, kept the para at Sr. No. 1 pending for clarification from income tax department. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit recommends to effect recovery from the concerned.

Others

8.4.16 Non refund of unspent balance-Rs.23.72 millions

As per directions of the Punjab Educational Endowment Fund (PEEF) for disbursement of scholarship vide article No.8, in case of non

disbursement of scholarship amount, amount may be sent to operational account of “PEEF” through cross cheque.

Higher Education Department, Government of the Punjab vide No So (Boards)12-7/2012 dated 20.09.2012, granted Rs.40 millions for prize distribution of HSC & SSC top position holders to the BISE Lahore with request to provide vouched accounts.

During audit of Higher Education Department for the period 2012-13, it was observed that an amount of Rs.23,723,506 was allocated on account of scholarship and prize distribution of HSC & SSC top position holders. The unspent balance was required to be refunded but the same was not refunded to funding agency.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Secretary, Govt. of the Punjab Higher Education Department, Lahore	2012-13	3529	20,964,000
2	Government College University, Lahore	2012-13	3549	2,759,506
Total				23,723,506

Audit was of the view that this was due to weak internal controls.

Audit pointed out the matter during July to November 2013. The management at Sr. No. 1 replied that the matter will be referred to BISE Lahore for compliance. The management at Sr. No. 2 replied that amount would be refunded to funding agency.

The matter was further reported to the administrative department during November and December 2013. DACs in its meetings held in January 2013, directed the department to refund the amount. Further progress was not reported till the finalization of the report.

Audit recommends to refund the unspent balance to the funding agency.

8.4.17 Wasteful expenditure on purchase of vehicles-Rs.10.25 millions

As per Rule 2.10 (a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of Islamia University, Bahawalpur for the period 2011-12, it was observed that sixteen vehicles valuing Rs. 10,251,000 were purchased during different years. Only in four to six years these vehicles were lying off road. Further, in the meeting of transport committee held on 15.09.2011, it was recommended that these vehicles may be auctioned to avoid incoming problem, which was very astonishing as many of these vehicles were four to seven years old. The details are as under:

Sr.No.	Vehicle No. and Type	Model	Purchase date	Purchase price (Rs.)
1	BNJ-3348 (Dong Feng)	2008	23.02.2008	1,342,000
2	BNJ-3349 (Dong Feng)	2008	23.02.2008	1,342,000
3	BRO-4235 (Kaghan Van)	2007	30.09.2007	540,000
4	BNJ-4568 (Chitral Pickup)	2008	27.02.2008	490,000
5	BNJ-2144 (Chitral Pickup)	2007	15.12.2007	490,000
6	BNJ-2143 (Chitral Pickup)	2007	15.12.2007	490,000
7	BRM-2783 (Kaghan Ambulance)	2006	17.10.2006	555,000
8	BRM-2782 (Kaghan Van)	2006	17.10.2006	555,000
9	BRM-2780 (Chitral Pickup)	2006	28.08.2006	490,000
10	BRM-2781(Chitral Pickup)	2006	28.08.2006	490,000
11	BRM-2483 (Kaghan Ambulance)	2007	24.03.2007	540,000
12	BRK-9105 (Suzuki Cultus)	2005	2005	595,000
13	BRL-9749 (Suzuki Santro)	2006	2006	595,000
14	BRN-2456 (Hyundai Santro)	2007	2007	569,000
15	BRN-2457 (Hyundai Santro)	2007	2007	569,000
16	BRA-1197 (Hyundai Santro)	2007	2007	569,000
Total				10,251,000

Audit was of the view that the management purchased substandard vehicles which resulted in loss.

In reply to preliminary observation, the management stated that the case regarding auction of the off road vehicles was placed before the Syndicate in its meeting held on 24.09.2011 in which the Syndicate directed that detailed justification may be made and advice of F.D. may also be obtained. The reply was not tenable as basically it was to be probed as to why and upon whose order / requisition such vehicles were purchased, the spare parts of which were not available.

The matter was further reported to the administrative department in December 2012. DAC in its meeting held on 11.01.2013, directed the department to probe the matter for fixing responsibility. Further progress was not reported till the finalization of this report.

Audit recommends that compliance of the Syndicate directions may be produced to audit, besides matter be brought into the notice of Vice Chancellor for proper probe and fixing the responsibility against the person(s) responsible for such unjustified purchases.

(PDP No. 2243- Islamia University of Bahawalpur-2011-12)

8.4.18 *Loss to university due to auction of “Raddi” at lower rate-Rs. 2.89 millions*

As per Section 18 (a) of the University of the Punjab Act 1973, the treasurer shall manage the property, the finance and the investment of the university.

During audit of University of the Punjab, Lahore for the period 2012-13, it was observed that “Raddi” weighing 281802 kg was sold to M/s Muhammad Ashfaq & Brothers at Rs.32 per kg while last year same vendor had lifted same type of “Raddi” at Rs. 42.40 per kg. The very fact

combined with some other instances rendered the whole process objectionable as narrated below.

In response to advertisement dated 16.2.13, seven(7) firms participated out of which M/s Arooj Butt quoted highest rate of Rs.33.50 per kg. M/s Ashfaq Brothers did not participate initially as evident from the CDR Register, however his name was subsequently included in the list of bidders. The auction committee rejected all the tenders on 05.03.13 on the plea that rates quoted were much low as compared to previous years' rate Rs.42.50 per kg.

The tender was re-advertised on 12.03.13 for submission of bids up to 28.03.13; seven firms participated out of which this time M/s Ashfaq & Brothers got contract by quoting the highest rate as only Rs.32. It was obvious that the Auction Committee should have approached M/s Arooj Butt to give an opportunity as per principles of natural justice and fair play.

Astonishing to note that same M/s Ashfaq & Brothers this time reduced rates of various items as compared to those of 05.03.13 but rate of answer sheet given at the top of quotation was re-written and enhanced from 26 to 32 which clearly indicates connivance of the vendor with the management.

Audit was of the view that auction of "*Raddi*" on lower rates to the firm of own choice put the university into loss of Rs.2.890 million.

When pointed out in August 2013, the management replied that the Auction Committee observed that the quoted rates as a result of retendering.

The matter was further reported to the administrative department in December 2013. Neither any reply was received nor DAC meeting convened despite repeated reminder till finalization of this report.

Audit recommends that matter being serious in nature be probed at administrative level to arrive at factual position and recovery of the stated amount.

(PDP No.3329-University of the Punjab, Lahore -2012-13)

8.4.19 Unauthorized provision of soft loan-Rs. 2.50 millions

The University of the Punjab Act contains no provision regarding soft loan. Also Section 15 [1 to 4 (i to ix)] of the Act (Powers of the VC), is silent in this regard.

During audit of University of the Punjab for the period 2012-13, it was observed that an amount of Rs. 2,500,000 was granted as soft loan to an Assistant Professor of University College of Pharmacy which would be recovered through 5 years monthly installments from his monthly salary @ Rs.41,667 per month. The provision under which the VC granted soft loan was not known to audit. Moreover, a perusal of soft copy of payroll revealed that no recovery had been effected till the close of audit.

Audit held that the VC granted soft loan without having authority which was irregular.

The matter was pointed out in August 2013. The management replied that the Overseas Scholarship Committee is competent forum for grant of PhD Scholarships to the Faculty.

The matter was further reported to the administrative department during December 2013. Neither any reply was received nor DAC meeting convened despite repeated reminder till finalization of this report.

Audit recommends recovery from the concerned person.

(PDP No.3423-University of the Punjab, Lahore -2012-13)

8.4.20 Irregular payment to ASA for purchase of vehicle- Rs.2.21 millions

As per section 18 (a) of the University of the Punjab Act 1973, the treasurer shall manage the property, the finance and the investment of the university.

During audit of University of the Punjab for the period 2012-13, it was observed that an amount of Rs.2205000 was paid to the President Academic Staff Association (ASA). The payment to ASA out of university account needs to be justified with the support of relevant Rules & Regulations and record or otherwise the same amount be recovered from the concerned besides action against the person held responsible. The details are as under:

Sr. No.	A/c no.	V. no.	Cheque no. & ASA A/c no.	Date	To whom paid	Amount (Rs.)
1	18-91	115	4682834	05.11.2012	President ASA	1,150,000
2	18-91	TE	0182-00236666-03	06.11.2012	President ASA	1,055,000
Total						2,205,000

Audit was of the view that the lapse was due to lack of supervisory and financial controls of the management.

The matter was pointed out in August 2013. The management replied that an amount of Rs.1,150,000 was sanctioned from the University funds for purchase of Toyota Hiace Van for ASA vide office order dated 01.11.2012. The amount of Rs.1,055,000; the auction proceeds of ASA van was transferred to ASA account. As per above, University paid only Rs.1,150,000 from University Account and not Rs.2,205,000.

The matter was further reported to the administrative department during December 2013. Neither any reply was received nor DAC meeting convened despite repeated reminder till finalization of this report.

Audit recommends recovery from ASA.

(PDP No.3336-University of the Punjab, Lahore -2012-13)

8.4.21 Unjustified award of contract to the firm of own choice- Rs.1.71 millions

Section 18 (a) of University of the Punjab Act, 1973 states that the Treasurer shall manage the property, the finances and investment of the University.

During audit of University of the Punjab for the period 2012-13, it was observed that furniture amounting to Rs.1,709,150 was purchased for conference room from M/s Wood Aesthetics Pvt. Ltd. Lahore. The said firm was awarded the contract by the purchase committee irregularly as no bidder submitted the tender document within due date. The management instead of re-inviting tenders awarded the contract to the firm of own choice.

Audit was of the view that non adherence to PPRA Rules resulted in unauthorized award of contract and irregular payment.

The matter was pointed out in August 2013. The management replied that no irregularity was committed. The reply of the management was not based on facts as no bid was received on the date fixed for this purpose.

The matter was further reported to the administrative department during December 2013. Neither any reply was received nor DAC meeting convened despite repeated reminder till finalization of this report.

Audit recommends to probe the matter for fixing of responsibility.

(PDP No.3346-University of the Punjab, Lahore -2012-13)

CHAPTER 9

HOME DEPARTMENT

9.1 *Introduction*

Home Department comprises six attached departments. As per Rules of Business, 1974 (amended to-date), the department has been assigned the business of:

- Public Order and internal Security.
- Arms, ammunition & military stores.
- Matter relating to police establishment and administration institutions.
- Prisons, reformatories, remand homes, borstal and similar institutions, classification and transfer of prisoners; state, political and martial law prisoners, good conduct prisoners and Probation Release Act.
- Protection of key points and vital installations.
- Recovery of missing persons.
- Enforcement of provisions of Motor Vehicle Ordinance, 1965 and rules thereunder relating to control of traffic and inspection and checking of motor vehicles for the purpose of traffic control.
- Appointment of non-official visitors for the jail.
- Hoarding and Black-marketing.
- Civil Defence and Afghan Refugees.

9.2 *Comments on Budget & Accounts (Variance Analysis)*

Introduction

The Appropriation Accounts for the year 2012-13 of Home Department prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of six grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	2,314.92	(392.16)	1,922.76	1,654.71	(268.05)
PC21012	5,280.66	58.74	5,339.40	5,206.78	(132.62)
PC21013	61,508.81	3,447.04	64,955.85	65,493.63	537.78
PC21031	2,554.74	(187.211)	2,367.53	2,288.19	(79.34)
PC22032	51.172	0.00	51.17	50.99	(0.18)
PC22036	2,255.77	(1,340.45)	915.32	858.71	(56.61)
Total	73,966.07	1585.96	75,552.03	75,553.01	0.98

Overview of Expenditure

The total budget of Home Department for the year ended 30 June, 2013 was Rs. 75,552.03 millions. Out of this amount the actual expenditure was Rs.75,553.01 millions.

The breakup of current and development expenditure is given below:

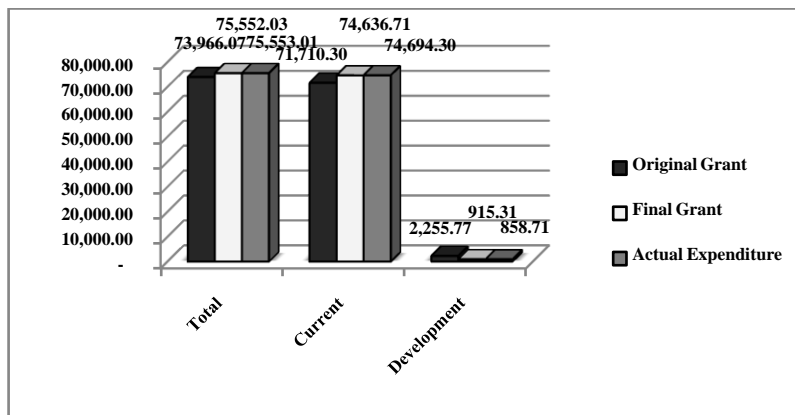
(Rupees in millions)

Grant No.	Original Grant	Actual expenditure	Excess (Savings)	Variance %age
1	2	3	4	5
Current	71,710,302,000	74,643,310,000	1,984,180,000	2.77
Development	2,255,770,000	858,711,000	(1,397,059,000)	(61.93)
Total	73,966,072,000	75,502,021,000	587,121,000	0.79

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

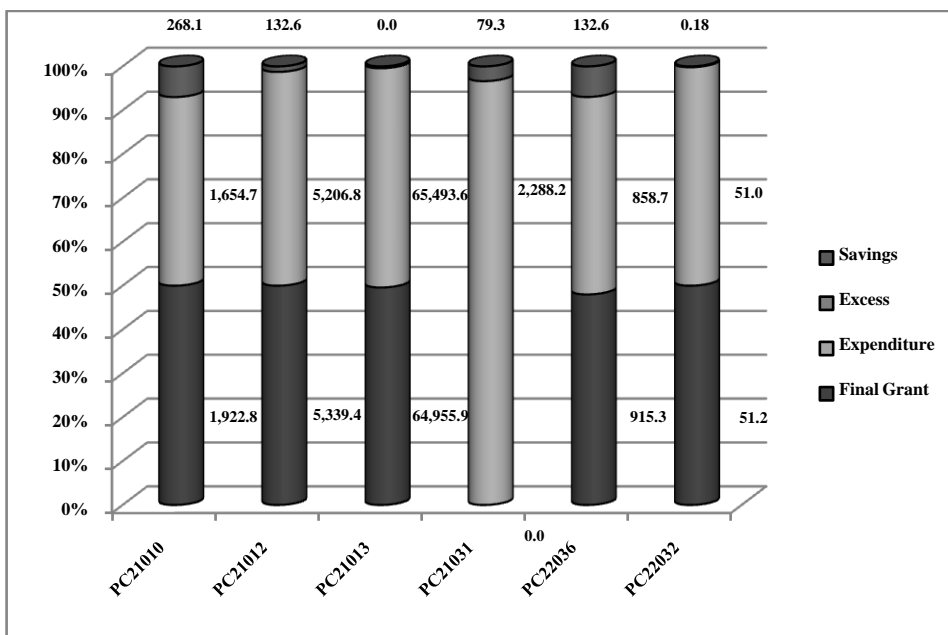
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	74,636,714,000	74,694,301,975	57,587,975	0.08
Development	915,315,000	858,710,656	(56,604,344)	(6.18)
Total	75,552,029,000	75,553,012,631	983,631	0.00



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to Rs. 536.804 millions at the close of the year 2012-13 under grants PC21010, PC21012, PC21031, PC22032 & PC22036 had not been surrendered well in time.



Excess requiring regularization

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purpose. However, excess expenditure amounting to Rs. 537.785 millions for the year 2012-13 under grant PC21013 had not been got regularized so far. This was breach of legislative control over appropriations.

9.3 Brief comments on the status of compliance with PAC Directives

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	35	32	3	91
2	1986-87	25	21	4	84
3	1987-88	22	16	6	73
4	1988-89	96	76	20	79
5	1989-90	10	2	8	20
6	1990-91	29	15	14	52
7	1991-92	27	14	13	52
8	1992-93	19	7	12	37
9	1993-94	11	6	5	55
10	1994-95	21	4	17	19
11	1995-96	16	0	16	0
12	1996-97	38	13	25	34
13	1997-98	122	47	75	39
14	1998-99	190	118	72	62
15	1999-00	323	183	140	57
16	2000-01	577	493	84	85
17	2001-02	345	238	107	69
18	2003-04	23	5	18	22
19	2005-06	140	11	129	8
20	2006-07	123	12	111	10
21	2009-10	229	13	216	6
Total		2421	1326	1095	55

The compliance of PAC Directives in Home Department is not satisfactory. The situation needs improvement.

9.4 AUDIT PARAS

Fraud/Misappropriation

9.4.1 *Embezzlement of Rs. 315,700*

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of SP Traffic Region, Sahiwal for the period 2011-12, it was observed that the government receipts were misappropriated by affixing bogus stamps of Bank on the cash receipts and on the traffic violence fine tickets.

Audit was of the view that weak financial and management controls resulted in embezzlement of Rs. 315,700.

When pointed out, the department received the observation without offering any comments.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends for recovery of amount besides initiating disciplinary action against the responsible besides developing the effective mechanism of cash receipts.

(PDP No. 3230-S.P. Traffic Range Sahiwal-2011-12)

Non-production of record

9.4.2 Vouched accounts not produced-Rs. 164.53 millions

As per Rule 2.20 of PFR Vol-I, every payment including repayment of money previously lodged with Government for whatever purpose, must be supported by setting forth full and clear particulars of the claim. Moreover, Section 14 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that the officer in charge of any office/department shall afford all facilities and provide record for audit inspection and comply with request for information. Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency & Discipline Rules.

During audit of Home Department, it was observed that vouched account of expenditure of Rs.164,529,990 was not produced to audit. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Additional Inspector General Elite Police Force, Lahore	2012-13	3149	136,111,060
2	Additional IGP, CTD, Lahore	2012-13	3140	9,397,546
3	City Police Officer, Rawalpindi	2012-13	3935	9,164,000
4	SP Motor Transport Punjab, Lahore	2012-13	3907	3,824,621
5	City Police Officer, Gujranwala	2012-13	4008	1,917,763
6	CPO, Multan	2012-13	4164	1,755,000
7	District Police Officer, Vehari	2012-13	4040	788,000
8	District Police Officer, Okara	2012-13	4039	736,000
9	DIG Investigation, Lahore	2011-12	4174	445,000
10	District Police Officer, Pakpattan	2012-13	4030	391,000
Total				164,529,990

Audit was of the view that due to non production of record audit could not ascertain the authenticity of accounts.

The lapse was pointed out from July to November 2013. Most of the managements noted the observations for compliance, whereas the managements mentioned at Sr. No. 3 & 10 did not furnish any reply. The management at Sr. No. 1 replied that purchases under head ordinance store and transport were made by the CPO Office. No supporting documents were provided by the said office.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be probed and responsibility be fixed besides production of vouched account for verification of the authenticity of the expenditure.

9.4.3 *Non production of Record-Rs. 62 millions*

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

During audit of Home Department, record was not produced to audit despite repeated requests.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of record	Amount (Rs.)
1	Forensic Science Agency, Lahore	2011-12	2894	Record of newly recruited staff	41,190,963
2	SSP, PHP, Faisalabad	2012-13	3041	POL sanction orders, bills , APRs and stock registers	8,008,947
3	Police Training College Chung, Lahore	2012-13	3162	Documents relating to securities obtained from trainees.	6,262,000
4	SP, Motor Transport Punjab, Lahore	2012-13	3905	Log books and POL register	5,857,268
5	District Jail, Sargodha	2011-12	2382	POL consumption record.	683,974
6	SP, Motor Transport Punjab, Lahore	2012-13	3908	Driving school income	-
Total					62,003,152

Audit was of the view that due to non production of record, the authenticity of accounts could not be verified.

The matter was pointed out in February, July and August 2013. The management mentioned at Sr. No. 1 replied that the record was available for perusal. The management at Sr. No. 3 replied that concerned official had been transferred. However record would be shown at the time of next audit. The management mentioned at Sr. No. 2 & 5 did not furnish any reply. The managements mentioned at Sr. No. 4 & 6 noted the observation for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 19.06.2013, kept the para at Sr. No. 3 pending for production of record. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit requires production of record besides fixing responsibility for not providing record to audit and the officers/officials be proceeded under relevant Efficiency and Discipline Rules.

Irregularity & Non-compliance

9.4.4 *Unauthorized mode of payment of salaries- Rs.1,192.91 millions*

According to Government of the Punjab Finance Department letter No. SO (TT) 2-2/72-Pt-I dated 19.07.2008, monthly salary of all government employees may strictly be disbursed through their bank accounts alone, failing which the salary of defaulting employees may be stopped.

During audit of Home Department, it was observed that salaries of the officers/officials were paid on manual bills instead of paying the same through their bank accounts on computerized Pay Roll system. Audit could not ascertain the authenticity of payment through manual bills because supporting record like LPC, transfer orders, sanctioned strength of police force etc. were not produced to audit for verification.(Annexure-10)

Audit was of the view that weak financial and management controls led to unauthorized mode of payment of salaries amounting to Rs. 1,192,913,465.

The matter was pointed out during February to March and July to November 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 23.01.2014, kept the paras at Sr. No. 2 & 11 pending for inquiry by administrative department. Further progress was not reported by the department. As regards remaining paras, neither any

reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that matter be investigated to fix responsibility against those at fault besides regularization of the irregularity from the Finance Department.

9.4.5 *Payments drawn without pre-audit amounting to Rs.716.74 millions*

According to government instructions issued by the Finance Department vide their Letter No. FD (M-II) I-III / 98 Dated. 18th May 1999, all payments should be Pre- audited and pre audit authorities are required to exercise supervisory checks and personally test / check bills.

During audit of Director General Forensic Science Agency, Lahore for the year 2011-12, it was observed that payments amounting to Rs.716.740 millions were drawn from Assignment Account (account maintained by the Project Director - FSA with the NBP main branch Lahore) on account of salaries / TA / DA /Contingencies and expenditure on Building works etc without applying pre-audit checks by the pre audit authorities. The claims / invoices were not even got verified or signed by the DDO in most of the cases, which is quite irregular and objectionable on the part of DDO.

Audit was of the view that poor managerial command of the local administration, non observance of government rules, and weak financial internal controls has resulted in a host of incidents of financial indiscipline in the accounts of the Agency.

The lapse was pointed out in November 2012. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter may be got condoned from the competent authority, besides strengthening of supervisory and financial internal controls.

(PDP No. 2881-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.6 Irregular expenditure on imported goods without approval of foreign exchange-Rs.217.11 millions

According to Para 9.5 of the Punjab Budget Manual, the foreign exchange requirements for a fiscal year shall be approved by the Finance Department in respect of government departments, semi government departments and autonomous departments on the basis of foreign exchange sanctioned by the Ministry of Finance (Government of Pakistan) for provincial Government departments.

During audit of Director General Forensic Science Agency, Lahore/Lab Lahore for the year 2011-12, it was observed that expenditure up to above stated extent had been incurred in foreign exchange (USD / EURO) by the department through opening of LC for the import of different stores / technical and complex equipments without obtaining approval of foreign exchange from the Ministry of Finance. This resulted in an unauthorized expenditure in contravention of government rules.

Audit was of the view that poor managerial command of the local administration, non observance of government rules, and weak financial internal controls has resulted in a host of such financial indiscipline in the accounts of the Agency.

The lapse was pointed out in November 2012. The management replied that the expenditure had been incurred as per approved PC-I. The reply was not tenable as the instructions regarding obtaining necessary approval for the arrangement of foreign exchange have not been followed by the local management.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter may be inquired into and irregular expenditure be got regularized from the Finance Department.

(PDP No. 2863-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.7 Irregular procurements in violation of Punjab Procurement Rules-Rs.137.62 millions

Rule 3 of PPRA Rules 2009 requires that all procurements made by all procuring agencies of the Government of the Punjab whether within or outside the Punjab should be according to these rules.

During audit of Home Department, it was observed that an expenditure of Rs. 137,620,671 was incurred on procurements of various articles without observing the PPRA Rules. (Annexure-11)

Audit was of the view that weak financial and management controls led to irregular expenditure for Rs. 137,620,671.

The lapse was pointed out in January, March and from July to November 2013. Most of the managements noted the observations for compliance, whereas the managements mentioned at Sr. No. 5, 7, 10, 11, 13 to 15, 17, 21, 24, 32, 35 & 59 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meetings held on 01.08.2013, 20.01.2014 and 23.01.2014, kept the paras at Sr. No. 24, 51, 57 & 60 pending for regularization. The para at Sr. No. 1 kept pending for production of record. Further progress was not reported by the department. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Matter needs to be probed and responsibility for violation of financial rules be fixed against the officials concerned besides strengthening supervisory and financial controls to avoid such recurrences in future.

9.4.8 *Undue favor to contractor through irregular payment of special advance-Rs. 60 millions*

According to government rules vide Para 17.2 (1) of PFR Vol-I, there must be an act of financial sanction to be accorded by the competent authority before making payment from government treasury to any party.

During audit of Director General Forensic Science Agency, Lahore for the year 2011-12, it was observed that an amount of Rs. 60 millions has been paid to the Contractor (H.A construction & Al-Imam Enterprises JV) on account of special advance out of Assignment account vide cheque no131512 dated 01.02.2011, without obtaining sanction by the competent authority, which is irregular and unauthorized. It is further pointed out that neither said special advance was covered under any clause of the contract agreement signed between Employer and the Firm concerned nor any modalities in this regard were worked out by the department to get the project completed by the contractor by the target date (31.03.2011) as per decision taken by the project steering committee on 09.01.2011.

Audit was of the view that poor managerial command of the local administration, non observance of government rules, and weak financial internal controls has resulted in financial indiscipline in the accounts of the Agency.

The lapse was pointed out in November 2012. The management replied that the payment had been made with the approval of competent authority, which is not tenable as neither said special advance is covered under any rules nor any modalities were framed to recover said advance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be inquired into and got regularized from the competent authority, besides recovery / adjustment of said advance.

(PDP No. 2874-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.9 Irregular payment to contingent paid staff and PQR-Rs.35.94 millions

According to West Pakistan Qaumi Razaqars Rules 1966, all citizens of Pakistan between the ages of eighteen to forty five years, shall be eligible for the selection as Police Qaumi Razaqar (PQR). Each recruit should be examined by an authorized Medical Doctor, who should satisfy himself that each recruit is in good health and is fully capable of carrying out the duties of a Police Qaumi Razaqar. Moreover, Finance Department vide letter No.RO(Tech)FD2-2/2001 dated 03.11.2008 issued instructions that appointment of contingent paid staff shall be made on merit and after advertisement in leading newspapers

During audit of Home Department, it was observed that an amount of Rs.35,942,340 was incurred on payment of pay and travelling allowance to PQR and contingent paid staff during the year 2012-13. The expenditure was held irregular due the following reasons.

- i) Appointments were made without advertising the posts
- ii) Copies of CNIC were not provided for verification
- iii) Approved sanction strength of PQR was not shown to audit
- iv) Transfer TA was paid but transfer orders, last pay certificate and list of family members of the officers/officials were not provided

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	City Police officer, Gujranwala	2012-13	4009	15,283,000
2	CPO, Rawalpindi	2012-13	3942	10,737,325
3	District Police Officer, M B Din	2012-13	3917	9,922,015
Total				35,942,340

Audit of the view that above action of the management is violation of rules. Due to this government has sustained a loss of Rs.35,942,340.

The lapse was pointed out in September and October 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that matter be probed, fix responsibility besides regularization from the competent authority and production of relevant record for verification of the authenticity of the expenditure.

9.4.10 Unauthorized purchase of furniture and vehicles during ban-Rs. 26.83 millions

According to government instructions issued by the Finance Department vide letter No.FD.SO (GOODS) 44-4 /2011 dated 23.07.2011, there was a complete ban on purchase of furniture & fixture. These items shall be purchased only after obtaining prior approval/ concurrence of the Austerity Committee.

During audit of Home Department for the period 2011-12, it was observed that an expenditure of Rs. 26,834,187 was incurred on the purchase of furniture and vehicles during ban without obtaining approval from the Austerity Committee. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Forensic Science Agency, Lahore	2011-12	2873	14,265,501
2	Forensic Science Agency, Lahore	2011-12	2869	6,832,986
3.	Forensic Science Agency, Lahore	2011-12	2872	5,735,700
Total				26,834,187

It was further, in case of Sr. No. 1 & 2 observed that the amount had been charged to an incorrect object head A03970-Others instead of A09701-Purchase of Furniture and Fixture, which is misclassification of funds in terms of government rules vide Article-26 of Account Code Vol-I. It is added that no documentary evidence was shown to audit regarding advertising through PPRA's website, if any, had been made as required in PPR 2009.

Moreover, in case of Sr. No. 2 pointed out that CDR valued to Rs. 136,660/-(equal to 2% of bid amount) was required to be submitted by the Contractor before the closing date (31-5-2012) of submission of tender documents to the purchasing agency (FSA). But it was noticed that CDR (of less amount) bearing No. 0047998 valued to Rs. 20,000/- dated

5-6-2012 (issued from Askari Bank) was supplied by Contractor to the department after expiry of closing date (31-5-12) which has rendered the whole transaction unlawful as the offer of said contractor should have been rejected in the light of above situation.

Audit was of the view that non observance of government instructions resulted in irregular purchase of furniture and vehicles amounting to Rs. 26,834,187.

The lapses was pointed out in November 2012. The managements replied that the procurement was made with the approval of Chief Minister Punjab and booking under the head A03970-Others was made due to allocation of funds by the Finance Department under the said head. The reply was not tenable as the formal clearance from the Austerity Committee, constituted for 2011-12, should have been obtained for the relaxation of ban and expenditure was required to be charged to object head A09701-purchase of furniture instead of A03970-others. It is further stated that no reply was given by the department in response to audit query regarding the date and less amount of CDR.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be probed to fix responsibility besides regularization from the competent authority.

9.4.11 *Unauthorized mode of payment-Rs.24.42 millions*

According to Rule 4.49(a) of Subsidiary Treasury Rules read with Finance Department letter No. FD (FR)V-6/75(P) dated 20.06.2007, payments exceeding Rs.100,000 shall be made through cheque instead of cash.

During audit of Home Department, it was observed that various formations, contrary to above, made payments of Rs. 100,000 and above in cash as detailed below:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Police Officer, Bahawalnagar	2012-13	3404	22,270,578
2	Superintendent of Police Traffic Region, Rawalpindi	2012-13	3861	526,535
3	SSP PC Battalion No. 3, Multan	2009-12	2513	441,453
4	DIG Investigation, Lahore	2011-12	4175	365,231
5	Superintendent of Police Traffic Region, Sargodha	2012-13	3867	330,053
6	Police Training Institute, Sargodha	2011-12	3234	265,032
7	SSP Police Training School, Farooqabad	2012-13	4034	222,996
Total				24,421,878

Audit was of the view that weak financial discipline and lack of effective administrative controls led to unauthorized payment of Rs. 24,421,878.

The matter was pointed out in February, March and October 2013. Most of the managements noted the observations for compliance, whereas managements mentioned at Sr. No. 2, 5 & 7 did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that irregularity be got condoned from the competent authority besides strengthening of the supervisory controls.

9.4.12 Irregular/unjustified payment of consultancy charges to NESPAK-Rs.16.20 millions

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible

for any loss sustained by the government through fraud or negligence on his part.

As per agreement between Governor of the Punjab through Project Director Forensic Science Agency and M/s Al-Imam Enterprises/HA Construction (JV), the completion date of the project was extended to 30.09.2011.

During audit of Director General Forensic Science Agency, Lahore for the period 2011-12, it was observed that payment of consultancy charges was made to NESPAK up to June 2012. The payment of consultancy charges amounting to Rs.16,200,000 for the period October 2011 to June 2012 @ 1.8 million per month was held unjustified as the project completion date was 30.09.2011.

Audit was of the view that non observance of government rules, and weak financial controls resulted in unjustified payment of consultancy charges.

The lapses was pointed out in November 2012. The management replied that the consultancy period of NESPAK had been extended till the completion of project. The reply was not tenable as the project completion date was 30.09.2011 and the payment had been made up to June 2012.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that matter may be probed into, responsibility fixed against officers / officials at fault and amount recovered from the Consultant (NESPAK) and be deposited into government treasury under intimation to audit.

(PDP No. 2870-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.13 Unauthorized sanction of expenditure beyond competency-Rs. 15.58 millions

Rule 2(b) (i) of Delegation of Financial Powers Rules, 2006 provides powers to sanction expenditure on stationary charges for different categories of officers. Furthermore, rule 4 (ii) ibid provides that City Police Officer being officer of category-I was competent to accord sanction on uniform up to Rs.300,000 at one time.

During audit of Home Department, it was observed that purchase of stationery, computer stationery and uniform for Rs. 15,580,477 was made in violation of aforesaid Delegation of Financial Power Rules. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of items	Amount (Rs.)
1	SP Battalion Commander No. 1 PC, Lahore	2012-13	3925	Stationery	4,036,261
2	SSP Telecommunication, Lahore	2012-13	3142	Stationery	2,960,920
3	Additional IGP, CTD, Lahore	2012-13	3136	Stationery	2,691,930
4	District Police Officer, Layyah	2012-13	4016	Stationery	1,202,963
5	RPO, Multan	2012-13	4024	Stationery	1,041,696
6	SP Special Branch, Multan	2012-13	3980	Stationery	782,993
7	District Police Officer, Jhelum	2012-13	3879	Stationery	754,996
8	SP RIB, Multan	2012-13	4032	Stationery	649,971
9	City Police Officer, Rawalpindi	2012-13	3934	Uniform	461,000
10	Superintendent of Police Traffic Region, Rawalpindi	2012-13	3864	Stationery	428,285
11	SP Traffic, Gujranwala	2012-13	4021	Stationery	298,798
12	SP Traffic Region, Faisalabad	2012-13	3945	Stationery	270,664
Total					15,580,477

Audit was of the view that weak internal and supervisory controls resulted in expenditure beyond competency.

The lapse was pointed out during July to November 2013. Most of the managements noted the observations for compliance, whereas the managements mentioned at Sr. No. 6,8 & 10 to 12 did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be probed to fix responsibility besides regularization from the competent authority

9.4.14 Irregular expenditure on cost of investigation-Rs. 14.62 millions

The Additional Inspector General Police, Investigation Branch, Punjab has issued standing orders No.1/2005 regarding cost of investigation vide letter No.3115-3195/Legal dated 28.06.2005 which specifies the procedure for incurring expenditure on investigation. Furthermore, IGP, Punjab has issued comprehensive instructions for utilization of budget grant under the Head of account "Investigation Cost" vide letter No.4710-4820/RA dated 14.07.2008.

During audit of Home Department, it was observed that an expenditure of Rs.14,618,238 was incurred under head cost of investigation, which was held doubtful due to the following reasons:

- In most of the cases invoices attached with the claims of transport hiring charges were undated and without other

necessary details for instance destination, date and time of departure/arrival, distance covered, photocopy of NIC of the driver, registration book of the vehicles, NOC regarding non availability of Government vehicle etc.

- Claim of diet charges were not verified by the In-charge of investigation.
- DNA test fees were paid but DNA reports were not produced.
- FIR ledger registers were not maintained therefore authenticity of expenditure could not be verified.
- Less deduction of income tax amounting Rs.85,544 was noticed.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DIG Investigation, Lahore	2011-12	4172	5,531,100
2.	CPO, Faisalabad	2012-13	3063	3,965,618
3.	CPO, Gujranwala	2012-13	4007	2,634,770
4.	DPO, Mandi Bahaudin	2012-13	3918	2,216,000
5.	DPO, Gujrat	2012-13	3055	1,750,00
6.	CPO, Rawalpindi	2012-13	3938	269,000
Total				14,618,238

Audit was of the view that non observance of the government instructions resulted in doubtful expenditure on cost of investigation.

The lapses was pointed out in July and October 2013. Most of the managements noted the observations for compliance, whereas the managements mentioned at Sr. No. 2 & 6 did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the

finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter needs to be probed into and fix responsibility, besides regularization from the competent authority and recovery of income tax.

9.4.15 Irregular appointment of forensic scientists for perks- Rs.11.22 millions

As per government instructions vide Sr. No VIII(vi) of contract appointment policy 2004, promulgated vide S&GAD letter dated 29th December 2004, no relaxation of qualification, experience, physical criteria etc as provided in the relevant service rules or determined by the government shall be allowed except as prescribed under the rules.

As per advertisement published in newspapers minimum qualification required for a Forensic Scientist in the field of Toxicology and Narcotics was Pharm-D.

During audit of Director-General Forensic Science Agency, Lahore for the year 2011-12, it was observed that two forensic Scientists, recruited by the Forensic Science Laboratory/Agency Lahore were having qualification of B-pharmacy (with four years programme) instead of required qualification of Pharm-D (05 years programme) as per advertisement of press. Thus the appointment of said Forensic Scientists is held unlawful and expenditure incurred on their salaries / perks during the period under audit is called irregular.

Audit was of the view that weak administrative and management controls resulted in irregular appointment of Forensic Scientists.

The lapse was pointed out in November 2012. The management replied that a reference had already been moved to HEC for their guidance in the matter.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter may be clarified / probed into and unlawful appointment of Forensic Scientists may either be got regularized from the competent authority or the responsibility fixed and amount recovered under intimation to audit.

(PDP No. 2893-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.16 *Unauthorized expenditure on rent of office building- Rs.8.06 millions*

According to Rule 5 (iv) of Punjab Delegation of Financial Powers Rules 2006, an officer of Category-III is competent to accord sanction up to Rs.90,000 per annum on account of rent of office Building, subject to the condition that the accommodation is according to the scale approved by the Government, rent reasonability certificate is obtained from the competent authority, non availability certificate is obtained from C&W Department and rent assessment certificate is obtained from the Excise & Taxation Department.

During audit of Home department, it was observed that expenditure of Rs. 8,057,811 was incurred on rent of office building. The expenditure was held irregular due to following reasons:-

- NOC's and rent assessment certificates were not produced.
- Expenditure was sanctioned beyond competency.
- Payment of pending liabilities of previous years was made without obtaining separate budget and pending liabilities register was not maintained.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of items	Amount (Rs.)
1	CPO Gujranwala	2012-13	4004	Rent of office building	6,742,197
2	Superintendent of Police Traffic, Rawalpindi	2012-13	3863	Rent of office building	788,934
3	Superintendent of Police Traffic, Sargodha	2012-13	3871	Rent of office building	526,680
Total					8,057,811

Audit was of the view that weak internal and supervisory controls resulted in irregularity.

The lapse was pointed out during July to November 2013. Management at Sr. No.1 noted the observation for compliance, whereas the managements mentioned at Sr. No. 6 & 10 did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be regularized from the competent authority.

9.4.17 Un authorized advance payment-Rs. 3.25 millions

According to Rules 17.19 and 2.10(b)(5) of PFR Vol I, it is not permissible to draw advances from the treasury just to prevent the lapse of appropriations Moreover, as required in Rule 17.2 ibid, the expenditure (from Govt. revenue) should be sanctioned by the competent authority.

During audit of Home Department, it was noticed that an amount of Rs. 3,245,084 was drawn from the treasury for the advance payment of

electricity charges, Gas charges & Telephone charges without prior approval of the finance department.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Director General Forensic Science Agency, Lahore	2011-12	2890	2,705,600
2	SP Battalion Commander No. 1 PC, Lahore	2012-13	3985	539,484
Total				3,245,084

Audit was of the view that entire advance payments were unauthorized.

The lapse was pointed out during November 2012 and July 2013. The management at Sr. No. 2 noted the observation for compliance. The management at Sr. No. 1 replied that the PD-FSA was competent to sanction the advance payment. The reply was not tenable as the said financial powers rested with the Finance Department.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that expenditure be got regularized from Finance Department and matter be probed and responsibility for violation of financial rules also be fixed against the officers concerned besides strengthening supervisory and financial controls to avoid such recurrences in future.

9.4.18 Unlawful retention of weapons-Rs.2.78 millions

According to standing instructions of Government of Pakistan, Ministry of Interior, it is an unlawful and criminal act to retain/use of

weapons without having arms license, duly issued by the competent authority.

During audit of Forensic Science Agency, Lahore for the period 2011-12, it was observed that weapons (20 Pistols and 12 Guns pump action) costing Rs. 2,784,000 were purchased and issued to security guards but license of these arms were not obtained.

Audit was of the view that non observance of government instructions resulted in unlawful retention of weapons.

The lapse was pointed out in November 2012. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 21.11.2013 and 18.12.2013.

Audit recommends that the matter be inquired and responsibility be fixed.

(PDP No. 2887-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.19 Irregular expenditure on POL-Rs. 2.60 millions

As per Rule 2.10 (a) of PFR Vol-I, while incurring and sanctioning expenditure from the revenues of the province, the disbursing officers and the sanctioning authorities should be guided by the canons of financial propriety.

During audit of City Police Officer, Gujranwala for the period 2012-13, it was observed that five vehicles of CPO office Gujranwala were being used by the office of the RPO Gujranwala. Cost of POL of the vehicles amounting Rs. 2,599,100 was irregularly paid from the budget of CPO Gujranwala.

Audit was of the view that the deviation from the canons of financial propriety led to irregular expenditure on POL.

The lapse was pointed out in October 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that irregularity be got condoned from the competent authority besides strengthening of financial and supervisory controls.

(PDP No. 4000-City Police Officer, Gujranwala-2012-13)

Internal Control Weakness

9.4.20 Consumption of POL beyond prescribed ceiling- Rs.120.28 millions

According to Chief Secretary Punjab letter No.PA/ DG(G) 1.57/90 dated 03.07.1991, the officers/officials using patrolling/ operational vehicles in Police Department will adhere to the prescribed ceiling of POL. However, journeys performed outside the Municipal limits for official duties and duty entered in the log book from point to point shall be in addition to the above mentioned fuel limits.

During audit of Home Department, it was observed that operational/patrolling vehicles belonging to police were consuming POL more than the prescribed ceiling. (Annexure-12)

Audit was of the view that weak financial and supervisory controls led to consumption of POL over and above the ceiling causing unauthorized expenditure of Rs. 120,277,157 .

The lapse was pointed out during January to February and July to November 2013. Most of the managements noted the observations for compliance, whereas the management mentioned at Sr. No.1,12, 20 & 40 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meeting held on 23.01.2014 kept the para at Sr. No. 34 pending for regularization. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that matter be inquired, responsibility be fixed for not adhering to the laid down policy besides strengthening of supervisory, financial and internal controls to improve financial discipline and to avoid such recurrence in future.

**9.4.21 Expenditure from irrelevant heads of accounts-
Rs. 81.90 millions**

According to rule 3.15 of PFR Vol-I, all transactions of receipt and payment occurring at a treasury should be classified in the treasury accounts in accordance with the provisions of Chapter II of Account Code, Volume II. Furthermore, the Paragraph 5 of Finance department letter No.PS/FS/808/78 dated 26.08.1978 provides that the PAO should issue instructions to the controlling and disbursing officers that all payments are correctly classified under the appropriate heads of accounts

During audit of Home Department, it was observed that an expenditure of Rs. 81,895,096 was incurred on purchase of machinery & equipments, transport, printing & publication, batteries & toners, drugs & medicines, stationery and computer stationery etc. from irrelevant head of accounts.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Director General Forensic Science Agency, Lahore	2011-12	2885	63,146,479
			2884	6,204,700
			2879	5,556,400
2.	Additional IGP, CTD, Lahore	2012-13	3137	2,483,174
3.	SSP Telecommunication, Lahore	2012-13	3143	953,422
4.	Police College Sihala, Rawalpindi	2012-13	3931	874,509
5.	District Police Officer, Jhelum	2012-13	3878	733,790
6.	District Jail, Gujrat	2011-12	2507	380,962
7.	SP Special Branch, Multan	2012-13	3984	335,078
8.	RPO, Multan	2012-13	4025	332,600
9.	SP RIB, Multan	2012-13	4033	184,490
10.	SP CTD, Multan	2012-13	3974	149,950
11.	Additional IG Elite Police Force, Lahore	2012-13	3151	136,744
12.	SP PHP, Sargodha	2012-13	3955	107,880
13.	SP PHP, Gujranwala	2012-13	3968	107,880
14.	SP Battalion Commander No. 1 PC, Lahore	2012-13	3987	103,620
15.	SP Traffic, Gujranwala	2012-13	4022	103,418
Total				81,895,096

Further, in respect of PDP No. 2885, the management procured machinery and equipments during ban without prior concurrence from Austerity Committee.

Audit was of the view that the above action of the management was in violation of rules which indicated failure of budgetary controls.

The lapse was pointed out in April and from July to November 2013. The managements at Sr. No. 2 & 6 to 15 noted the observations for compliance. The management at Sr. No. 4 & 5 did not furnish any reply.

The managements at Sr. No. 1 & 3 replied that all the purchases were made out of relevant heads of accounts.

The matter was further reported to the administrative department. DAC in its meeting held on 23.01.2014 kept the para at Sr. No. 3 pending for regularization. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that irregularity be got regularized with the sanction of the competent authority besides strengthening of internal controls.

9.4.22 *Unauthorized payment of motorway allowance to PHP staff-Rs.63.67 millions*

According to Rule 17.2 (1) of PFR Vol-1, there must be an act of financial sanction of the competent authority for the expenditure to be drawn from the government treasury.

During audit of SSP, Punjab Highway Patrol, Faisalabad for the period 2012-13, it was observed that an expenditure amounting to Rs. 63,669,800 had been incurred under head A026-Motorway allowance. But the sanction of competent authority for the grant of said allowance to the employees of PHP-FSD was not shown to audit.

Audit was of the view that weak supervisory and financial controls resulted in unauthorized expenditure.

The lapse was pointed out in July 2013. The management did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite repeated reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be probed and responsibility be fixed against the officers/officials besides strengthening of supervisory and financial internal controls.

(PDP No.3040-SSP PHP, Faisalabad-2012-13)

9.4.23 Purchase of substandard dietary items-Rs. 38.89 millions

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

During audit of Home Department, it was observed that an expenditure of Rs.38,892,001 was incurred on purchase of dietary items (Vania packed milk, Shams cooking oil and tea leaves) which were declared substandard by the Inspector General (Prisons) Punjab vide memo No. CB/2012/39620-651 dated 06.07.2012. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Central Jail, Faisalabad	2011-12	2376	15,843,388
2	District Jail, Gujrat	2011-12	2505	7,741,425
3	District Jail, Kasur	2011-12	2384	6,737,480
4	District Jail, Attock	2011-12	2405	4,299,929
5	District Jail, Shahpur	2011-12	2372	3,672,679
6	Sub-Jail, Chakwal	2011-12	2408	597,100
Total				38,892,001

Audit was of the view that weak supervisory controls led to irregular expenditure of Rs. 38,892,001.

The matter was pointed out during January, February and April 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 18.04.2013, 10.06.2013, 19.06.2013 and 20.01.2014. The paras at Sr. No. 1, 3, 4 & 6 were kept pending for inquiry. The para at Sr. No. 5 was kept pending for probe. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that responsibility be fixed besides strengthening of supervisory controls.

9.4.24 Loss of vehicles and weapons-Rs.34.53 millions

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part. Moreover, as per Rule 2.35 (2) *ibid*, losses occurring in offices, should at once be reported to the Head of the Department concerned. The report on a loss occurring in the office of a Head of a Department may be submitted direct to government.

During audit of Home Department, it was observed that some vehicles, motorcycles and rifles were stolen/badly damaged in accidents. Although the department got registered FIRs with the police stations concerned but record pertaining to any departmental inquiry, if held, was not produced to audit. Further, the write off cases for the losses were not initiated (Annexure-13).

Audit was of the view that weak internal controls on asset management led to theft of vehicles and weapons amounting to Rs. 34,525,927.

The matter was pointed out in January, February and from July to November 2013. Most of the managements noted the observations for

compliance, whereas the managements mentioned at Sr. No. 6 & 10 did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

The matter needs to be inquired and appropriate action as to write off or recovery of the loss be taken besides strengthening supervisory controls to avoid such recurrence in future.

9.4.25 Unlawful purchase of weapons-Rs.3.97 millions

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

During audit of Director-General Forensic Science Agency, Lahore for the year 2011-12, it was observed that an amount of Rs.3,967,200 was paid on account of purchase weapons / ammunitions. But, neither said contractor had been registered with the GHQ Rawalpindi for handling business of weapons / ammunition of government departments nor the firm was prequalified by the Home Department. Further, it was noticed that bids of the firm were entertained by the local management after the expiry of last date of submission of tender documents which was unlawful.

Audit was of the view that non observance of government rules and weak supervisory and financial controls resulted in unlawful purchase.

The lapse was pointed out in November 2012. The management replied that the PPRA Rules were followed.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the

finalization of this report despite repeated reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be inquired and responsibility be fixed against officers/officials.

(PDP No. 2860-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.26 Undue retention of government money-Rs. 900,000

As required under Rule 7.12 of PFR Vol-1, the amount of un-disbursed pay may, at the option of the disbursing officer, be retained for period not exceeding three months provided proper arrangements can be made for the safe custody of the sums retained.

During audit of District Police Officer, Sialkot for the period 2012-13, it was observed that an amount of Rs. 900,000 was drawn on account of financial assistance of some officials but the same was not disbursed to the concerned till the close of audit in violation of above rules.

Audit was of the view that weak financial and management controls led to unlawful retention of Rs.900,000.

The lapse was pointed out in August 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that either entire amount should be disbursed to the concerned or deposited into Government Treasury.

(PDP No.2739-District Police Officer, Sialkot-2012-13)

Recovery and overpayments

9.4.27 Non recovery of police guard charges-Rs.130.22 millions

According to Rule 4.7(1) of PFR Vol-I, it is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to government, which have to be brought to account, are correctly and promptly assessed, realized and credited to Government account. Moreover, Rule 2.37 *ibid* says that the payment shall be required in all cases where a government department renders services or makes supplies to a non government body/institution.

During audit of Home Department, it was observed that police guard services were provided to various departments, autonomous bodies and banks but the amount of service charges was not recovered. (Annexure-14)

Audit was of the view that ineffective supervisory/management controls led to non recovery of government dues of Rs. 130,224,755.

The matter was pointed out during January to February and July to November 2013. Most of the managements noted the observations for compliance, whereas managements mentioned at Sr. No. 2 to 4 did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that strenuous efforts be made to recover the outstanding government dues besides strengthening supervisory and management controls to avoid such recurrence in future.

9.4.28 Non-recovery of LD Charges- Rs.96.67 millions

According to the terms and conditions of Contract Agreements executed between the Project Director Forensic Science Agency and various contractors if the contractor failed to deliver the store within agreed delivery period, liquidated damages (LD) @ 1 % per week would be recovered from the contractor.

During audit of Home Department, it was observed that despite the late supply of store by the contractors liquidate damages amounting to Rs.96,671,163 were not recovered. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	D.G. Forensic Science Agency, Lahore.	2011-12	2864	88,754,830
2.	D.G. Forensic Science Agency, Lahore	2011-12	2866	5,178,048
3.	D.G. Forensic Science Agency, Lahore	2011-12	2878	2,175,773
4.	D.G. Forensic Science Agency, Lahore	2011-12	2888	444,512
5.	Superintendent District Jail, Shahpur	2011-12	2407	118,000
Total				96,671,163

Audit was of the view that weak supervisory controls resulted in non recovery of late delivery charges

The lapse was pointed out in November 2012. The management at Sr. No. 1 replied that the competent authority had waived off the penalty. The management at Sr. No. 2 stated that detailed reply would be submitted later. The management at Sr. No. 3 replied that lab furniture was not supplied by the contractor due to delay in construction phase of the lab. The management at Sr. No. 4 replied that delivery was made within the agreed delivery period. The management at Sr. No. 5 noted the observation for compliance. The replies being evasive were not acceptable

The matter was further reported to the administrative department. DAC in its meeting held on 20.01.2014, kept the para at Sr. No. 5 pending

for recovery. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be probed to fix responsibility besides recovery of liquidated damages from the contractors concerned.

9.4.29 Unauthorized payment of allowances-Rs.74.27 millions

As per Home Department letter No. IO(Prs) 18-24/2009 dated 26.03.2010, Finance Department letters No. FD (M-I) 1-15/82-P-I dated 15.01.2000, letter no.FD.SR-IV 9-1/77 dated 30.8.1992 and letter No. FD-PC.2-1/2008 dated 11.07.2008, Auditor General of Pakistan letter No. 1074/Reg-I/50/C/85(II) dated 03.11.1988 and Rule 9 of Staff Car Rules 1980, some allowances are admissible subject to some conditions and some allowances are not admissible.

During audit of Home Department, it was observed that house rent, conveyance and prison allowances amounting to Rs. 74,267,601 were irregularly paid. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of allowance	Amount (Rs.)
1.	SSP PC Battalion No. 3, Multan	2009-12	2510	Conveyance allowance	37,314,180
2.	SSP PC Battalion No. 3, Multan	2009-12	2511	House rent allowance	31,529,369
3.	Police Training College Chung, Lahore	2012-13	2750	House rent, Conveyance allowance and 5% house rent deduction	1,900,134
4.	Police Training College Chung, Lahore	2012-13	2743	Conveyance allowance	1,040,560

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of allowance	Amount (Rs.)
5.	Regional Officer Counter Terrorism Department, Faisalabad	2008-12	4176	HRA and FDA	727,035
6.	District Police Officer, Gujrat	2012-13	3048	House rent and 5% house rent deduction	620,367
7.	Central Jail, Faisalabad	2011-12	2379	Unauthorized payment of prison allowance	460,490
8.	Commandant Elite Police Training School, Lahore	2011-12	2418	House rent, Conveyance allowance and 5% house rent deduction	311,416
9.	City Police Officer, Multan	2012-13	4166	Conveyance allowance	240,000
10.	SSP PC Battalion No. 3, Multan	2009-12	2516	Conveyance allowance	124,050
Total					74,267,601

Audit was of the view that weak internal controls on payroll led to payment of inadmissible allowances.

The lapse was pointed out from January to April and from July to August 2013. Most of the managements noted the observations for compliance, whereas management mentioned at Sr. No. 5 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meetings held on 10.06.2013 and 23.01.2014 kept the paras at Sr. No. 1, 2 & 7 pending for production of record. The para at Sr. No. 10 was kept pending for recovery and write off of the cases relating to died employees. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that responsibility for overpayment be fixed, recovery be made from the officers/officials concerned besides strengthening the internal and supervisory controls.

9.4.30 *Unlawful retention/deposit of public money out of consolidated fund-Rs. 30.86 millions*

According to Rule 7 (i) of Section V of Punjab Treasury Rules, moneys received by or tendered to government servant shall not be appropriated to meet departmental expenditure nor otherwise kept apart from the Consolidated Fund. Moneys so received shall, without undue delay, be paid in full into the treasury or bank.

During audit of Home Department, it was observed that amounts collected as rent of canteen, shops, cycle stands and auction of substandard cotton yarn were not being deposited into consolidated fund/government treasury. Instead, these amounts were being deposited into Prison Department's Welfare Fund. Thus public money of Rs. 30,862,805 was unlawfully kept out of the Consolidated Funds. (Annexure-15)

Audit was of the view that weak financial and management controls led to unlawful retention/deposit of public money out of consolidated fund for Rs. 30,862,805.

The matter was pointed from January to October 2013. The managements at Sr. No. 1, 3, 4, 6 to 10, 12 & 17 noted the observations for compliance. The managements at Sr. No. 15 & 16 did not furnish any reply. The managements at Sr. No. 2, 5, 11, 13 & 14 replied that it was a policy matter. The replies of the managements were not acceptable as said amount should have been remitted into government treasury being government receipts.

The matter was further reported to the administrative department. DAC meetings were held on 01.08.2013, 10.06.2013 and 20.01.2014. The paras at Sr. No. 2, 4, 5, 7, 9, 10, 11, 13, 15 & 17 were kept pending for regularization. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that undue retention of public money be inquired, amount be recovered from the quarters concerned and deposited into government treasury without any further delay.

9.4.31 Overpayment of ration allowance-Rs.30.61 millions

As per Government of the Punjab, Finance Department letter No. FD/SR.1-9-5/98-1 dated 24.09.2010, Ration Allowance is admissible only to the subordinate jail staff who are in receipt of the same prior to the introduction of revised pay package to the jail staff. Furthermore, as per I.G of Police letter No.10370-480/F-IV/Dir-F&W, dated 10.06.2009, Ration Allowance @ Rs. 1,038 p.m. is not admissible to the Elite Force as they were already in receipt of ration allowance @ Rs.3,000 p.m.

During audit of Home Department, it was observed that ration allowance for Rs. 30,610,229 was irregularly paid to the officials. (Annexure-16)

Audit was of the view that weak internal controls on payroll led to overpayment of ration allowance of Rs.30,610,229.

Audit pointed out the matter during January, August and November 2013. Most of the managements noted the observations for compliance, whereas management mentioned at Sr. No. 1, 5, 11 & 15 did not furnish any reply.

The matter was further reported to the administrative department. DAC meetings were held on 23.04.2013, 01.08.2013, 19.06.2013 and

20.01.2014. The paras at Sr. No. 12 &13 was kept pending for compliance. The para at Sr. No. 16 was kept pending for clarification from Finance Department. The management of the para at Sr. No. 2 did not attend the meeting. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that recovery be made from the concerned officials and credited into the government treasury besides strengthening the internal and financial controls.

9.4.32 *Unauthorized payment of allowances-Rs.24.49 millions*

According to Rule 2.31 of PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. Further, according to Finance Department letter No. FD.PR-6-3/2002 dated 06.06.2009, letter No.FD.PR .6-3/2002, dated 03.02.2010, letter No. F.D. PR-6-2/04 dated 20.04.2006 and order No.8904/F-I dated 26.5.2009, risk and fixed daily allowances are not admissible under certain conditions enumerated in above mentioned letters.

During audit of Home Department, it was observed that fixed daily allowance, risk allowance, conveyance allowance and special pay package were paid to the police officials who were suspended from service or proceeded on leave for more than 11 days during a calendar month or remained on training (Annexure-17).

Audit was of the view that non-observance of laid down instructions and weak supervisory controls led to unauthorized payment of allowances amounting to Rs. 24,487,547.

Audit pointed out the matter during January to March and June to November 2013. Most of the managements noted the observations for

compliance, whereas managements mentioned at Sr. No. 17, 21, 41, 51, 63, 70, 72 & 74 did not furnish any reply.

The matter was further reported to the administrative department. DAC meetings were held on 23.04.2013, 10.06.2013 and 23.01.2014. In respect of paras at Sr. No. 12, 23, 32, 49 & 86 recoveries of Rs. 423,000, Rs. 324,800, Rs.190,840, Rs. 30,400 and Rs. 345,200 respectively had been verified by audit. The committee kept the paras pending for balance recoveries of Rs. 153,600, Rs. 67,200, Rs. 62,480, Rs. 165,300 and Rs. 60,000 respectively. The paras at Sr. No. 16, 46 & 67 were kept pending for recovery. The management of the para at Sr. No. 84 did not attend the meeting. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that responsibility for overpayment be fixed, recovery be made from officers/officials concerned and credited into government treasury besides strengthening the supervisory and financial controls.

9.4.33 Non recovery of traffic ticket fines-Rs. 27.08 millions

According to Rule 4.7 (1) of PFR Vol-I, it is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to government, which have to be brought to account, are correctly and promptly assessed, realized and credited to government account.

During audit of Home Department, it was observed that traffic fines of Rs. 27,079,050 imposed on defaulters were not recovered.

The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1	CTO, Rawalpindi	2012-13	3890	19,476,800
2	City Traffic Officer, Faisalabad	2012-13	2627	5,363,050
3	Superintendent of Police Traffic Region, Sargodha	2012-13	3868	961,550
4	SP PHP, Sargodha	2012-13	3953	600,050
5	SP Traffic Region, Faisalabad	2012-13	3948	520,900
6	SP PHP, Gujranwala	2012-13	3966	156,700
Total				27,079,050

Audit was of the view that weak and ineffective mechanism of recovery resulted in non recovery of Rs. 27,079,050.

The lapse was pointed from July to October 2013. Most of the managements noted the observations for compliance, whereas the management mentioned at Sr. No. 3 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meeting held on 23.01.2014 kept the para at Sr. No. 2 pending for reconciliation. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends to expedite recovery process besides implementing an effective recovery mechanism.

9.4.34 Non recovery of the cost of prison manufactured articles-Rs.9.52 millions

According to Rule 4.7(1) of PFR Vol-I, it is primarily the responsibility of the departmental authorities to see that all revenues due to the government which have to be brought to account are correctly and promptly assessed, realized and credited into the government account.

During audit of Home Department, it was observed that goods manufactured by the prisoners in the jail factory were supplied to other jails in Punjab on payment basis but the cost of these articles amounting to Rs. 9,517,017 was not recovered. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Central Jail, Rawalpindi	2012-13	3372	4,982,300
2	Central Jail, Lahore	2012-13	3228	1,986,637
3	Superintendent Central Jail, Mianwali	2012-13	3858	1,651,399
4	Central Jail, Bahawalpur	2012-13	3369	896,681
Total				9,517,017

Audit was of the view that ineffective supervisory/management controls led to non recovery of government dues of Rs. 9,517,017.

Audit pointed out the lapse in July and from September to November 2013. Most of the managements noted the observations for compliance, whereas the management mentioned at Sr. No. 3 did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meeting held on 15.01.2014 reduced the para at Sr. No. 2 from Rs. 3,128,097 to Rs. 1,986,637. The para at Sr. No. 3 was kept pending for compliance. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that matter needs to be taken up with the jail authorities and recovery of cost of goods supplied to other jails needs to be effected besides strengthening the supervisory controls.

9.4.35 Excess payment of Pay and allowances to constables- Rs.8.10 millions

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

During audit of City Police Officer, Gujranwala, it was noticed that excess payment of basic pay and other allowances amounting to Rs.8,102,563 was made to the constables in manual pay bills. Audit was unable to compute actual loss sustained by government account as the service books of the employees had not been found updated and pay fixations were not done. Further the arithmetical accuracy of the bills was not examined by the Treasury office. The vertical and horizontal totals of the manual pay bills did not tally with actual amounts and payments were made without verification of basic pay of the constables

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	City Police Officer, Gujranwala	2012-13	3990	2,232,002
2	City Police Officer, Gujranwala	2012-13	3989	2,037,848
3	City Police Officer, Gujranwala	2012-13	3991	1,313,928
4	City Police Officer, Gujranwala	2012-13	3988	1,303,020
5	City Police Officer, Gujranwala	2012-13	3992	928,890
6	City Police Officer, Gujranwala	2012-13	3995	286,875
Total				8,102,563

Audit was of the view that weak internal and supervisory controls resulted in excess payment of pay and allowances

Audit pointed out the lapse in October 2013. The management of the entity noted the observation for recovery from concerned constables.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013

Audit recommends probe of the matter to fix responsibility for overpayments, besides recovery from the officials concerned.

9.4.36 Non deduction of pay & allowances of officials during absence/leave/dismissal from duty-Rs.4.39 millions

As per rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During audit of Home Department, it was observed that the competent authority sanctioned leave without pay to the officers/officials who were found absent from duty/dismissed, but payment of pay and allowances were not recovered from them. Overpayment of Rs. 4,394,492 needs to be recovered. (Annexure-18)

Audit was of the view that weak internal controls on payroll led to overpayment of salary to staff for Rs. 4,394,492.

Audit pointed out the lapse in January, February and from July to November 2013. Most of the managements noted the observations for compliance, whereas the managements mentioned at Sr. No. 3 & 8 did not furnish any reply. The management at Sr. No. 5 replied that no directions were given by the Home Department to effect said recoveries. The reply of the department is not tenable as clause-9 of terms & conditions of appointment orders had not been followed.

The matter was further reported to the administrative department. The management mentioned at Sr. No. 12 did not attend the DAC meeting held on 01.08.2013. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends probe of the matter, fixing of the responsibility and recovery of the non-deducted pay and allowances.

9.4.37 Purchase of dietary items at higher rate-Rs.3.27 millions

According to rule 2.10 (a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from government revenues,

as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of Home Department, it was observed that dietary items were purchased at very high rates by ignoring the lowest offer. The government sustained a loss of Rs. 3,268,392 due to irregular purchase at high rates.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Police Training College Chung, Lahore	2012-13	2745	2,492,058
2.	Commandant Elite Police Training School, Lahore	2011-12	2413	776,334
Total				3,268,392

Audit was of the view that weak financial and internal controls led to loss of Rs.3,268,392.

The matter was pointed out in January and July 2013. The management at Sr. No. 01 replied that purchase was made through open tender. In some cases the lowest rate was not accepted due to substandard quality. The reply of the management was not convincing because the purchase should have been made at the lowest rate. The management at Sr. No. 02 noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that responsibility for purchase at higher rate be fixed, recovery be effected from the officers/officials concerned and credited to government treasury besides strengthening of the supervisory and financial controls.

9.4.38 Non deduction of income tax-Rs.2.81 millions

According to Section 236 (A) of Income Tax Ordinance 2001, income tax @ 5% of auction value shall be recovered from successful bidder w.e.f. 01.07.2009. Moreover, as per Section 13 ibid, for the purpose of computing the income of an employee for a tax year chargeable to tax under the head “Salary”, the value of any perquisite provided by an employer to the employee in that year that is included in the employee’s salary under section 12 shall be determined in accordance with this section.

During audit of Home Department, it was observed that income tax was either less deducted or was not deducted from pay & allowances. Similarly, it was either less collected or not collected from supplier and auction value. The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature	Amount (Rs.)
1.	Director General Forensic Science Agency, Lahore	2011-12	2871	Non deduction of income tax on perquisites	1,155,000
2.	Director General Forensic Science Agency, Lahore	2011-12	2867	Non deduction of income tax on perquisites	1,080,000
3.	Superintendent District Jail, Muzaffargarh	2011-12	3238	Non deduction of income tax from supplier	230,068
4.	Police Training School, Sargodha	2011-12	3232	Non deduction of income tax on perquisites	178,279
5.	District Jail, Sargodha	2011-12	2383	Non deduction of tax on auction proceeds	110,000
6.	SSP Police Training School, Farooqabad	2012-13	4035	Non deduction of income tax on perquisites	56,823
Total					2,810,170

Audit was of the view that weak internal controls and financial mismanagement led to non deduction of income tax amounting to Rs.2,810,170.

The matter was pointed out in November 2012 and from February to September 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meetings held on 19.06.2013 and 20.01.2014, it was observed that recovery of income tax in respect of para at Sr. No. 5 had been made by the department but the same was wrongly deposited into provincial government head instead of federal government head. The committee kept the para pending for adjustment of the amount into federal government head. The para at Sr. No. 3 was kept pending for compliance. As regards other paras, neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends recovery of income tax and its deposit into government treasury.

9.4.39 Expenditure incurred on foreign tours during ban-Rs.2.30 millions

According to government instructions issued by Finance Department vide letter No.FD.SO (GOODS) 44-4 /2011 dated 23.07.2011, there was a complete ban on foreign visits / tours abroad of Ministers, MPAs and government officers/officials through government funding. The foreign visits shall only be allowed by the competent authority in extremely essential cases after obtaining clearance from the Austerity Committee.

During audit of Forensic Science Laboratory/Agency, Lahore for the period 2011-12, it was observed that above instructions had not been followed and the expenditure amounting to Rs. 2.30 millions was incurred on foreign tours of DG-FSA during ban. It was further noticed that all three visits had been performed to USA by the said officer to attend meetings for the period ranging from 9 to 12 days in every trip, but no formal invitation or scheduled programme, issued by any American Academy of Forensic Science for said period, was shown to audit for review.

Audit was of the view that non observance of government instructions and weak supervisory and financial controls resulted in such unauthorized visits on public money.

Audit pointed out lapse in November 2012. The management replied that the instructions were followed as DG-FSA visited USA as per terms of his appointment contract. The reply was not tenable as the formal clearance, for touring abroad in 2011-12, should have been obtained from the Austerity Committee framed by the government for said purpose.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite repeated reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be inquired, responsibility be fixed and amount be recovered from the officer concerned.

(PDP No. 2882- Forensic Science Agency, Lahore-2011-12)

9.4.40 Irregular/unjustified payment of electricity charges- Rs.1.95 millions

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible

for any loss sustained by the government through fraud or negligence on his part.

During audit of Director General Forensic Science Agency, Lahore for the year 2011-12, scrutiny of the record of construction work of the building revealed that electricity bills amounting to Rs.1,948,429 had been paid to LESCO out of government funds which was irregular/ unjustified.

Audit was of the view that poor managerial command of the local administration, non observance of government rules, and weak financial internal controls resulted in such financial indiscipline.

Audit pointed out the lapses in November 2012. No cogent reply was given by the DDO.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite repeated reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that recovery on account of utility bills may be effected from the contracting firm and amount be deposited into government treasury.

(PDP No. 2865-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.41 Non recovery of fine from officials-Rs.1.61 millions

According to Rule 4.1 of PFR Vol-I, the departmental controlling officers should see that all sums due to government are regularly received and checked against demands, and that they are paid into the treasury.

During audit of Home Department, it was observed that fines imposed on police officials were not recovered and deposited in government treasury.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	SP Traffic Region, Sahiwal	2012-13	3911	284,095
2.	District Police Officer, Attock	2012-13	3382	280,397
3.	District Police Officer, Lodhran	2012-13	3838	214,376
4.	City Police Officer, Faisalabad	2012-13	3067	212,227
5.	SSP PHP, Faisalabad	2012-13	3045	193,111
6.	District Police Officer, Rajanpur	2012-13	2640	190,094
7.	SP PHP, D G Khan	2012-13	4014	166,830
8.	SP Traffic Region, D.G. Khan	2011-12	2390	65,841
Total				1,606,971

Audit was of the view that weak internal controls led to non recovery of Rs.1,606,971.

Audit pointed out the matter in February and from July to November 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that matter be inquired, responsibility be fixed for non recovery of fines, amount be recovered and deposited into government treasury besides strengthening of financial and internal controls.

9.4.42 Unauthorized payment of penal rent-Rs. 839,316

According to Government of the Punjab, Finance Department letter No. FD.SR.1.3-4/85 (Pt.I) dated: 13.08.2002, penal rent @ 60% of pay for the period of unauthorized occupation of government residences is to be deducted from the pay of non entitled occupants.

During audit of Home Department, it was observed that penal rent amounting to Rs. 839,316 was not recovered from unauthorized occupants of government residences. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of allowance	Amount (Rs.)
1	Superintendent District Jail, Gujrat	2011-12	2508	Recovery of penal rent	481,620
2	Commandant Punjab Constabulary, Farooqabad	2012-13	2733	Penal Rent@60%	357,696
Total					839,316

Audit was of the view that weak supervisory and financial controls led to payment of inadmissible payment of penal rent

Audit pointed out the matter from January to April and from July to August 2013. Both of the managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that responsibility for overpayment be fixed, recovery be made from the officers/officials concerned besides strengthening the internal and supervisory controls.

Others

9.4.43 Unauthorized transfer of Funds-Rs. 111 millions

According to Rules 2.10(b)(5) & 17.19 of PFR Vol-I, it is not permissible to draw advances from government treasury just to prevent the lapse of appropriations.

During audit of Director General Forensic Science Agency, it was observed that Rs.111,000,000 were transferred from assignment account to private bank account to avoid the lapse of budget. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Director General Forensic Science Agency, Lahore	2011-12	2886	100,000,000
2	Director General Forensic Science Agency, Lahore	2011-12	2875	5,500,000
3	Director General Forensic Science Agency, Lahore	2011-12	2891	5,500,000
Total				111,000,000

Audit was of the view that weak management and supervisory controls led to unauthorized transfer of funds.

Audit pointed out the lapse in November 2012. The management at Sr. No. 1 replied that amount had been transferred with the approval of CM-Punjab and in respect of Sr. No. 2 replied that the amount had been transferred to escrow account with the approval of Project Steering Committee and all vouchers are now available. While as regards Sr. No. 3 replied that the amount had been transferred from assignment account to escrow account (BOP) against bills of work done, which was not tenable because there was no pending claim of any contractor of said amount on the eve of occurring said transaction. Further, bank statement of said account also revealed that closing balance of Rs.7,782,456 was still lying unutilized with the escrow account on 30.06.2012, which should have been surrendered / reported to government as the amount in question pertained to a lapsable account (Assignment Account).

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the

finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends probe of the matter to fix responsibility and regularization from the Finance Department besides strengthening of financial and supervisory controls.

9.4.44 Non disposal/auction of vehicles-Rs. 39.48 millions

As per Rule 15.3 of PFR Vol-I, a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable or order the write off of losses of stores.

During audit of Home Department, it was noticed that various vehicles were lying unserviceable/off road but neither necessary steps for putting them into use were taken nor disposal/auction thereof was made to avoid further deterioration. (Annexure-19)

Audit was of the view that weak internal controls on management of assets could result in a loss of Rs.39,475,000.

Audit pointed out the matter in January and from July to November 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that auction process be expedited and sale of proceeds be deposited into the government treasury under intimation to audit besides strengthening supervisory and internal controls.

9.4.45 Irregular/uneconomical expenditure on landscaping work-Rs.4.679 millions and penalty for delay in work not recovered-Rs. 374,385

According to Rule 12 (2) of PPRA Rules 2009, all procurements having value Rs.2,000,000 and above shall be made after open advertisement through PPRA's web site as well as print media (at least two national dailies/newspapers, one in English and one in Urdu, having wide circulation).

During audit of Forensic Science Agency, Lahore for the period 2011-12, it was observed that services were procured for Landscaping work amounting to Rs. 4,679,817. Neither advertisement was floated through PPRA's website nor through print media and work was awarded to the contractor of own choice. Further, penalty charges of Rs. 374,385 were also not imposed on the contractor for delay in completion of work.

Audit was of the view that non observance of government rules and weak financial controls resulted in irregular expenditure.

Audit pointed out the lapses in November 2012. The management replied that the work was awarded after advertisement floated through print media and website of PPRA and contractor completed work within completion period.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite repeated reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that the matter be inquired and recovery on account of penalty for the delay in completion of work be effected from the contractor.

(PDP No. 2889-Director-General Forensic Science Agency, Lahore-2011-12)

9.4.46 *Fraudulent drawl of salary*

According to Rule 2.33 of PER Vol-I, every government servant will be held personally responsible for any loss arising due to negligence or fraud on his part.

During audit of City Police Officer, Faisalabad, it was observed that 28 constables shown transferred from Multan to Faisalabad were neither on the pay roll of CPO Multan nor posted in Multan District. Out of 28 constables 05 constables were working in CPO Faisalabad whereas the remaining 23 constables had been mutually transferred from Faisalabad to Lahore District. DIG Operations Lahore intimated that constables who were transferred to Lahore district on mutual transfer basis were enlisted in the police department on fictitious/bogus orders. An inquiry team was constituted by DIG Operations Lahore on 07.05.2013 and the pay was stopped and constabulary numbers allotted to them were also withdrawn.

Audit was of the view that weak financial and supervisory controls resulted in the presence of fake employees on the payroll of Punjab police.

The matter was pointed out in July 2013. The management noted the observation and further stated that detailed reply would be submitted after the verification of record.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 21.11.2013 and 18.12.2013.

Audit recommends that matter be inquired, responsibility be fixed besides recovery of pay from the concerned.

(PDP No. 3056-City Police Officer Faisalabad-2012-13)

CHAPTER 10

INFORMATION AND CULTURE DEPARTMENT

10.1 Introduction

The Information and Culture Department is focal point for the projection of the Government through the media. It is therefore, linked up with the activities and plans of other Government Departments and offices acting as a service Department for other Offices. The Department also acts a bridge between the Government and the Press and electronic media providing a well suited platform for free exchange of views from both sides. The Department acts as the enabling arm of the Government for the promotion of art and culture and preservation and display of archaeological treasures of Punjab.

These objectives are achieved by providing infrastructure in form of buildings for Arts Councils and Art Galleries, arranging cultural programmes, preservation and projection of archaeological/ cultural heritage through the establishment of museums, financial assistance to cultural and literary bodies and awards for literary/publishing endeavors. The Department also patronizes and facilitates meaningful activities by Youth Organizations in coordination with the Federal Government. The following institutions/formations are under the administrative control of IC&YA department:

The department has been assigned the duties of;

- Publicity & Public Relations
- Administration of Press Laws relating to newspapers, books, magazines, etc.

- Policy & Procedures regarding release of official & semi-official advertisement through electronic media of press.
- Arranging seminars or exhibitions, etc. relating to such events as International Youth Year, National Youth Festivals, etc.
- Facilities for the journalists including accreditation of press correspondents & press photographers, etc.
- Grant-in-aid to cultural & literary bodies.

10.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Information, Culture & Youth Affairs Department prepared indicate capital expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during financial year 2012-13 against the total of four grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	207.845	761.413	969.258	944.942	(24.316)
PC21014	65.759	11.750	77.509	72.626	(4.883)
PC22023	1,092.345	36.722	1,129.067	1,033.226	(95.841)
PC22036	1,288.379	97.507	1,385.886	638.168	(747.718)
Total	2,654.328	907.392	3,561.720	2,688.961	(872.758)

Overview of Expenditure

The total budget of Information, Culture & Youth Affairs Department for the year ended 30 June, 2013 was Rs. 3,561.720 millions. Out of this amount the actual expenditure was Rs. 2,688.961 millions. The breakup of current and development expenditure is given below:

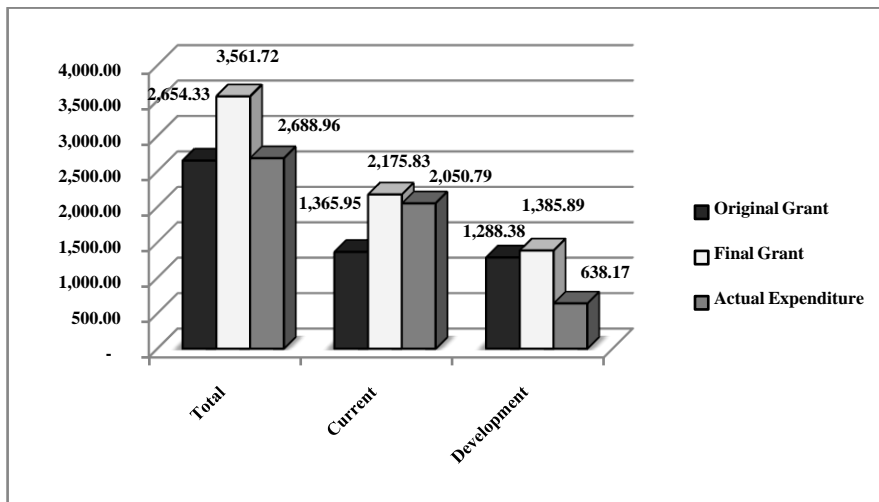
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	1,365,949,000	2,050,794,150	684,845,150	50.14
Development	1,288,379,000	638,167,429	(650,211,571)	(50.47)
Total	2,654,328,000	2,688,961,579	34,633,579	1.30

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

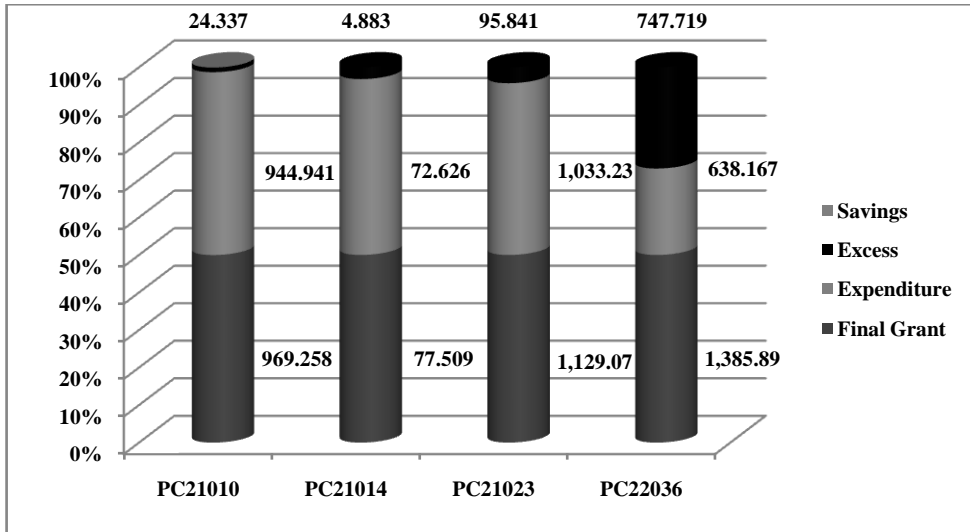
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	2,175,834,000	2,050,794,150	(125,039,850)	(5.75)
Development	1,385,886,000	638,167,429	(747,718,571)	(53.96)
Total	3,561,720,000	2,688,961,579	(872,758,421)	(24.50)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to Rs. 872.758 millions at the close of the year 2012-13 under grants PC21010, PC21014, PC21023 & PC22036 had not surrendered well in time.



10.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1.	1996-97	5	3	2	67
2.	1999-00	21	07	14	33
3.	2000-01	91	56	35	62
4.	2001-02	18	3	15	17
5.	2006-07	22	14	08	64
Total		157	83	74	53

The compliance of PAC Directives in Information and Culture Department is not very encouraging. The department needs to improve it.

10.4 AUDIT PARAS

Non-production of record

10.4.1 Non-production of vouched account-Rs. 3.95 millions

As per payment authority issued by the Accountant General Punjab in favour of Lahore Press Club vide Letter No. R&C/HM-4598 dated: 20.03.2012 and as per DG Khan Art Council Letter No. DDF/RD/DGKAC/609 dated: 05.04.2010, the vouched accounts of the amounts released/granted were required to be submitted to the issuing authorities.

During audit of Information and Culture Department, the vouched accounts for the amounts released were not available/produced to audit. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount given to	Amount (Rs.)
1	Director General Public Relations Punjab, Lahore	2011-12	4327	Lahore Press Club, Lahore	3,500,000
2	Dera Ghazi Khan Arts Council, Dera Ghazi Khan	2008-13	4218	District Coordination Officer, D G Khan, Layyah, Muzaffargarh, Rajanpur	450,000
Total					3,950,000

Due to non production of vouched accounts, audit could not ascertain the authenticity of the accounts.

The matter was pointed out in March and October 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit recommends fixing of responsibility for non production of record and vouched accounts may be produced to audit for verification.

Irregularity and non-compliance

10.4.2 Irregular investment of funds without obtaining competitive rates-Rs. 49.81 millions

In accordance with Governor's Secretariat letter No. GS (UNIV) 1-21/ 2008-639 dated 20.05.2009, the mark up rates offered by Bank of Punjab may be compared with the five major scheduled banks namely National Bank of Pakistan, Habib Bank Limited, United Bank Limited, Muslim Commercial Bank and Allied Bank Limited and in case in which higher rates are offered by the above mentioned major banks, the case should be referred to Finance Department for its advice.

During audit of Information and Culture Department, it was observed that an amount of Rs. 49,808,338 was invested in Term Deposit Certificate but competitive rates from five banks were not obtained to maximize the profit. Moreover, no approval from Finance Department was sought. The first formation invested in United Bank Limited instead of Bank of Punjab. The 2nd formation though invested amount in Bank of Punjab but competitive rates were not obtained from other banks for profitable investment. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount invested in	Amount (Rs.)
1	Board of Literature (Majlis-e- Tariq-e-Adab), Lahore	1950-12	2299	United Bank Limited	29,808,338
2	Punjab Arts Council, Lahore	2011-13	2821	Bank of Punjab	20,000,000
Total					49,808,338

Audit was of the view that non adherence to government instructions resulted in irregular investment.

The irregularity was pointed out in May 2012 and July 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit recommends condonation of irregularity from Finance Department and development of effective investment mechanism.

10.4.3 Irregular expenditure out of receipts-Rs. 19.16 millions

As per Sr. No. 13, Chapter No. IV of the Punjab Council of the Arts Regulations 1982, the income/receipt, donations received on any account of the Arts Council shall be properly remitted to the head office and demand against such income may be sent to the head office PUCAR, Lahore.

During audit of Information and Culture Department, it was noticed that a sum of Rs. 19,162,751 was realized on account of miscellaneous receipts. The expenditure was being incurred out of receipts irregularly against aforesaid provision of the rule. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Rawalpindi Arts Council, Rawalpindi	2008-13	4226	19,023,526
2	Dera Ghazi Khan Arts Council, Dera Ghazi Khan	2008-13	4219	139,225
Total				19,162,751

Audit was of the view that non adherence to prescribed rules and regulations resulted in irregular expenditure.

The matter was pointed out in August and October 2013. The management at Sr. No. 1 replied that Art Council was an autonomous body and such procedure cannot be adopted. The management at Sr. No. 2 noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit recommends regularization of the expenditure besides fixing of responsibility of non adherence to rules and regulations.

10.4.4 Irregular expenditure on purchase of durable goods- Rs.8.49 millions

As per Finance Department austerity measures issued vide letter No. FD.SO(GOODS)44-4 /2011 dated 07.07.2012, there was ban on the purchase of durable goods without consent of the austerity committee.

During audit of Information and Culture Department, it was observed that an amount of Rs. 8,489,532 was spent on purchase of durable goods without the approval of austerity committee. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Machinery and equipment purchased	Amount (Rs.)
1	Bahawalpur Museum, Bahawalpur	2011-13	4223	sand blasting machine, Humidity digital meter, electric distilled water, electric oven, electric balance charge, Liquid Crystal Display , hard bed machine, paper conservation press, air conditioners, electric hot plates,etc (out of development scheme)	7,490,915
2	Rawalpindi Arts Council, Rawalpindi	2008-13	3168	steel almirah, walk through gates, computer lamp table, fax machine, steel board, carpets etc (regular budget)	998,617
Total					8,489,532

Audit was of the view that non adherence to government instructions resulted in irregular expenditure.

The matter was pointed out in August and September 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit recommends regularization of expenditure from the Finance Department besides strengthening of financial controls.

Internal Control Weakness

10.4.5 Excess payment to newspapers-Rs. 3.44 millions

According to Rules 2.10 (b) (2) and 2.31 of PFR Vol-I, the disbursing officer will be responsible for any excess over the sanctioned funds and a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

During audit of Director General Public Relations Punjab Lahore, it was observed that an amount of Rs.3,444,222 was paid in excess to the newspapers due to wrong calculations.

Audit was of the view that wrong/miscalculations led to overpayment.

The matter was pointed out in March 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither reply was received nor DAC meeting was convened till finalization of this report.

Audit recommends that a detailed inquiry be initiated, loss be made good from the concerned besides introduction of effective controls to avoid such lapses in future.

(PDP NO.2982 -Director General Public Relations, Punjab, Lahore-2011-12)

Recovery and overpayments

10.4.6 Non-recovery of outstanding dues-Rs. 89.48 millions

As per Rule 4.1 of PFR Vol-I, the department controlling officer should see that all sums due to government are regularly received and checked against demands and that are paid into government treasury.

During audit of Information and Culture Department, it was observed that an amount of Rs. 89,482,398 was required to be recovered from government departments on account of advertisements. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Outstanding since	Amount recoverable (Rs.)
1	Director General Public Relation, Lahore	2011-12	3035	2007-13	58,114,366
2	Director Public Relation Bahawalpur	2007-13	4214	2008-13	31,368,032
Total					89,482,398

Audit was of the view that weak financial and management controls resulted in non recovery of advertisement charges and subsequent delay in payments to other agencies.

The matter was pointed out in March and September 2013. The management at Sr. No. 1 replied that amounts outstanding against departments had been paid out of pool account. The management at Sr. No. 2 noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit recommends to recover outstanding amount form the departments besides strengthening of financial and management controls.

10.4.7 Non deduction of income tax-Rs. 5.78 millions

According to Section 153 (I) of and SRO No. C. No.(16)WHT, dated 01.07.2006, withholding tax at the rate of 3.5% on supply of goods and 6% on all type of services should be deducted at source and deposited into government treasury. Moreover, as per Section 236-A Income Tax Ordinance, 2001, person making sale by public auction shall collect advance tax @ 5 percent based on the gross sale price of the auctioned property, from the person to whom such property or goods are sold.

During audit of Information and Culture Department, it was observed that income tax at prescribed rates amounting to Rs.5,780,401 was not deducted/collected. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Non/less deduction of income tax	Amount (Rs.)
1.	Director General Public Relation, Lahore	2011-12	3032	Less deduction of income tax from advertising agencies	4,664,530
2.	Director Public Relation , Bahawalpur	2007-13	4215	Non deduction of income tax on payments made to newspapers owners	564,216
3.	Rawalpindi Arts Council, Rawalpindi	2008-13	3167	Non/less deduction of income tax on supplies	221,607

Sr No.	Name of formation	Period of audit	PDP No.	Non/less deduction of income tax	Amount (Rs.)
4.	Secretary, Information & Culture	2011-12	2415	Non recovery of income tax on rent of office building, consultancy fee and honoraria	168,707
5.	Murree Arts Council, Murree	2006-13	3166	Non/less deduction of income tax	87,152
6.	Lahore Museum, Lahore	2011-12	2687	Non recovery of income tax on auction of cycle stand, canteen etc.	74,189
Total					5,780,401

Audit was of the view that violation of rules and government instructions resulted in a loss of Rs. 5,780,401.

The matter was pointed out in February, March, August and September 2013. The management at Sr. No. 1 replied that income tax was not applicable on newspapers which was not acceptable because no such exemption certificate was shown. The managements at Sr. No. 2 to 6 noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit recommends to recover the amounts besides fixing the responsibility.

10.4.8 Non recovery of embezzled amount-Rs. 4.02 millions

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

During audit of Information and Culture Department it was observed that recoveries amounting to Rs. 4,024,609 were not realized from various officers/officials.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Recovery on account of	Amount (Rs.)
1	Multan Arts Council, Multan	2012-13	4225	embezzlement in script scrutiny fee, rent of auditorium, pilferage of official stores (enquiry in process)	2,225,000
2	Gujranwala Arts Council, Gujranwala	2008-13	2902	embezzlement in govt. receipts, bogus adjustment of advances, (recovery imposed)	1,290,088
3	Bahawalpur Arts Council, Bahawalpur	2008-13	4228	house rent allowance, 5% of pay, Group Insurance, income	422,021
4	Sargodha Arts Council, Sargodha	2007-13	4221	Less recovery of script scrutiny fee	87,500
Total					4,024,609

Audit was of the view that weak financial controls led to non recovery of Rs 4,024,609.

The matter was pointed out from August to October 2013. The management at Sr. No. 1 replied that enquiry was in process. The management at Sr. No. 2 stated that case for recovery had been furnished to head office. The management at Sr. No. 3 stated that all deductions

were made but no evidence was shown. The management at Sr. No.4 stated that the matter would be looked into.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit requires immediate action for recovery besides adoption of remedial measures.

10.4.9 Irregular payment of fuel allowance-Rs. 1.31 millions

As per Para No. 5, Chapter 1 of the Punjab Council of the Arts Regulations 1982, the Provincial Government Rules will be followed in matters of pay, annual increments and allowances etc. in each case of regular employee of the Council.

During audit of Murree Arts Council, it was observed that an amount of Rs. 1,314,119 was paid as fuel allowance to the staff without concurrence of the Finance Department.

Audit was of the view that non adherence to government rules resulted in irregular payment of fuel allowance.

The matter was pointed out in August 2013. The management replied that the competent authority had allowed payment. However, no evidence was shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till finalization of this report despite reminders issued on 24.10.2013, 19.11.2013 and 09.12.2013.

Audit recommends immediate action for recovery of irregular payment besides adoption of remedial measures to avoid such irregularity in future.

(PDP NO.2981 -Murree Arts Council, Murree-2006-13)

CHAPTER 11

LAHORE HIGH COURT

11.1 Introduction

Judiciary is a pillar of the government and enjoys immense importance and esteemed respect. The Honourable Chief Justice of the Province exercises his duties in accordance with the provisions of the Constitution of the Islamic Republic of Pakistan within the Province of Punjab. He is assisted by Honourable judges of the High Court in discharge of his duties which mainly comprise of providing speedy justice, interpretation of rules and orders passed by the legislature and implemented by the executive.

The Administration of Justice has a very elaborate administrative setup and Lahore High Court is one of its wings. It is headed by the Honourable Chief Justice. Other assisting officers are District and Sessions/Civil Judges at Districts level. Judges of Small Cause Courts and Judges of Special Courts are also subordinate to Lahore High Court.

11.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Lahore High Court prepared annually indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against grant/appropriation was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21011	7,375.977	0.001	7,375.978	6,470.875	(905.103)
PC24011	1,889.974	174.195	2,064.169	1,995.632	(68.537)
Total	9,265.951	174.196	9,440.147	8,466.507	(973.64)

Overview of Expenditure

The total budget of Lahore High Court for the year ended 30 June, 2013 was Rs. 9440.147 millions. Out of this amount the actual expenditure was Rs.8466.507 millions. The breakup of current and development expenditure is given below:

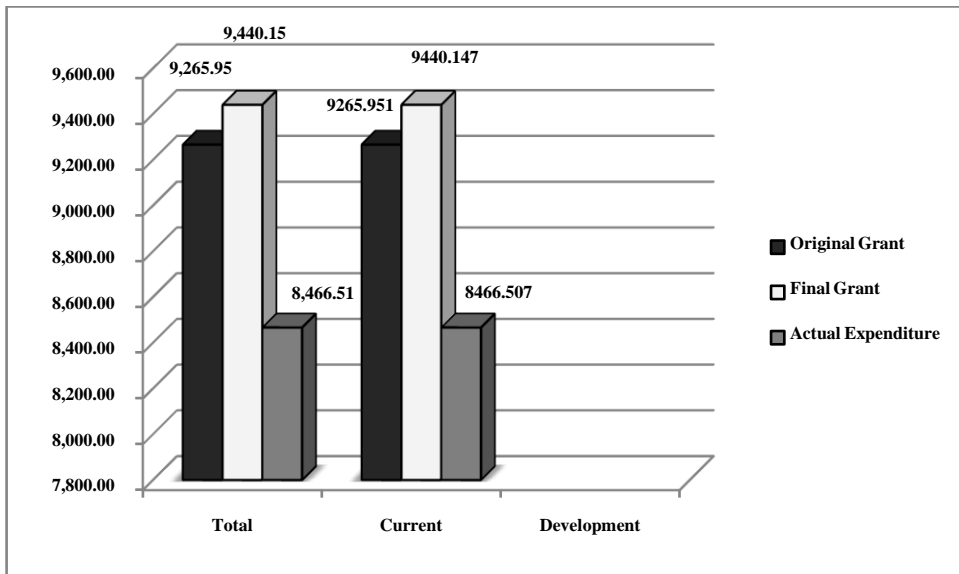
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	9,265,951,000	8,466,506,941	(799,444,059)	(8.63)
Total	9,265,951,000	8,466,506,941	(799,444,059)	(8.63)

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

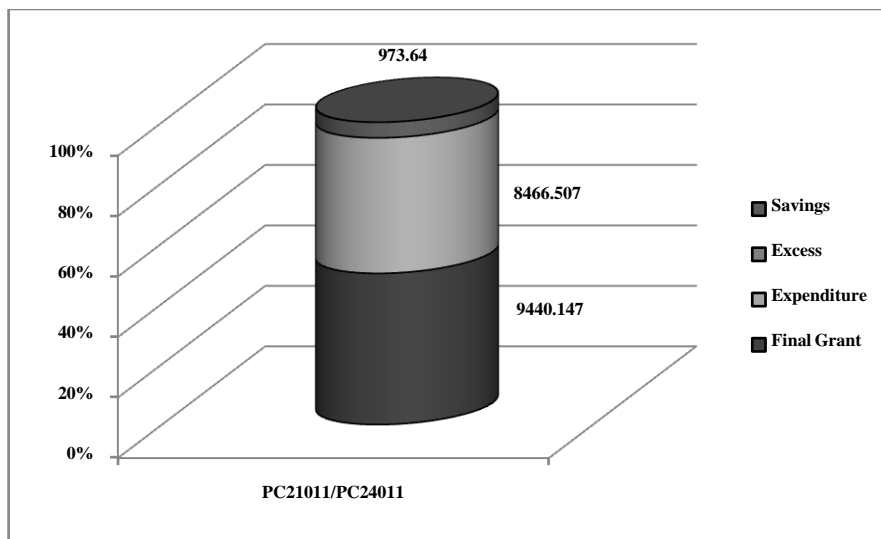
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	9,440,147,000	8,466,506,941	(973,640,059)	(10.31)
Total	9,440,147,000	8,466,506,941	(973,640,059)	(10.31)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to

Rs. 973.64 millions at the close of the year 2012-13 under grant PC21011/PC24011 had not been surrendered well in time.



11.3 Brief comments on the status of compliance with PAC Directives

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1.	1985-1986	3	0	3	0
2.	1987-1988	2	0	2	0
3.	1988-1989	3	1	2	33
4.	1989-1990	6	2	4	33
5.	1990-1991	3	0	3	0
6.	1991-1992	2	0	2	0
7.	1992-1993	1	1	0	100
8.	1993-1994	2	2	0	100
9.	1994-1995	1	0	1	0
10.	1995-1996	3	0	3	0
11.	1996-1997	1	1	0	100
Total		27	7	20	26

The overall compliance of PAC Directives in Lahore High Court is very poor. The department needs to improve it.

11.4 AUDIT PARAS

Fraud/Misappropriation

11.4.1 Misappropriation/embezzlement in civil court deposits account-Rs. 2.77 millions

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully & clearly that he will held personally responsible for any loss sustained by government through fraud or negligence on his part. Further, as per Government instructions contained in para-2 of Appendix-2 of PFR Vol-II, it is of the greatest importance to avoid delay in the investigation of any loss due to fraud, financial irregularity etc.

During audit of Senior Civil Judge Pak Pattan for the period 2007-12, it was noticed that an amount of Rs.2,771,747 had since been misappropriated/embezzled by the then dealing Civil *Nazir* with the connivance of different parties through different ways of cheating, fraud and forgery. An initial inquiry was held by the department who had thrashed out the record and issued inquiry report, in which financial embezzlement/misappropriation of said amount had been established. Audit observed that no recovery has yet been made from the defaulter(s), who have been held guilty for said misappropriation.

Poor managerial, financial controls and lack of supervision of the then local management led to misappropriation for Rs.2,771,747.

Audit pointed out the irregularity in April 2013. The management did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meeting held on 08.10.2013 directed that the alleged embezzlement may be recovered from the property of the accused under Land Revenue Act and kept the para pending. Further progress was not reported till the finalization of this report.

Audit requires immediate implementation of DAC directive besides fixing of responsibility regarding negligence of concerned officers and strengthening of management and financial controls.

(PDP No. 2666 - Senior Civil Judge, Pakpattan- 2007-12)

Recovery and overpayment

11.4.2 Undue retention/doubtful payment out of civil court deposit account for Rs. 55.71 millions

According to Rule 6 (b) (c) of chapter-8 of Rules & Orders of Lahore High Court Lahore Vol-II, in Courts in which the Civil Court Deposit Accounts (voucher system) is applicable, the notices should warn litigants that money will only be deposited by themselves in the local treasury on challans given to them by the Court and that the receipts are not valid unless signed by the Treasury Officer concerned. Further, as per Rule 44 *ibid*, the depositors shall submit said challans forms in triplicate with the application to the Court concerned. After verification and approval by the Court and after the *Nazir* has made entries in the columns 1 to 7 of the Receipt Register, the challans shall be submitted by the depositor to the treasury together with the amount for deposit. The treasury shall retain one copy of challan, give the other to the depositor by way of receipt and send, on the next day, third copy to the Court concerned after noting thereon the date and number of the entry in the treasury register. The *Nazir* shall enter the number & date in the Receipt Register under the attestation of Presiding Officer. The Court shall, at the end of every month, prepare a statement of deposits and send it to the Treasury for necessary verification and it shall be returned by the Treasury Officer within a week.

During audit of Senior Civil Judge Pak Pattan for the period 2007-12, it was observed that above instructions of the Honorable Lahore

High Court Lahore had not been followed by the local administration as neither monthly statements of deposits were prepared by the court nor sent to Treasury Officer for verification. Further, it was noticed that most of the heavy payments were received directly from litigants by the Civil Nazir of the Court in violation of above instructions, and retained outside treasury by the Nazir in his private use for an objectionable period, which was tantamount to embezzlement in the Civil Court Deposit Account of the Court. It was noticed that most of the columns of said Receipt Register were left blank by the Nazir and fate of deposits of various litigants were not known to audit, which is clear violation of rules.

Audit was of the view that deviation from the prescribed procedure/instruction of the authority, undue retention/doubtful payment was made out of civil court deposit for Rs. 55,705,926

Audit pointed out the irregularity in April 2013. The management did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meetings held on 08.10.2013 directed that the alleged embezzlement may be recovered from the property of the accused under Land Revenue Act and kept the para pending. Further progress was not reported till the finalization of this report.

Audit requires immediate implementation of DAC directive besides fixing of responsibility regarding negligence of concerned officers and strengthening of management and financial controls.

(PDP No. 2665-Senior Civil Judge, Pakpattan-2007-12)

CHAPTER 12

LAW AND PARLIAMENTARY AFFAIRS DEPARTMENT

12.1 Introduction

Law Department is the Administrative Department for all matters relating to the Provincial Assembly. All work of the Government in relation to legislation, Assembly questions, privilege motions, adjournment motions, resolutions and other matters to be transacted in the House is conducted by the Law Department.

Schedule-II to the Punjab Government Rules of Business, 1974, assigns the following business to the Law & Parliamentary Affairs Department:-

- Representation in criminal cases.
- Appeals and applications for enhancement of sentences and convictions.
- Filing and defending civil suits against Government and public servants.
- Advice to Departments on all legal matters including interpretation of laws, rules and orders having the force of Law.
- Matters pertaining to the appointment, transfer, leave and fees of Government Law Officers, Advocate General, Public Prosecutors, Government Pleaders and Special Counsel.
- Matters relating to legal practitioners, including scale of fees.

- Defence of resource less pauper accused in the courts and fees to pleaders for such defence.
- Civil Law and Procedure.
- Matters relating to the Provincial Legislature including salaries, allowances and privileges of the Chief Minister, Ministers, Speaker, Deputy Speaker, Parliamentary Secretaries, Advisors, Special Assistants and Members of the Provincial Assembly; and
- Scrutiny and drafting of Bills, Ordinances, notifications, rules, regulations, statutory orders and bye-laws.

12.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Law & Parliamentary Affairs Department prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab for voted items of budget.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of three grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Saving (-) Excess (+)
1	2	3	4	5	6(5-4)
PC21010	223.523	(66.500)	157.023	147.947	(9.076)
PC21011	751.469	(59.268)	692.201	650.361	(41.840)
PC22036	21.129	(13.129)	8.000	-	(8.000)
Total	996.121	(138.897)	857.224	798.308	(58.916)

Overview of Expenditure

The total budget of Law & Parliamentary Affairs Department for the year ended 30 June, 2013 was Rs. 857.224 millions. Out of this amount the actual expenditure was Rs. 798.308 millions. The breakup of current and development expenditure is given below:

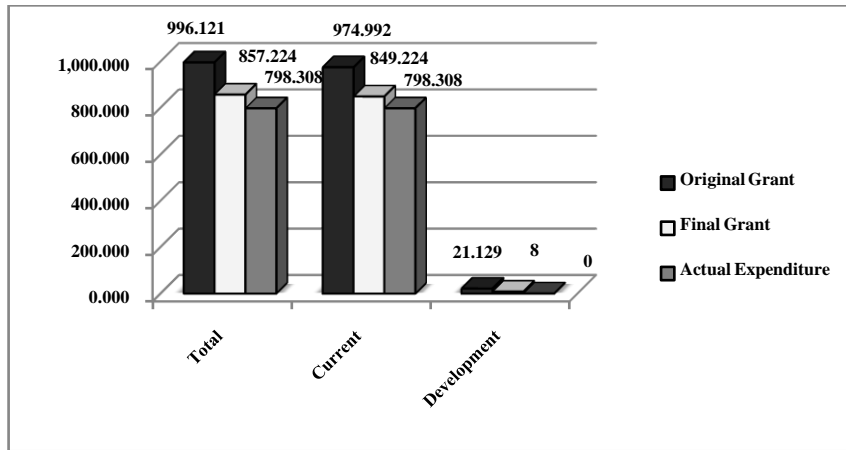
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	974,992,000	798,307,741	(176,684,259)	(18)
Development	21,129,000	-	(21,129,000)	(100)
Total	996,121,000	798,307,741	(197,813,259)	(20)

This composition changed due to supplementary grants & surrenders. Variance of Final Grant and Actual Expenditure is given below:

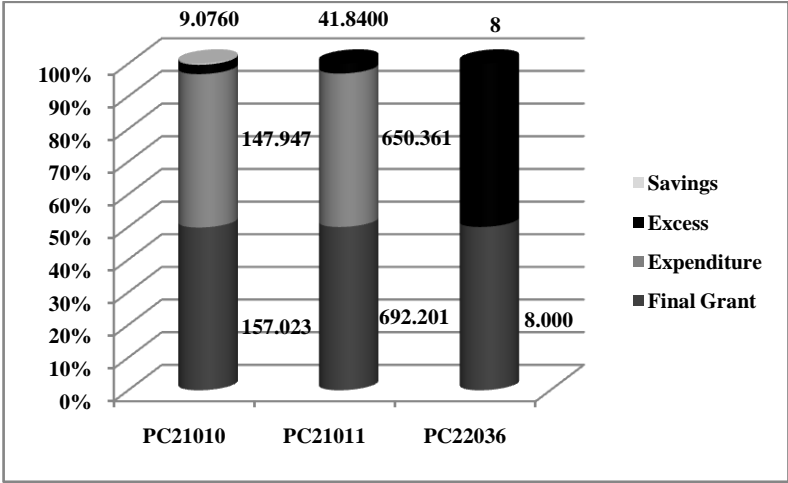
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	849,224,000	798,307,741	(50,916,259)	(6)
Development	8,000,000	-	(8,000,000)	(100)
Total	857,224,000	798,307,741	(58,916,259)	(7)



Anticipated savings not surrendered

According to the rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, savings amounting to Rs. 58.916 millions at the close of the year 2012-13 under grants PC21010, PC21015 & PC22036 had not been surrendered well in time.



12.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1.	1988-1989	02	01	01	50
2.	1994-1995	01	01	0	100
3.	1996-1997	03	01	02	33
4.	1999-2000	10	1	9	10
5.	2001-2002	20	15	5	75
Total		36	19	17	53

The compliance with PAC Directives in Law & Parliamentary Affairs Department is not satisfactory. The situation needs improvement.

12.4 AUDIT PARAS

Irregularity & Non-compliance

12.4.1 Irregular payment of Grant in Aid-Rs. 43.00 millions

As per criteria on issuance of Grant-in-aid circulated by Law and Parliamentary Department letter No. Gen86/2008(P-I) 3865 dated 18.11.2009, the office bearer of the Bar Associations would provide vouched accounts and specified portion of the grant was to be spent on expansion of library.

During audit of Law & Parliamentary Affairs Department for the periods 2011-12 and 2012-13, it was observed that grants-in-aid amounting to Rs. 27,400,000 and Rs. 15,600,000 respectively were provided to various District Bar Councils/Associations of Punjab. The payments were held irregular because vouched accounts were not obtained from the concerned District Bar Councils/Associations.

The irregularity was pointed out in February and July 2013. The management in 2012-13 noted the observation for compliance and in other case did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report despite reminder issued on 10.12.2013.

Audit requires the regularization of the matter from the competent authority.

(PDP No. 2700-Secretary Law & Parliamentary Affairs Department-2011-12)
(PDP No. 4051-Secretary Law & Parliamentary Affairs Department-2012-13)

12.4.2 Irregular expenditure on entertainment-Rs. 3.01 millions

As per Government of the Punjab, Finance Department letter No.FD.SO (GOODS) 44-4/2011 dated 23.07.2011, no official function was to be arranged in a hotel. However, for state delegation, where it was

essential, a function may be held in a hotel with the prior approval of the Chief Minister and for all other meetings, tea with biscuits was to be served. Moreover, as per Rule 12 of Punjab Procurement Rules 2009, procurement 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 the 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 Law & Parliamentary Affairs Department for the period 2012-13, it was observed that an expenditure of Rs. 3,006,040 was incurred on entertainment charges during media briefings of Law Minister of Punjab. The expenditure was held irregular on the following grounds:

- Advertisement was not floated on the PPRA website in violation of Rule 12 of PPRA Rules 2009.
- Lunch and dinner was served to the participants instead of tea with biscuits as required under Austerity Measures Policy of the government dated 23.07.2011.

The irregularity was pointed out in February 2013. The management did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report despite reminder issued on 10.12.2013.

Audit recommends fixing of responsibility besides regularization from the competent authority.

(PDP No. 2529-Secretary Law & Parliamentary Affairs Department-2011-12)

CHAPTER 13

LIVESTOCK AND DAIRY DEVELOPMENT DEPARTMENT

13.1 Introduction

Livestock & Dairy Development Department (established 1973) caters to the requirements of livestock sector in the province. Livestock is increasingly becoming a very important sector of national economy, contributing even more than all the other agricultural crops. Livestock & Dairy Development Department strives to ensure growth and development of livestock sector in the province. Thus this department is contributing to national food security, economic uplift, rural development, poverty alleviation, employment generation and foreign exchange earnings.

Livestock and Dairy Development Department has two attached departments viz, Director General (Extension) and Director General (Research).

13.2 Comments on Budget & Accounts (Variance Analysis) Introduction

The Appropriation Accounts for the year 2012-13 of Livestock and Dairy Development Department prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab for voted items of budget.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of four grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supple. Grant	Final Grant	Actual Expenditure	Excess/ (Savings)
1	2	3	4	5	6
PC21010	29.318	3.294	32.612	33.26	0.645
PC21020	2,900.598	0.001	2,900.599	2,391.34	(509.256)
PC22036	2,540.000	(2,353.594)	186.406	176.30	(10.105)
PC12043	0	354.499	354.499	354.50	0
Total	5,469.916	(1,995.8)	3,474.116	2,955.40	(518.716)

Overview of Expenditure

The total budget of Livestock and Dairy Development Department for the year ended 30 June, 2013 was Rs. 3474.12 millions. Out of this amount the actual expenditure was Rs. 2955.40 millions. The breakup of current and development expenditure is given below:

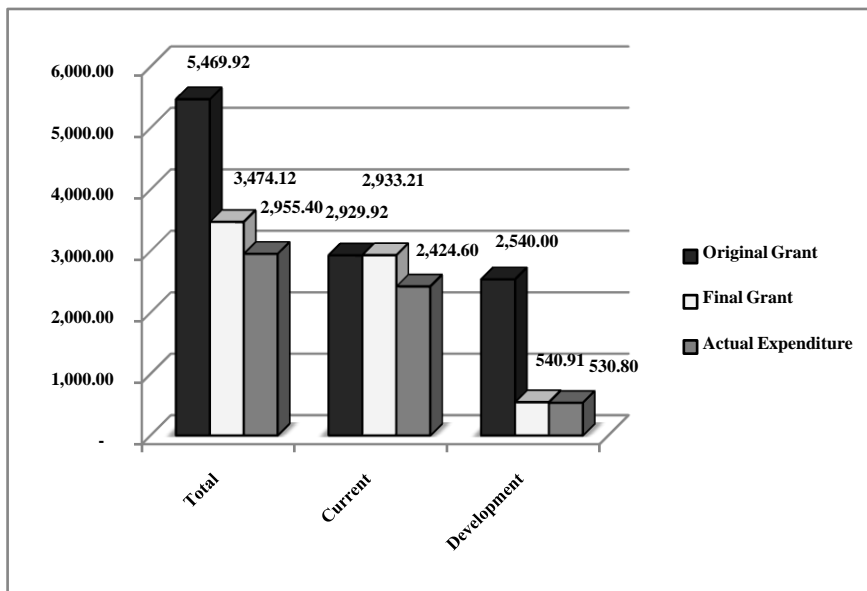
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	2,929,916,000	2,424,600,349	(505,315,651)	(17.25)
Development	2,540,000,000	530,799,139	(2,009,200,861)	(79.10)
Total	5,469,916,000	2,955,399,488	(2,514,516,512)	(45.97)

This composition changed due to supplementary grants & surrenders. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

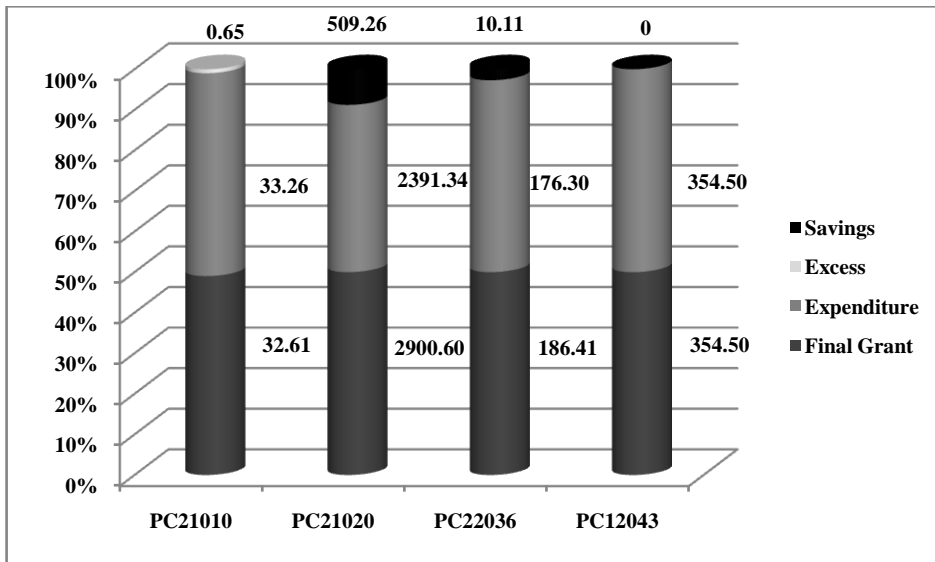
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	2,933,211,000	2,424,600,349	(508,610,651)	(17.34)
Development	540,905,000	530,799,139	(10,105,861)	(1.87)
Total	3,474,116,000	2,955,399,491	(518,716,512)	(18.51)



Anticipated savings not surrendered

According to the rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/

appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, savings amounting to Rs. 518.716 millions at the close of the year 2012-13 under grants PC21020, PC22036 had not been surrendered well in time.



Excess requiring regularization

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purpose. However, excess expenditure amounting to Rs. 0.645 millions for the year 2012-13 under grant PC21010 had not been got regularized so far. This was breach of legislative control over appropriations.

13.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports of L&DD discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	1	1	0	100
2	1986-87	22	20	2	91
3	1987-88	21	18	3	86
4	1988-89	8	5	3	63
5	1989-90	2	2	0	100
6	1990-91	5	4	1	80
7	1991-92	3	0	3	0
8	1992-93	4	4	0	100
9	1993-94	5	1	4	20
10	1994-95	12	5	7	42
11	1995-96	7	0	7	0
12	1996-97	4	2	2	50
13	1998-99	52	31	21	60
14	1999-00	36	22	14	61
15	2000-01	113	96	17	85
16	2001-02	46	22	24	48
17	2005-06	36	1	35	3
18	2006-07	28	25	3	89
19	2009-10	20	1	19	5
Total		425	210	157	49

The compliance of PAC Directives in Livestock and Dairy Development Department is not very encouraging. The department needs to improve it.

13.4 AUDIT PARAS

Non-Production of record

13.4.1 Non production of record-Rs. 15.14 millions

According to Section 14 (3) of the Auditor-General's (Functions, Powers & terms and Conditions of Service) Ordinance 2001, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant efficiency and discipline Rules, applicable to such person.

During audit of Government Poultry Farm, Bahawalnagar for the period 2002-13, the record pertaining to pay and allowances amounting to Rs. 15,144,000 was not produced.

Audit was of the view that due to non production of record, audit could not verify the authenticity of record.

The matter was pointed out in August 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 31.12.2013 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends to fix responsibility besides production of record for audit scrutiny.

(PDP NO. 3609-Government Poultry Farm, Bahawalnagar-2002-13)

Irregularity & Non-compliance

13.4.2 Irregular purchases-Rs. 13.05 millions

According to Rule 4 of PPRA Rules, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement

brings value for money to the agency and the procurement process is efficient and economical.

During audit of Veterinary Research Institute, Lahore for the period 2012-13, it was observed that purchases of Rs. 13,052,220 were made on without observing PPRA Rules. The details are as under:

Sr. No.	PDP No.	Items procured	Amount (Rs.)
1	3625	Empty Plastic Bottles	10,500,000
2	3626	Formaline	1,295,000
3	3624	Cotton absorbent	1,002,820
4	3621	Contry Cloth	254,400
Total			13,052,220

Audit was of the view that weak internal controls on procurements resulted in irregular purchases.

The irregularities were pointed out in September 2013. The management noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 03.01.2014, kept the paras at Sr. No. 1 & 4 pending for regularization and recovery of LD charges. The paras at Sr. No. 2 & 3 were kept pending for a probe at the administrative level. Further progress was not reported till the finalization of this report. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report.

Audit requires that the matter be inquired to fix responsibility besides regularization from the Finance Department.

13.4.3 Irregular/unjustified expenditure on POL/repair of vehicles-Rs. 7.59 millions

According to Rule 4 of Delegation Of Financial Powers Rules 2006, open tender inquiry is required when the estimate of repair of

vehicle exceeds the limit of Rs.150,000. The Officer of Category III was competent to incur expenditure on repair of vehicle up to Rs.200,000 or 50% of the under depreciated book value (cost of purchase) in each case. The expenditure should be economical with reference to the service period of vehicle. Moreover, History Sheet is required to be maintained for repair of vehicle as per rules of West Pakistan government staff vehicle (use and maintenance) 1969.

During audit of Livestock and Dairy Development Department, it was observed that an expenditure of Rs. 7,584,695 was incurred on POL/repair of vehicles. The expenditure was held irregular on the following grounds:

- Sanctioned strength of vehicles issued by the Finance Department was not available.
- The expenditure was incurred by splitting up the voucher throughout the year, irrespective of book value of the vehicle.
- History Sheets of the vehicles were not available/shown to the audit.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Director Breed Improvement, Punjab Lahore	2012-13	3469	6,006,384
2	LSTC Bahadurnagar Okara	2011-13	4092	1,068,064
3	Director Barani LPRI, Kherimurat District Attock	2012-13	4148	510,247
Total				7,584,695

Audit was of the view that weak supervisory controls resulted in irregularities.

The irregularity was pointed out in July and September to November 2013. The management at Sr. No. 3 replied that the repair was got done on need basis and without splitting the expenditure. The management at Sr. No. 2 replied that POL/repair of vehicle was made within the available budget after completing all codal formalities.

The matter was further reported to the department in December, 2013. DAC in its meetings held on 12.11.2013, 27.12.2013 and 21.01.2014, kept the paras at Sr. No. 1 & 3 pending for maintenance of approved list of vehicles as per Finance Department instructions. The para at Sr. No. 2 was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit requires that the department should investigate the matter to fix responsibility against those at fault besides regularization of expenditure from the Finance Department.

13.4.4 Irregular purchase of liquid nitrogen gas against unauthorized rate contract- Rs.7.45 millions

According to Government of the Punjab, Services & General Administration Department notification no. MD(PPRA)2-1/2010, dated 01-06-2010 there is no provision exist in the PPRA for making rate contract.

During audit of Directorate of Breed Improvement Punjab, Lahore for the year 2012-13, it was observed that a rate contract/agreement was concluded by the Director Breed Improvement Punjab for purchase of liquid nitrogen gas from Fine Gas Company Limited Lahore during 2012-13 in contradiction to rules.

The details are as under:

Sr. No.	Voucher No.	Bill No.	Date of bill	Amount (Rs.)
1.	211	FGC/SAL 2013/723	14.06.2013	278,906
2.	36	FGC/SAL 2012/125	01.10.2012	49,793
3.	109	FGC/SAL 2012/122	02.08.2012	99,205
4.	194	FGC/SAL 2013/630	01.06.2013	656,535
5.	3	FGC/SAL 2012/119	07.06.2012	736,286
6.	2	FGC/SAL 2012/120	02.07.2012	789,352
7.	83	FGC/SAL 2012/128	01.12.2012	707,196
8.	122	FGC/SAL 2013/130	01.02.2013	579,758
9.	101	FGC/SAL 2012/129	01.01.2013	679,514
10.	147	FGC/SAL 2012/130	05.03.2013	633,056
11.	18	FGC/SAL 2012/121	02.08.2012	668,920
12.	22	FGC/SAL 2012/123	03.09.2012	905,864
13.	64	FGC/SAL 2012/126	01.11.2012	660,669
Total				7,445,054

The irregularity was pointed out in July 2013. The management replied that Director is competent to make agreement for supply of liquid nitrogen gas throughout the year but no authority in support of reply was produced.

The matter was further reported to the administrative department. DAC meeting was held on 12.11.2013. The para was kept pending for seeking advice from the MD PPRA. Further progress was not reported till the finalization of this report.

Audit recommends to fix responsibility.

(PDP No.3135-Director Breed Improvement, Lahore - 2012-13)

13.4.5 Un-authorized shifting of headquarter-Rs. 1.65 millions

According to instructions issued by the Government of the Punjab vide letter No. FD/SR-IV-8-76(PROV) dated 16.03.1988, shifting of a headquarter of a government servant at a place other than that for which

the post was originally sanctioned for a period exceeding three months is not permissible without prior approval of the Finance Department.

During audit of Livestock and Dairy Development Department, it was observed that headquarter of the staff had been shifted without prior approval of Finance Department. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Superintendent Livestock Farm Jugatpeer, Bahawalpur	2012-13	4113	1,175,840
2	VRI, Lahore	2012-13	3623	476,210
Total				1,652,050

Audit was of the view that deviation from the rules resulted in irregular expenditure of Rs.1,652,050.

The irregularities were pointed out in July, September and October 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meetings held on 31.12.2013 and 03.01.2014, kept the para at Sr. No. 1 pending for regularization from Finance Department and the para at Sr. No. 2 was kept pending for probe at administrative level. Further progress was not reported till the finalization of this report.

Audit recommends to probe the matter, fix the responsibility and seek regularization from the competent authority.

Performance

13.4.6 Less achievement of targets of receipts-Rs. 4.83 millions

The Director Poultry Research Institute Punjab, Rawalpindi vide his letter Nos. 12977-91 & 13054-70 dated 29.07.2011 and 30.7.2012 had fixed estimate of receipts/income targets for the years 2011-12 and 2012-13 respectively for Government Poultry Form Bahawalnagar and

Bahawalpur. Further, as per letter No. 5210-20 dated 02.08.2012, the Director Livestock Forms has fixed estimate of receipts/income targets for the year 2012-13 for LES Darkhana, Khanewal.

During audit of Livestock and Dairy Development Department, a comparison of income targets and income statements revealed that a sum of Rs.4,828,182 was less realized than estimated receipts/income targets. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	LES Darkhana, Khanewal	2012-13	3299	2,378,065
2.	Veterinary Officer GPF, Bahawalnagar	2002-13	4117	1,392,105
3.	Government Poultry Farm, Bahawalpur	2000-13	4122	1,058,012
Total				4,828,182

Audit was of the view that less regularization of income targets was due to poor performance of the management.

The irregularities were pointed out in August, October and November 2013. The management at Sr. No. 1 replied that tenants of other forms threatened the pattadars not to deposit land rent due to which targets could not be achieved. The management at Sr. No. 2 noted the observation for compliance. The management at Sr. No. 3 replied that the less achievement of targets was due to non receipt of laying flocks in time.

The matter was further reported to the administrative department. DAC in its meetings held on 31.12.2013 and 21.01.2014 kept the paras at Sr. No. 2 & 3 pending for fact finding inquiry. The para at Sr. No. 1 was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit requires that the irregularity may be got condoned from the Finance Department besides fixing of responsibility against those at fault.

Internal Control Weakness

13.4.7 Non realization of cost of day old chicks-Rs.1.92 millions

According to Rule 4.1 of PFR Vol-I, the departmental controlling officers should see that all sums due to government are regularly received and checked against demands, and that they are paid in to the treasury.

During audit of Livestock and Dairy Development Department, it was observed that cost of day old chicks provided to various government farms was not realized. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Government Poultry Farm, DG Khan	2000-13	4107	878,073
2	Government Poultry Farm, Bahawalpur	2000-13	4121	849,549
3	Government Poultry Farm, Multan	2012-13	4097	194,070
Total				1,921,692

Audit was of the view that weak internal controls on recoveries and deviation from the rules resulted in non realization of government receipts of Rs.1,921,692.

The irregularities were pointed out in November 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 31.12.2013 kept the para at Sr. No. 2 & 3 pending for recovery. As regards other paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report.

The matter needs investigation to fix responsibility against those at fault besides recovery of the amount.

Recovery and overpayments

13.4.8 Non recovery of rent from pattadars-Rs. 86.94 millions

According to Clauses 6 & 11 of the terms and conditions of lease agreement, lease rent will be recovered from the lease holders by auction of cash crop and livestock through committee of leaseholder and manager will provide full cooperation in this regard. If lease amount is not fully recovered, the remaining amount will be recovered through sale of cash crop of the leaseholder by the manager .

During audit of Livestock and Dairy Development Department, it was observed that various measurements of land were leased out to tenants/pattadars but the lease money was not recovered from them. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	LES Allahdad, Khanewal	2012-13	3133	48,628,327
2	LES Qadirabad District Sahiwal	2012-13	3481	19,011,750
3	LES Khizerabad	2011-12	4127	11,979,889
4	LES Darkhana, Khanwal	2012-13	3605	4,600,939
5	LES Fazilpur District Rajanpur	2012-13	4096	2,119,266
6	GLF Kalorkot Bhakhar	2012-13	3296	599,502
Total				86,939,673

Audit was of the view that weak internal controls on management of assets and recoveries resulted in accumulation of outstanding amounts and non-recovery of government receipts of Rs.86,939,673.

The irregularities were pointed out from August to October 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 08.11.2013 and 21.01.2014, the committee

kept the paras at Sr. No. 1 & 2 pending for recovery. In respect of paras at Sr. No. 3, 4, 5 & 6, recoveries of Rs. 5,991,153, Rs. 693,586, Rs. 738,017 and Rs. 49,931 had been deposited which were verified by audit and the paras were kept pending for balance recoveries of Rs. 11,979,889, Rs. 4,600,939, Rs. 2,419,266 and Rs. 599,502 respectively. Further progress was not reported till the finalization of this report.

Audit recommends to effect recovery besides fixing of responsibility.

13.4.9 Non recovery of value of standing crops, consumable stores and cost of vaccine-Rs. 7.34 millions

According to Clause 7.7 of the agreement between Government of the Punjab, L&DD Department and Punjab Livestock and Dairy Development Board, the value of standing crops and consumable stores at the time of handing over the farm will be paid to the party i.e. Government of the Punjab, L&DD Department. Moreover, as per Rule 4.1 of PFR Vol-I, the departmental controlling officer should see that all sums due to government are regularly received and checked against demands, and that they are paid into the treasury.

During audit of Livestock and Dairy Development Department, it was observed that the value of standing crops and other consumable items were not paid by the Punjab Livestock and Dairy Development Board to L&DD Department as per agreement. Similarly, cost of vaccine supplied by Veterinary Research Institute to various District Livestock Officers was not recovered. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	VRI, Lahore	2012-13	3630	2,659,966
2.	Superintendent LES Khizerabad	2011-12	4126	4,676,651
Total				7,336,617

Audit was of the view that weak internal controls on management of assets, inventories and recoveries resulted in loss to government and non recovery.

Audit pointed out the matter in September and October 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meetings held on 03.01.2014 and 21.01.2014, in respect of Sr. No. 1 verified the recovery of Rs. 4,727,799 and reduced amount from Rs. 7,387,765 to Rs. 2,659,966. The para at Sr. No. 2 was kept pending for recovery from the Livestock board. Further progress was not reported till the finalization of this report.

Audit recommends to recover the amount besides strengthening of financial controls.

Others

13.4.10 Non adjustment of outstanding advances-Rs.12.35 millions

As per Rule 2.20 of PFR Vol-I, every payment, including repayment of money previously lodged with government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim.

During audit of UVAS, Lahore, it was observed that Treasurer of the university sanctioned advances of Rs. 12,353,547 to different departments/ teachers/officials for different purposes during 2012-13 but their sanction and adjustment was not regulated by some specific standing operating procedure. Resultantly adjustment process of the advances was not effective and efficient. The detail of outstanding advances.

The irregularity was pointed out in August 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 31.12.2013 kept the para pending.

Audit recommends that the matter needs probe to fix responsibility against those at fault besides regularization of the irregularity from the Competent Forum under intimation to audit along with adopting specific standing operating procedure (SOP) for the adjustment of such advances.

(PDP No.3287- UVAS, Lahore - 2012-13)

13.4.11 Non-disposal of unserviceable vehicles-Rs. 2.78 millions

According to Rule 15.3 of PFR Vol-I, unserviceable stores should be sold/disposed of after obtaining the sanction of competent authority. Moreover, as per Rule 15.18 ibid, periodical inspection must be made by a responsible government servant who must submit a report of unserviceable and obsolete stores to the authority competent to issue orders for their disposal.

During audit of Livestock and Dairy Development Department, it was observed that vehicles were lying off road. These vehicles were getting deteriorated day by day.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Superintendent Qadradab, Sahiwal	2012-13	3297	1,200,000
2	Director SHDD, Gujranwala	2012-13	4108	800,000
3	GPF DG Khan	2000-13	4105	300,000
4	Superintendent Livestock Farm Jugatpeer, Bahawalpur	2012-13	4115	200,000
5	Superintendent Livestock Farm Jugatpeer, Bahawalpur	2011-12	2479	120,000
6	GPF Multan	2012-13	4100	100,000
7	Deputy Director SHDD, Sialkot	2012-13	4154	60,000
Total				2,780,000

Audit was of the view that weak controls on management of assets could result in deterioration and further loss of value.

The matter was pointed out in May and August to November 2013. Most of the managements noted the observations for compliance except Sr. No. 5 who did not furnish any reply.

The matter was further reported to the administrative department. DAC in its meeting held on 08.11.2013, 19.12.2013, 31.12.2013 and 16.01.2014, kept the paras pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends to put the vehicles in use or to dispose them besides strengthening management controls on assets.

CHAPTER 14

MINES AND MINERALS DEPARTMENT

14.1 Introduction

This is an organization for promotion of minerals in Punjab Province. It was functioning in the Directorate of Industries & Mineral Development Department since 1964. The independent Department of Mines & Minerals was created in 2002 in pursuance of implementation of National Mineral Policy. It is pertinent to mention that National Mineral Policy 1995 acts as a guideline for formulating the present policies of the department. The mission of the Mines & Minerals Department, Government of the Punjab is development of mineral resources, to enhance the exploration, exploitation of mines and mineral resources in a safe and environmental friendly manner to support more productive economic activity in Pakistan.

The department is headed by a Secretary and its sub-departments are as under:

- Directorate General of Mines & Minerals.
- Chief Inspectorate of Mines.
- Punjab Mineral Development Corporation.

The main objectives and functions of the department are:

- Geological Surveys
- Development of mineral resources and regulations of mines.
- Administration of Mineral Rules.

- Grant and transfer of Prospecting Licenses and Mining Leases.
- Service matters except those entrusted to S&GAD.
- Purchase of stores and capital goods for department.
- Welfare of mine workers.

14.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Mines & Minerals prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab for voted items of budget.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of three grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supple. Grant	Final Grant	Actual Expenditure	Excess/ (Savings)
1	2	3	4	5	6
PC21010	22.617	4.162	26.779	26.698	(0.081)
PC21022	287.728	(33.315)	254.413	246.620	(7.793)
PC22036	264.528	(195.915)	68.613	65.891	(2.722)
Total	574.873	(225.068)	349.805	339.209	(10.596)

Overview of Expenditure

The total budget of Mines & Minerals for the year ended 30 June, 2013 was Rs. 349.805 millions. Out of this amount the actual expenditure was Rs. 339.209 millions. The breakup of current and development expenditure is given below:

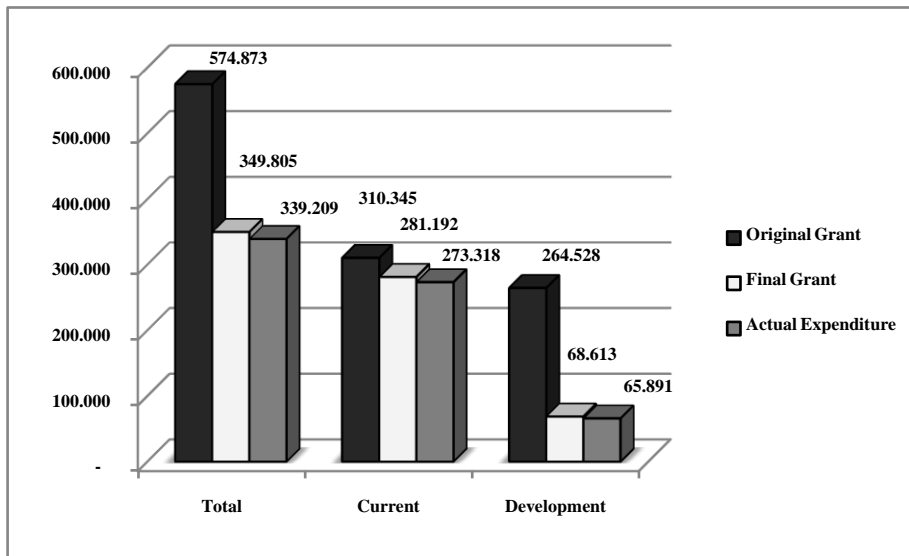
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	310,345,000	273,317,742	(37,027,258)	(11.93)
Development	264,528,000	65,891,424	(198,636,576)	(75.09)
Total	574,873,000	339,209,166	(235,663,834)	(41)

This composition changed due to supplementary grants & surrenders. Variance of Final Grant and Actual Expenditure is given below:

(Amount in Rupees)

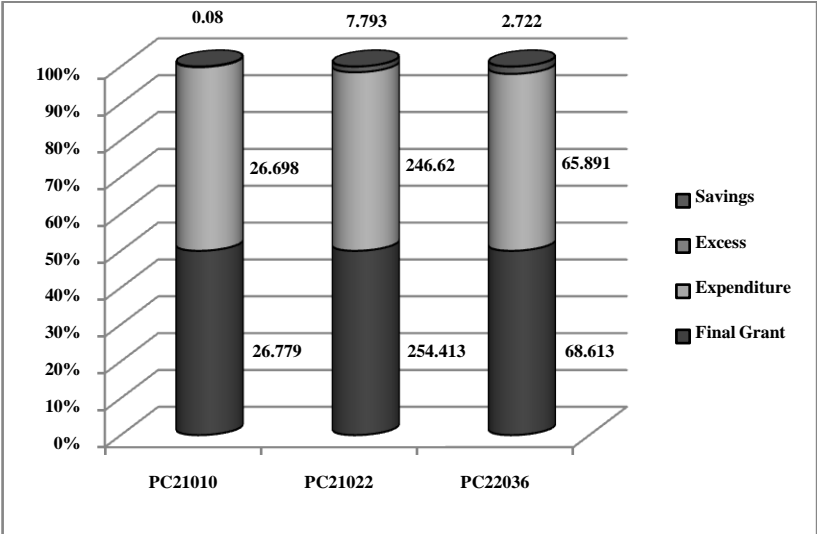
Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	281,192,000	273,317,742	(7,874,258)	(2.80)
Development	68,613,000	65,891,424	(2,721,576)	(3.97)
Total	349,805,000	339,209,166	(10,595,834)	(3.03)



Anticipated savings not surrendered

According to the rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, savings amounting to Rs. 10.596

millions at the close of the year 2012-13 under grants PC21010, PC21022 & PC22036 had not been surrendered well in time.



14.3 *Brief comments on the status of compliance with PAC Directives*

The department was separated from Industries Department and no para relating to Mines and Minerals Department found printed in any report.

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	01	01	0	100
2	1987-88	11	03	08	27
3	1989-90	04	0	04	0
4	1993-94	04	02	02	50
5	1997-98	10	0	10	0
Total		30	6	24	20

The compliance of PAC Directives in Mines and Minerals Department is not very encouraging. The department needs to improve it.

14.4 AUDIT PARAS

Irregularity & Non-compliance

14.4.1 Irregular mode of payments-Rs. 1.50 millions

As per Rule 4.49 of Sub-Treasury Rules, payments above Rs.10,000 and as per Finance Department Notification No. FD(FR)V-6/75(P) dated 20.06.2007, payments of Rs.100,000 and above are to be made through cheque, bank draft or pay order.

During audit of Mines and Minerals Department, it was observed that payments of Rs. 1,497,227 were made through cash instead of cheque/bank draft. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Secretary (M&M), Lahore	2007-13	2591	995,252
2	Deputy Director (M&M), Chakwal	2007-13	4344	321,477
3	Assistant Director (M&M), Rawalpindi	2007-13	4342	180,498
Total				1,497,227

Audit was of the view that non observance of rules and government instructions resulted in irregular payments of Rs. 1,497,227.

The matter was pointed out in July and November 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report.

The department needs to fix the responsibility for non adherence to rules and regulations and condonation of the irregularity from the competent authority.

Recovery and overpayments

14.4.2 Non recovery of government dues-Rs.712.62 millions

According to Rule 4.1 of PFR Vol-I, the departmental authorities should see that all sums due to government are correctly assessed and regularly received and check against the demands and that they are paid to government treasury accordingly.

During audit of Mines and Minerals Department, it was observed that an amount of Rs.712,620,235 was recoverable from the contractors/government departments on account of lease money, penalties and unauthorized excavation/mining etc. (Annexure-20)

Audit was of the view that weak internal controls on recoveries resulted in non recovery of government dues amounting to Rs.712,620,235.

Audit pointed out the matter from July to November 2013. The management at Sr. No. 19 replied that recovery notices had been issued and the case was pending in the court of law and rest of the managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC meeting was held on 23.10.2013. The paras at Sr. No. 1, 4, 9, 14 & 15 were kept pending for recovery. Audit verified recovery of Rs. 59,336 in respect of para at Sr. No.18 was kept pending for balance recovery of Rs. 2,165,664. The para at Sr. No. 19 was kept pending for recovery till the decision of Court. As regards remaining paras, neither departmental reply was received nor DAC meeting was convened till the finalization of this report despite reminder issued on 10.12.2013.

Audit requires that the department should probe the matter to fix responsibility and effect recovery of stated amount.

14.4.3 Non deduction of income tax-Rs. 4.50 millions

According to Section 236 (a) of Income Tax Ordinance 2001, advance tax @ 5% prior to 30.06.2013 and @ 10% with effect from 01.07.2013 should be collected on auction/lease of government property.

During audit of Mines and Minerals Department, it was observed that leases of mines were auctioned but advance tax amounting to Rs.4,495,760 was not collected. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Deputy Director (M&M), Sargodha	2007-13	4329	3,728,400
2	Assistant Director (M&M), Rawalpindi	2007-13	4338	696,320
3	Assistant Director (M&M), Chinot	2007-13	4336	71,040
Total				4,495,760

Audit was of the view that weak internal controls on taxation resulted in non collection of advance tax amounting to Rs.4,495,760.

The matter was pointed out in October and November 2013. The management at Sr. No. 1 replied that auction was conducted before the introduction of advance tax in the year 2008. The management at Sr. No. 2 noted the observation for compliance. The management at Sr. No. 3 replied that recovery would be made.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit requires that the department should probe the matter for fixing of responsibility, recover the amount of advance tax and deposit the same into government treasury.

14.4.4 Loss to government due to unauthorized occupation of residence-Rs. 1.26 millions

As per Government of the Punjab, Finance Department letter No. FD.SR.I.3-4/85(Pt.i) dated 13.08.2002, penal rent @ 60% of pay for the period of unauthorized occupation of government residence is to be deducted from the pay of non entitled occupants.

During audit of Punjab School of Mines Katas Chakwal, it was observed that the designated residences were occupied by the unauthorized persons instead of concerned officers for which the residences had been built for.

Audit was of the view that the weak management controls resulted in occupation of the government residences by the unauthorized persons and weak internal controls on recoveries resulted in non recovery of the penal rent amounting to Rs.1,259,232.

The matter was pointed out in April 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was not received nor was DAC meeting convened till the finalization of this report.

Audit recommends that the responsibility be fixed for non adherence to government instructions/rules, recovery be made besides strengthening of supervisory and financial controls.

(PDP No. 2533- Director, Punjab School of Mines Katas, District chakwal-2006-12)

Others

14.4.5 Non recovery of forfeited/confiscated bank/insurance guarantees-Rs. 15 millions

As per Rule 4.1 of PFR Vol-I, the departmental authorities should see that all sums due to government are correctly assessed and regularly

received and checked against the demands and that they are paid into government treasury accordingly. Moreover, as per terms and conditions of the lease agreements, the bank insurance/guarantees were required to be forfeited and deposited into government treasury.

During audit of Director General Mines and Minerals, Punjab Lahore for the period 2011-13, it was observed that various firms were awarded mining leases of lime stone in Khushab and Chakwal to establish cement plants within a period of three/five years. The firms failed to establish the plants within the stipulated time but their bank insurance/guarantees were not deposited into government treasury.

Audit was of the view that weak financial and management controls resulted in non recovery/deposit of the forfeited guarantees.

The matter was pointed out in July 2013. The management replied that the cases regarding forfeiture of bank insurance/guarantees were pending in the courts. Recovery would be made through process of law.

The matter was further reported to the administrative department. DAC in its meeting held on 23.10.2013 kept the para pending till the decision of Court.

Audit recommends that the department should strengthen its financial and management controls, pursue the cases in court of law and recover/deposit the forfeited amounts.

(PDP No. 2584-D.G-Mines & Minerals Punjab Lahore- 2011-13)

14.4.6 Non-auction of unserviceable vehicles-Rs. 1.24 millions

According to Rule 15.21 (5) of PFR Vol-I, the accounting for and maintenance of unserviceable stores which cannot be utilized by the department in whose custody they are kept, involve waste of labour and space. The retention of stores in excess of the probable requirements of

the department in the near future may result in loss to government through deterioration.

During audit of Mines and Minerals Department, it was observed that vehicles and machinery & equipment were off road/unserviceable and were getting deteriorated since long. Neither the same were declared condemned nor auctioned. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Assistant Director (M&M), Sialkot	2007-13	3106	900,000
2	Deputy Director (M&M), Sargodha	2007-13	4331	336,000
Total				1,236,000

Audit was of the view that weak internal controls on management of assets resulted in loss of Rs. 1,236,000 to government.

Audit pointed out the matter in July, September and November 2013. The managements replied that the matter regarding disposal of vehicles had been taken up with the competent authority.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report.

Audit recommends that the department should strengthen its internal controls on management of assets, take appropriate action for putting the vehicles and machinery into use or dispose them off to avoid further deterioration.

CHAPTER 15

POPULATION WELFARE DEPARTMENT

15.1 Introduction

Population Welfare Department is headed by a Secretary. It has one attached department i.e., Director General Population Welfare. As per Rules of Business, 1974 (amended to-date), the department has been assigned the business of:

- provision of motivational services for Population Welfare and Establishment of contact with the clients at all levels.
- provision of Family Welfare Services in urban & rural areas, including clinical and non clinical contraception, through Family Welfare Centers, Reproductive Health Services Establishments, Mobile Service Units.
- supply of contraceptives and medicines to clients through the network of community distribution points and other agencies involved in Population Welfare Programme.
- implementation of publicity and communication strategy.
- promotion of community involvement and participation in Population Welfare Activities.
- conducting research studies in matters relating to Population Welfare & Population Control.

15.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Population Welfare Department prepared annually indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against grant/appropriation was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	45.67	2.511	48.181	47.745	(0.436)
PC22036	3,000.00	(690.828)	2,309.172	2,471.932	162.76
Total	3,045.670	(688.317)	2,357.353	2,519.677	162.324

Overview of Expenditure

The total budget of Population Welfare Department for the year ended 30 June, 2013 was Rs. 2,357.353 millions. Out of this amount the actual expenditure was Rs. 2,519.677 millions. The breakup of current and development expenditure is given below:

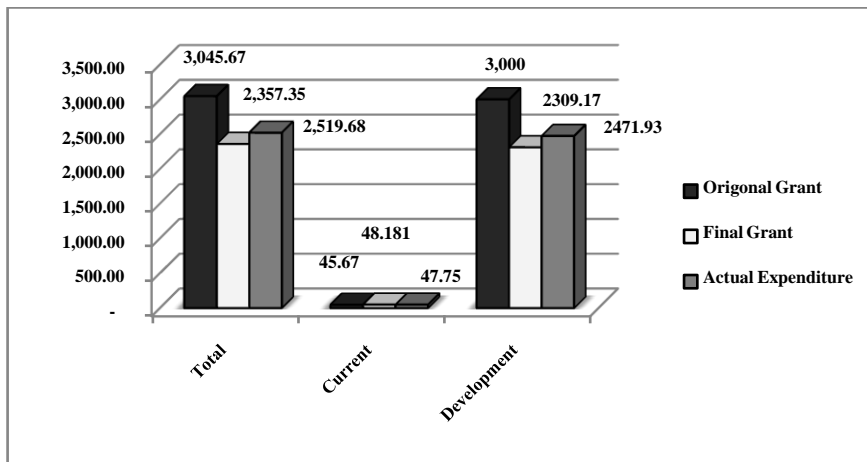
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	45,670,000	47,744,947	2,074,947	4.54
Development	3,000,000,000	2,471,932,675	(528,067,325)	(17.60)
Total	3,045,670,000	2,519,677,622	(525,992,378)	(17.27)

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

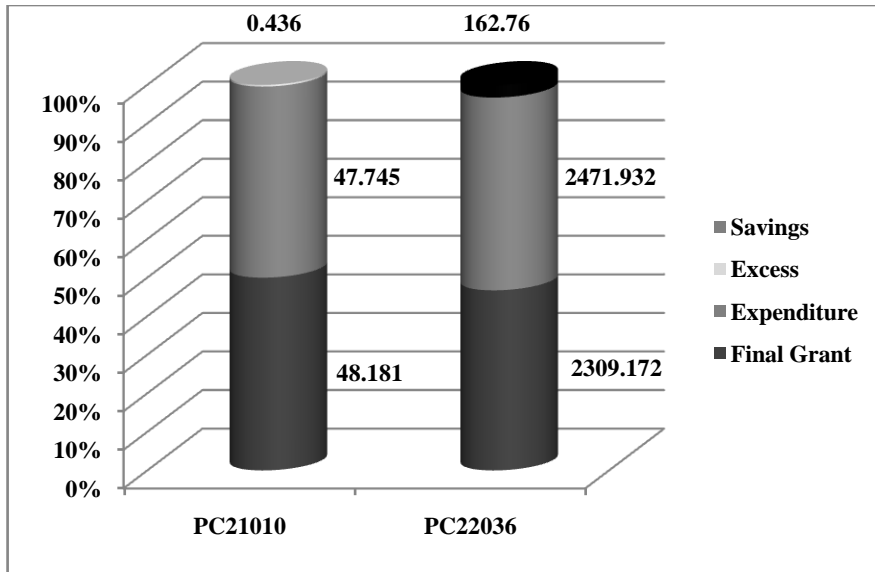
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	48,181,000	47,744,947	(436,053)	(0.91)
Development	2,309,172,000	2,471,932,675	162,760,675	7.05
Total	2,357,353,000	2,519,677,622	162,324,622	6.89



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to Rs. 0.436 millions at the close of the year 2012-13 under grant PC21010 had not been surrendered well in time.



Excess requiring regularization

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purpose. However, excess expenditure amounting to Rs. 162.76 millions for the year 2012-13 under grant PC22036 had not been got regularized so far. This was breach of legislative control over appropriations.

15.3 Brief comments on the status of compliance with PAC Directives

The status of compliance with PAC Directives, for reports of Population Welfare Department discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1990-91	1	0	1	0
2	1991-92	4	-	4	0
3	1994-95	2	0	2	0
4	1995-96	10	1	9	10
5	1996-97	43	21	22	49
6	1997-98	53	15	38	28
7	1998-99	39	27	12	69
8	2006-07	61	25	36	41
9	2009-10	27	2	25	7
Total		240	91	149	38

The compliance with PAC Directives is on the lower side.

15.4 AUDIT PARAS

15.4.1 *Non disposal of condemned vehicles-Rs. 21.79 millions*

As per Rule 15.3 of PFR Vol-I, a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable or order the write off of losses of stores.

During audit of Population Welfare Department, it was observed that a number of vehicles and motorcycles were unserviceable and off road. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Population Welfare Officer, Lodhran	2007-12	2796	18,000,000
2	District Population Welfare Officer, Muzaffargarh	2008-12	2555	1,716,500
3	District Population Welfare Officer, Sheikhpura	2009-12	2786	1,170,000
4	District Population Welfare Officer, Sahiwal	2008-12	3022	900,000
Total				21,786,500

Audit was of the view that due to weak internal controls on management of assets, the vehicles were getting deteriorated and were losing their value.

Audit pointed out the matter during March and April 2013. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC in its meeting held on 08.10.2013 and 31.12.2013 kept the paras pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that appropriate action be taken to safeguard the assets from deterioration and devaluation.

CHAPTER 16

SCHOOL EDUCATION DEPARTMENT

16.1 Introduction

The Education Department has been split into four departments viz., Higher Education Department, Special Education Department, School Education Department and Literacy & Non-formal Basic Education Department. The legislation, policy formulation and planning areas of the School Education Department are:

- Primary Education.
- Elementary Education.
- Secondary and Higher Secondary Education.

The functions performed by the School Education Department are:

- Formulating the curricula and syllabi up to class XII.
- Production and publication of text books for class I to XII.
- Regulatory policy concerning private sector schools.
- Children libraries and libraries affiliated with Children Library Complex.
- Promotion of sports in schools.
- Provision of compulsory and free education to all of age 5-16 years.
- The matters relating to the Punjab Daanish Schools and Centers of Excellence.
- To promote quality education through public-private partnership through Punjab Education Foundation.

16.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of School Education prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of three grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	99.265	(3.243)	96.022	97.312	1.29
PC21015	11,841.16	7,379.414	19,220.58	17,529.62	(1,690.96)
PC22036	23,355.00	(21,754.927)	1,600.07	1,302.27	(297.80)
Total	35,295.428	(14,378.756)	20,916.672	18,929.21	(1,987.466)

Overview of Expenditure

The total budget of School Education for the year ended 30 June, 2013 was Rs.20, 916.672 millions. Out of this amount the actual expenditure was Rs. 18,929.21 millions. The breakup of current and development expenditure is given below:

(Amount in Rupees)

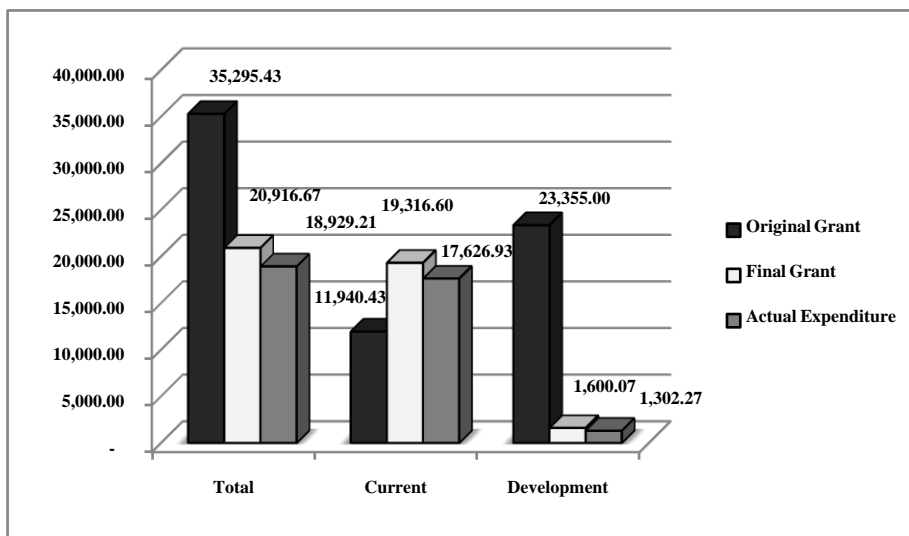
Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	11,940,430,000	17,626,933,998	5,686,503,998	47.62
Development	23,355,000,000	1,302,271,947	(22,052,728,053)	(94.42)
Total	35,295,430,000	18,929,205,945	(16,366,224,055)	(46.36)

This composition changed due to supplementary grants & surrenders.

(Amount in Rupees)

Grant Type 1	Final Grant 2	Actual Expenditure 3	Excess/ (Savings) 4	Variance % 5
1	2	3	4	5
Current	19,316,599,000	17,626,933,998	(1,689,665,002)	(8.75)
Development	1,600,073,000	1,302,271,947	(297,801,053)	(18.61)
Total	20,916,672,000	18,929,205,945	(1,987,466,055)	(9.50)

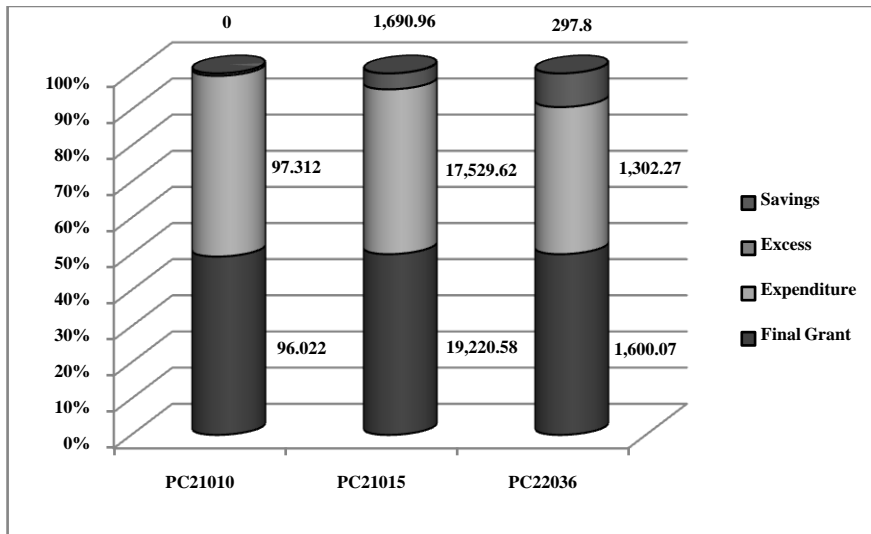
Variance of Final Grant and Actual Expenditure is given below:



Anticipated savings not surrendered

According to the rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, savings amounting to Rs.1,988.76

millions at the close of the year 2012-13 under grants PC21015 & PC22036 had not been surrendered well in time.



Excess requiring regularization

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purpose. However, excess expenditure amounting to Rs. 1.29 millions for the year 2012-13 under grant PC21010 had not been got regularized so far. This was breach of legislative control over appropriations.

16.3 Brief comments on the status of compliance with PAC Directives

The status of compliance with PAC Directives, for reports of Education Department discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1.	1985-1986	65	53	12	82
2.	1986-1987	109	92	17	84
3.	1987-1988	112	93	19	83
4.	1988-1989	148	108	40	73
5.	1989-1990	165	48	117	29
6.	1990-1991	83	27	56	33
7.	1991-1992	67	17	50	25
8.	1992-1993	41	19	22	46
9.	1993-1994	41	21	20	51
10.	1994-1995	55	14	41	25
11.	1995-1996	50	22	28	44
12.	1996-1997	66	42	24	64
13.	1997-1998	197	103	94	52
14.	1998-1999	391	167	224	43
15.	1999-2000	447	244	203	55
16.	2000-2001	1427	947	480	66
17.	2001-2002	471	328	143	70
Total		3935	2345	1590	60

The Education Department was split into Four Departments i.e Higher Education Department, Special Education Department, School Education Department & Literacy Department in the Financial Year 2003-04.

The status of compliance with PAC Directives, for reports of Higher Education Department discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	2003-2004	3	0	3	0
2	2005-2006	8	0	8	0
3.	2006-2007	4	2	2	50
Total		15	2	13	13

The compliance with PAC Directives in School Education Department is quite low. Concerted & consistent efforts are required on the part of department to improve upon the compliance percentage.

16.4 AUDIT PARAS

Irregularity & Non-compliance

16.4.1 Irregular purchase of stationery-Rs. 1.89 millions

According to Rule 3 of PPRA Rules 2009, all procurements made by all procuring agencies of the Government of the Punjab whether within or outside the Punjab should be according to these rules.

During audit of Secretary School Education Department for the year 2012-13, it was observed that an amount of Rs.1,889,067 was spent on purchase of stationery without advertisement on PPRA's website. Moreover, it was observed that rate contract was made without observing PPRA Rules.

Audit was of the view that weak financial controls resulted in irregular expenditure on purchase of stationery.

Audit pointed out the irregularity in September 2013. The management noted the observation for compliance.

The matter was again reported to administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report despite reminders issued on 21.11.2013 and 10.12.2013.

Audit recommends that the irregularity be condoned from the competent authority besides following relevant rules for future purchases.

(PDP No. 3600-Secretary School Education, Department-2012-13)

16.4.2 Unauthorized payment to contingent paid staff-Rs.1.42 millions

As per austerity measures enunciated vide Government of the Punjab, Finance Department letter No.FD.SO(GDODS)44-4/2011 dated

23.07.2011, no contingent paid staff shall be appointed without obtaining the prior approval of the Finance Department.

During audit of Government Central Model School, Lower Mall, Lahore for the period 2011-12, it was observed that an amount of Rs. 1,424,330 was paid to the contingent staff which was appointed without prior approval of the Finance Department.

Audit was of the view that weak financial controls and deviation from the government instructions resulted in unauthorized payment to contingent paid staff.

Audit pointed out the matter in August 2012. The management replied that the recruitment of contingent staff had been made with the approval of BOG against the existing sanctioned strength. The reply was not tenable as it was in contravention of above instructions.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting convened till the finalization of this report despite reminders issued on 21.11.2013 and 10.12.2013.

Audit recommends regularization of the expenditure from the competent authority.

(PDP No.2695-Govt. Central Model School, Lower Mall Lahore-2011-12)

CHAPTER 17

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

17.1 Introduction

According to Rules of Business, 1974 (amended to-date) Services and General Administration Department has been assigned the business of:-

- Cabinet work, including cabinet appointments, salaries & privileges of Ministers and all secretarial work of the cabinet including convening of meetings.
- Service rules (other than civil service rules) relating to various services, posts and interpretation thereof.
- Matters connected with the all Pakistan services & other Federal Services.
- Appointment of commissions of inquiry or panel of officers in cases of misconduct of government servants.
- Re-employment of retired officers.
- Administrative matters related to Punjab Services Tribunal.
- Framing and alteration of Rules of Business for Provincial Government Servants and allocation of business among ministers.
- Standardization of stores/equipments etc. of common use of all departments.
- Absorption of surplus staff and allied matters.
- Preparation of civil list of Official Gazette.

17.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of S&GAD Department prepared annually indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab for both voted and charged items of budget.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of five grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	2,429.288	352.832	2,782.12	2,680.50	(101.625)
PC21011/24	8,514.482	(428.658)	8,085.824	7,816.14	(269.682)
PC21031	51.653	(3.097)	48.556	48.65	0.098
PC22036	1,500.000	(1497.939)	2.061	0	(2.061)
PC24045	1.600	0	1.600	1.60	-
TOTAL	12,497.023	(1,576.862)	10,920.161	10,546.89	(373.27)

Overview of Expenditure

The total budget of S&GAD Department for the year ended 30 June, 2013 was Rs. 10,920.16 millions. Out of this amount the actual expenditure was Rs.10,546.89 millions. The breakup of current and development expenditure is given below:

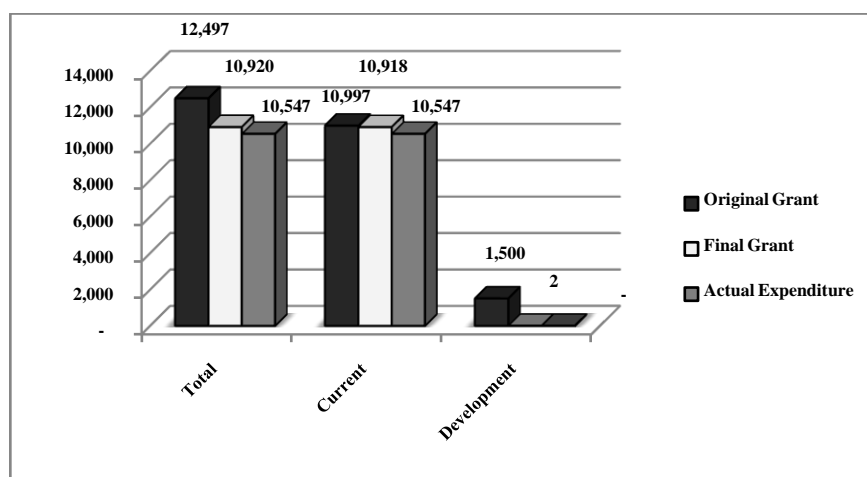
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	10,997,023,000	10,546,896,404	(450,126,596)	(4.09)
Development	1,500,000,000	0	(1,500,000,000)	(100)
Total	12,497,023,000	10,546,896,404	(1,950,126,596)	(15.60)

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

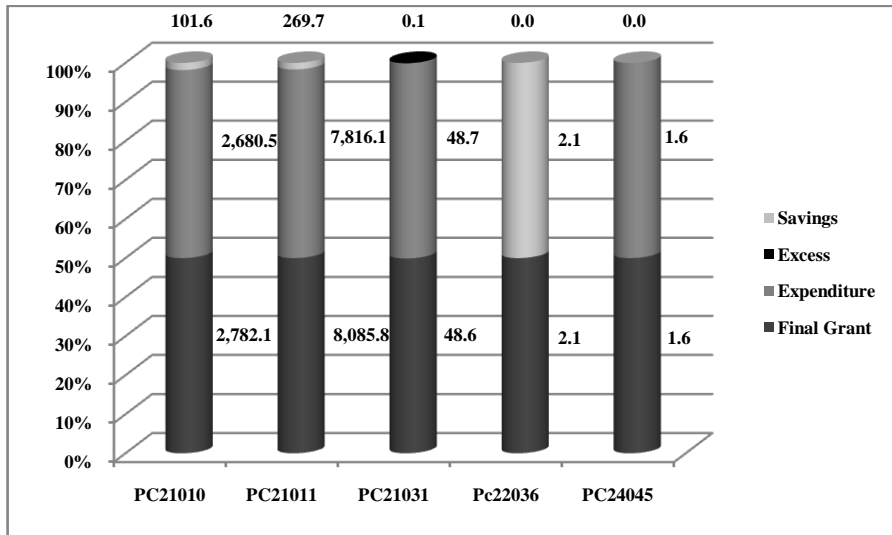
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	10,918,100,000	10,546,896,404	(371,203,596)	(3.40)
Development	2,061,000	0	(2,061,000)	(100)
Total	10,920,161,000	10,546,896,404	(373,264,596)	(3.42)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to Rs. 373.172 millions at the close of the year 2012-13 under grants PC21010 , PC21011,& PC22036 have not been surrendered well in time.



Excess requiring regularization

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purpose. However, excess expenditure amounting to Rs. 0.098 millions for the year 2012-13 under grant PC21031 had not been got regularized so far. This was breach of legislative control over appropriations.

17.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	7	5	2	71
2	1986-87	8	6	2	75
3	1990-91	1	1	0	100
4	1991-92	3	1	2	33
5	1992-93	1	1	0	100
6	1993-94	2	1	1	50
7	1994-95	7	3	4	46
8	1996-97	22	0	22	0
9	1997-98	2	0	2	0
10	1998-99	19	15	4	79
11	1999-00	46	26	20	57
12	2000-01	47	39	8	83
13	2003-04	17	7	10	41
14	2006-07	9	1	8	11
15	2009-10	35	8	27	23
Total		226	114	112	50

The compliance with PAC Directives in S&GAD Department is not very encouraging. The situation needs improvement.

17.4 AUDIT PARAS

Non-production of record

17.4.1 Non production of vouched accounts of advance payment-Rs. 98.72 millions

Section 14 of the Auditor-General's (Functions, Power and Term and Conditions of Service) Ordinance, 2001 provides that the officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information. Any person or authority hindering the functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Disciplinary Rules. Moreover, as per Rule 2.20 of PFR Vol-I, as a general rule every payment, including repayment of money previously lodged with Government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim.

During audit of Chief Pilot Aviation Flight (RW) S&GAD, Lahore for the period 2007-13, it was observed that an amount of Rs. 98.722 millions was transferred by Government of the Punjab, Finance Department to CMA (RC), Rawalpindi. Finance Department accorded permission of the advance payment subject to the conditions that:

- The amount will be transferred to DG Budget Army Aviation Command, GHQ Rawalpindi.
- The amount will be spent on the purpose for which funds have been sanctioned.
- Adjustment account with supporting vouchers/documents shall be furnished to audit office within a period of one month of the withdrawal of advance for the adjustment in the book of accounts.

It was observed that neither the amount was spent during the financial year for which it was sanctioned i.e. 2007-08 nor the vouched account was furnished to audit. The department produced expenditure statements in which expenditure was charged for US \$ 846,350.81 (from 2007 to January 2012) but no record like cash book, vouched accounts etc. was maintained/available with the department.

Audit was of the view that weak financial controls and non observance of rules and regulations resulted in non production of vouched account.

Audit pointed out the matter in March 2013. The management noted the observation for compliance.

The matter was further reported to the administrative department on 09.12.2013. Neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit recommends that responsibility be fixed for non production of vouched account besides strengthening of financial and internal controls.

(PDP No.4170-Chief Pilot, Aviation Flight (RW), S&GAD-2007-12)

Irregularity and Non-compliance

17.4.2 Irregular payment of pending liabilities and non production of record-Rs. 82.65 millions

According to Rule 17.18 of PFR Vol-I, under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year. Furthermore, according to Section 14 (2) & (3) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply

with requests for information. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of SO Welfare-I S&GAD Lahore, it was observed that pending liabilities of Rs.82,649,047 for the year 2009-10 was paid to Lahore Development Authority on account of rent of building, payment of salaries, POL and repair and maintenance of generator and lifts. Rent deed, rent assessment certificate, log book of generator and history sheets of lifts were not produced for verification. Neither pending liabilities register was maintained nor paid vouchers were defaced as paid and cancelled.

Audit was of the view that due to non production of record, audit could not verify the authenticity of the accounts.

Audit pointed out the matter in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was again reported on 20.11.2013. In DAC meeting held on 05.12.2013, the department produced a rent agreement with LDA which was made on 06-06-2012. The committee observed that the payment pertained to the year 2009-10 and hence the aforementioned rent deed was not relevant. The committee kept the para pending for proper production of the record so as to verify the authenticity of the payment made to LDA.

Audit recommends that irregularity be got condoned from the competent authority besides production of complete record and taking disciplinary action against the persons responsible for non production of record.

(PDP No.3077-ACS, S&GAD-2012-13)

17.4.3 Irregular expenditure on purchase of stationery and printed material-Rs. 2.07 millions

According to Rule 17.18 of PFR Vol-I, under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year.

During audit of S&GAD, Lahore for the period 2012-13, it was observed that an amount of Rs. 2,072,791 was incurred on the purchase of stationery, computer stationery and printed material. Payment of pending liabilities of last year had been made without obtaining separate budget and the current budget grant of the financial year 2012-13 was utilized for the clearance of pending claims of previous year. Neither the pending liabilities register was found maintained nor the paid vouchers were defaced as paid and cancelled.

Sales tax invoices amounting Rs.296,963 were obtained from the suppliers against the payment of sales tax. A statement of sales tax was required to be prepared in the prescribed format and forwarded to the Collector of sales tax but no such action was found taken by the management. Deposits of sales tax into the government treasury was thus not verified.

Audit was of the view that weak financial controls resulted in irregular expenditure of Rs. 2,072,791.

Audit pointed out the matter in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was again reported on 20.11.2013. DAC in its meeting held on 05.12.2013 kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that irregular payment of pending liabilities needs to be got condoned from the competent authority besides maintenance of pending liabilities register

(PDP No.3085-ACS, S&GAD-2012-13)

Internal Control Weakness

17.4.4 Irregular payment of medical allowance to re-employed pensioners-Rs. 1.52 millions

As per Government of Punjab, Finance Department letter No.FD-SR.III.4.1 08/2010 dated 15.9.2010, government pensioners who are re-employed on contract basis are not entitled for grant of medical allowance sanctioned vide No.FD.III-4-108/2010 dated 15.7.2010 for the contractual appointment period.

During audit of Chief Pilot Aviation Flight (Rotary Wing) S&GAD for the year 2007-12, it was observed that the officers/officials were re-employed after retirement and were being paid Medical Allowance.

Audit was of the view that weak financial management and internal controls on payroll resulted in irregular payment of medical allowance.

Audit pointed out the matter in March 2013. The management replied that there is nothing added in the pension of these officers as withdrawal of medical allowance is in line with the rules of the same and relevant clause of the contract notification. The reply was not tenable as the department did not produce pension books of the concerned officers to ascertain whether they were in receipt of medical allowance or not.

The matter was further reported to the administrative department on 09.12.2013. Neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit recommends that the department should either produce the evidence regarding non-payment of Medical Allowance through pension or recovery be made besides strengthening of financial and internal controls.

(PDP No.4163-Chief Pilot, Aviation Flight (RW), S&GAD-2007-12)

Recovery and overpayments

17.4.5 Irregular unjustified payment of special pay and allowances-Rs. 931,359

According to Rule 2.31 (a) of PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held personally responsible for any over charges.

During audit of S&GAD, Lahore for the period 2012-13, it was observed that payment of special pay and allowances amounting to Rs. 1,831,294 was made to the employees without any justification/orders in support of payment of said allowances.

Audit was of the view that weak internal controls on payrolls resulted in unjustified payment of special pay and allowances.

Audit pointed out the matter in August 2013. The management stated that detailed reply would be submitted after verification of record.

The matter was again reported on 20.11.2013. In DAC meeting held on 05.12.2013, the department reported that the integrated allowance and personal allowance were admissible. The departmental contention was accepted and the amount of the para was reduced to Rs. 931,359. Further progress was not reported by the department till the finalization of this report.

Audit recommends recovery besides strengthening the internal and supervisory controls.

(PDP No.3090-ACS, S&GAD-2012-13)

17.4.6 Non/less deduction of income tax and house maintenance charges-Rs. 1.23 millions

According to Section 13 of Income Tax Ordinance 2001, for the purpose of computing the income of an employee for a tax year chargeable to tax under the head “Salary”, the value of any perquisite provided by an employer to the employee in that year that is included in the employee’s salary under section 12 shall be determined in accordance with this section. Moreover, as per the Gazette of Pakistan, Extra dated 27.06.2012, income tax at specific rates is required to be deducted from the salary. Furthermore, according to Finance Department letter No. FD (M-I) 1-15/82-P-I dated 15.01.2000, the withdrawal of house rent allowance is not permissible to the officers/officials to whom government residences have been provided. In addition 5% maintenance charges are also required to be deducted.

During audit of S&GAD, Lahore for the period 2012-13, it was observed that necessary deductions of income tax and house maintenance charges from the employees residing in government accommodations were not being made from the salaries of officers/officials. The details are as under:

Sr. No.	PDP No.	Brief Description	Amount (Rs.)
1	3080	Non deduction of 5% house maintenance charges	614,148
2	3093	Less deduction of income tax from the pay of Officers	341,603
3	3094	Less deduction of income tax from the pay of Parliamentary Secretaries	274,711
Total			1,230,462

Audit was of the view that weak internal controls on payroll and taxation resulted in less deduction of income tax and house maintenance charges amounting to Rs.1,230,462.

Audit pointed out the matter in August 2013. The management stated that reply would be submitted later on.

The matter was again reported on 20.11.2013. DAC meeting was held on 05.12.2013. As regards para at Sr. No. 1, the department reported partial recovery of Rs.97,857, which was verified by audit and accordingly the amount of the para was reduced to Rs. 614,148. The paras at Sr. Nos. 2 & 3 were kept pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends recovery of the stated amount besides strengthening of internal controls.

Others

17.4.7 Loss due to purchase of counterfeit landing gears-Rs.12.68 millions

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

During audit of Chief Pilot Aviation Flight (Rotary Wing) S&GAD for the year 2007-12, it was observed that a contract was made by the department for general overhauling from the Russian Firm Flight Test Aerospace (Pvt.) Ltd. at Russia. But during the process of overhauling of MI-17 helicopter, it was pointed out by the Russian Firm that the existing landing gears were found to be counterfeit and it was against International Civil Aviation Regulations to overhaul counterfeit instrument, hence could not be overhauled. Moreover it was further mentioned in their letter No.FTA/AVN FLT(RAW)11-3/2011, dated 30.11.2011, that serial numbers of the nose and main landing gears have been found re-punched/tempered. The design features of the landing gears indicated that these were manufactured before 1976 (nose landing gear)

and 1990's (main landing gears) whereas the helicopter itself was manufactured in 2003, in this way loss due to purchase of new gears for Rs.12,684,465 was sustained by the government.

The matter was neither inquired nor responsibility for the purchase of counterfeited gears was fixed against the firm from whom these were purchased.

Audit was of the view that negligence on the part of management resulted in loss to the government.

Audit pointed out the matter in March 2013, the management replied that the matter had been referred to concerned authority. The outcome would be informed to audit as and when received.

The matter was further reported to the administrative department on 09.12.2013. Neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit recommends that the matter be probed at administrative level, responsibility be fixed and loss be made good from the concerned.

(PDP No.4178-Chief Pilot, Aviation Flight (RW), S&GAD-2007-12)

17.4.8 Non auction of off road and condemned vehicles-Rs.7.70 millions

According to Rule 15.3 of PFR Vol-I, a competent authority may sanction the sale and disposal of store regarded as surplus, obsolete or un-serviceable or order to write off the losses of store.

During audit of Motor Transport Wing of S&GAD, Lahore for the financial year 2012-13, it was observed that a total number of 19 cars, one Pajero and two jeeps were off road. These vehicles were getting deteriorated and no deliberations were shown to audit for auction of the vehicles.

Audit was of the view that weak internal controls on management of assets could result in further deterioration and hence loss of their worth.

The matter was pointed out in August 2013. The management noted the observation for compliance.

The matter was again reported on 20.11.2013. DAC meeting held on 05.12.2013, kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that the department should strengthen its internal controls on management of assets and take appropriate action for putting the assets into use or proceed for declaring them unserviceable and auction.

(PDP No.3083-ACS, S&GAD-2012-13)

17.4.9 Irregular expenditure on secret service-Rs. 1.00 millions

As per Rule 36 in appendix 14 of PFR Vol-II, the administrative department should conduct at least once in every financial year a sufficiently real administrative audit of the expenditure incurred by the Controlling Officer and furnish a certificate to the Accountant General not later than the 31st March following the year to which it relates.

During audit of S&GAD, Lahore for the financial year 2012-13, it was observed that an amount of Rs. 1,000,000 was incurred on account of secret service expenditure but neither the administrative audit conducted nor the certificate was furnished to the Accountant-General Punjab Lahore in the prescribed format.

Audit was of the view that non observance of rules and regulations resulted in irregular expenditure on secret service.

Audit pointed out the matter in August 2013. The management noted the observation for compliance.

The matter was again reported on 20.11.2013. DAC in its meeting held on 05.12.2013, kept the para pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that the department should adhere to the rules and regulations and produce the requisite certificate.

(PDP No.3096-ACS, S&GAD-2012-13)

17.4.10 Outstanding recovery against consignees-Rs. 637,477

According to Rule 4.7 (1) of PFR Vol-I, it is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to government which have to be brought to the account, are correctly and promptly assessed, realized and credited in to the government account.

During audit of S&GAD, Lahore for the period 2012-13, it was observed that an amount of Rs. 637,477 was outstanding against the consignees. The payments were made by the Liaison officer (Clearance) out of the revolving fund account for the clearance of consignments on behalf of the consignees but the re-imburements were not made by the concerned consignees in timely manner.

Audit was of the view that weak financial and management controls resulted in non recovery of consignment clearance charges amounting to Rs. 637,477.

Audit pointed out the matter in August 2013. The management replied that the expenditure statements along with original paid vouchers had already been sent to the concerned consignees for re-imburement.

The matter was again reported on 20.11.2013. In DAC meeting held on 05.12.2013, the department reported partial recovery of Rs.106,629, which was verified by the committee and the amount of the

para was reduced to Rs. 637,477. Further progress was not reported till the finalization of this report.

Audit recommends strengthening of financial and management controls besides re-imburement of the clearance charges.

(PDP No.3088-ACS, S&GAD-2012-13)

CHAPTER 18

SOCIAL WELFARE, WOMEN DEVELOPMENT AND BAITUL MAL DEPARTMENT

18.1 Introduction

The Secretary to the Government of the Punjab, Social Welfare, Women Development and Baitul Mal is the administrative head of the department and exercises overall supervision. The Directorate General of Social Welfare, Women Development and Baitul Mal is the attached department, which is headed by the Director General. Punjab Baitul Mal Council is headed by an Ameen (BPS-20 status) nominated by the government. The Director General Social Welfare, Women Development and Baitul Mal is the ex-officio Secretary of the Baitul Mal Council. The department has been entrusted the task of:

- Creation of social awareness by motivational methods.
- Registration of voluntary social welfare agencies.
- Professional and financial assistance to registered voluntary social welfare agencies.
- Training and rehabilitation of the destitute and under privileged and neglected sections of the society such as orphans, widows and destitute etc.
- Training and micro credit for disadvantaged.
- Relief and rescue services.

18.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2012-13 of Social Welfare, Women Development and Bait-ul-Maal prepared indicate revenue expenditure on various specified services vis-à-vis those authorized by Government of the Punjab for voted items of budget.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against the total of three grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supple. Grant	Final Grant	Actual Expenditure	Excess/ (Savings)
1	2	3	4	5	6
PC21010	19.931	1.481	21.412	21.345	(0.067)
PC21031	444.716	41.170	485.886	444.870	(41.016)
PC22036	1,025.000	(893.869)	131.131	114.784	(16.347)
Total	1,489.647	(851.218)	638.429	580.999	(57.43)

Overview of Expenditure

The total budget of Social Welfare, Women Development and Bait-ul- Maal for the year ended 30 June, 2013 was Rs.638.429 millions. Out of this amount the actual expenditure was Rs. 580.999 millions.

The breakup of current and development expenditure is given below:

(Amount in Rupees)

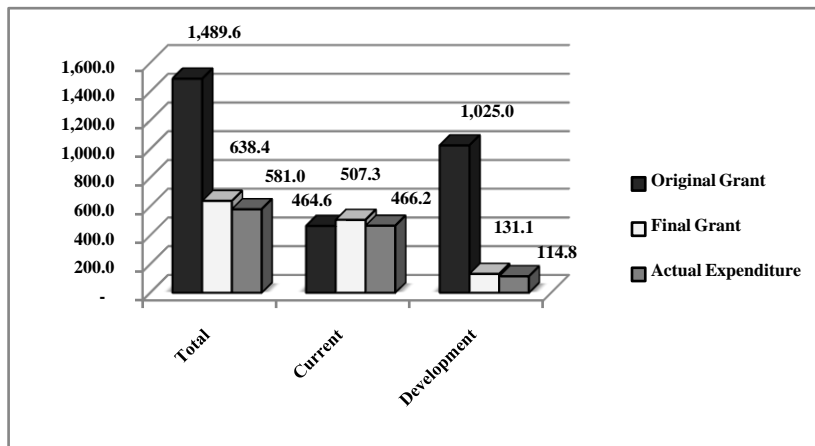
Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	464,647,000	466,214,954	1,567,954	0.33
Development	1,025,000,000	114,783,679	(910,216,321)	(88.80)
Total	1,489,647,000	580,998,633	(908,648,367)	(61)

This composition changed due to supplementary grants & surrenders.

Variance of Final Grant and Actual Expenditure is given below:

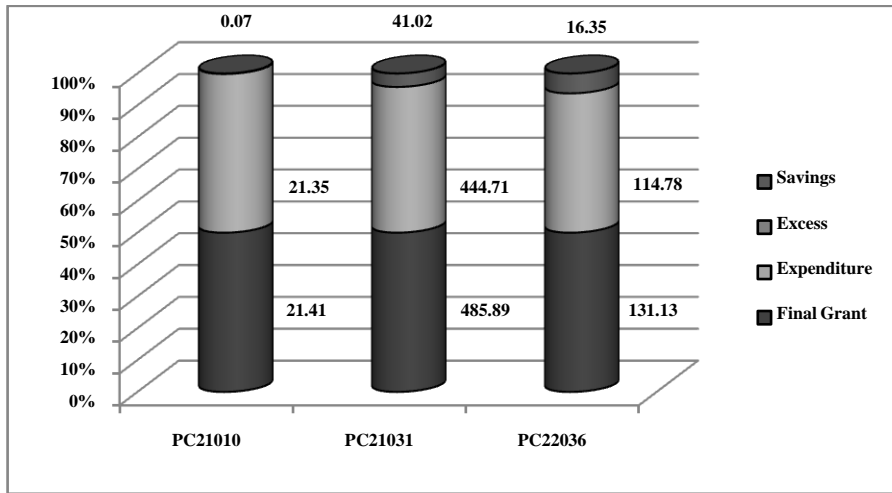
(Amount in Rupees)

Grant Type 1	Final Grant 2	Actual Expenditure 3	Excess/ (Savings) 4	Variance % 5
Current	507,298,000	466,214,954	(41,083,046)	(8.10)
Development	131,131,000	114,783,679	(16,347,321)	(12.47)
Total	638,429,000	580,998,633	(57,430,367)	(9)



Anticipated savings not surrendered

According to the rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department whenever the savings are anticipated. However, savings amounting to Rs. 57.43 millions at the close of the year 2012-13 under grants PC21010, PC21031 & PC22036 had not been surrendered well in time.



18.3 Brief comments on the status of compliance with PAC Directives

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	7	2	5	29
2	1986-87	8	6	2	75
3	1987-88	2	1	1	50
4	1988-89	2	1	1	50
5	1989-90	6	0	6	0
6	1990-91	1	0	1	0
7	1991-92	1	0	1	0
8	1993-94	2	0	2	0
9	1994-95	1	0	1	0
10	1998-99	22	8	14	36
11	1999-00	13	6	7	46
12	2000-01	41	35	6	85
13	2001-02	46	28	18	61
Total		152	87	65	57

The compliance of PAC Directives in Social Welfare, Women Development and Bait-ul-Maal Department is not very encouraging. The department needs to improve it. However, the compliance has shown some improvement in later years.

18.4 AUDIT PARAS

Non-production of record

18.4.1 Non production of record- Rs. 1.00 million

As per section 14 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information. Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules.

During audit of Social Welfare Department for the period 2011-13, the department did not produce auditable record/ vouched accounts for audit purpose. In the absence of record audit could not ascertain the veracity of the expenditure. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Record not produced	Amount (Rs.)
1.	Treatment Training Center Chamman, Lahore.	2011-13	3169	Expense account of dietary articles.	1,002,394
2.	Mother & Children Home (Dar-ul-Falah), Rawalpindi.	1975-2013	3678	Stock registers, paid vouchers, Budget & Exp etc.	-
3.	Women Dev & Welfare Center (Qasra-E-Behbood), Lahore	2011-13	3681	Receipts/deposits and expenditure from receipts etc.	-
Total					1,002,394

Due to non production of record, audit could not verify the authenticity of the accounts and validity of expenditure.

The matter was pointed out in September 2013. The managements at Sr. No. 1 & 2 replied that record will be produced to audit later on as it

is difficult to arrange the same instantly. The management at Sr. No. 3 replied that advice will be taken from higher authorities for production of record related to receipts.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.13 and 06.12.13.

Audit recommends for production of record and take disciplinary action against the delinquents.

Irregularity & Non-compliance

18.4.2 Unauthorized expenditure on services rendered- Rs.2.43 millions

In accordance with Sr. No. 2(b)(xiii) of Delegation of Financial Power Rules, 2006 Superintendent/ Deputy Director (BPS 18) DDO / Nasheman being an officer of category-III, has no power to sanction expenditure for payment of fees in other cases in lieu of services rendered. As per section 153 of Income Tax Ordinance 2001, with-holding tax @ 3.5% on supply of goods and 6% on all types of service should be deducted at sources.

During audit of Superintendent Home for Disabled Persons (Nasheman) Punjab, Lahore for the year 2011-2013, it was observed that the department appointed instructors for different courses offered by the organization. An amount of Rs. 2,426,000 was paid on account of services rendered by the instructors. According to aforesaid rule the Superintendent/Deputy Director has no power to sanction expenditure for payment for other services rendered.

The following shortcomings were also observed;

- Income tax was required to be deducted at 6% for services rendered but deduction was made @ 3.5%. Hence an amount of Rs.60,650 was less deducted and is recoverable.
- Payments to the instructors amounting to Rs.924,000 were made in cash during April 2013, against the provision of rule that payments above Rs. 100,000 should be made through cheques.

Audit pointed out the lapse in August 2013, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.13 and 06.12.13.

Audit recommends that expenditure beyond competency be got regularized with the sanction of Finance Department, and amount of income tax be recovered.

(PDP No. 3125- Superintendent Home for Disable Person (Nashaman)Lahore Lahore -2011-13)

18.4.3 Irregular expenditure on rent of building-Rs.2.28 millions

In accordance with Sr. No.5 of Delegation of Financial Power Rules, 2006, Administrative Departments has full power to incur expenditure on rent of non residential building subject to condition that:

- (1) The accommodation is according to the scale approved by the government;
- (2) The rent does not exceed the value assessed by the Excise & Taxation Department for the purpose of urban immovable property tax;
- (3) The rent is made on the basis of property tax; and

- (4) Non availability certificate is obtained from the C&W Department.

During audit of Secretary Social Welfare & Bait-ul-Maal Department, Punjab Lahore for the financial year 2011-2013, it was observed that the department hired a building for office accommodation and paid Rs. 2,279,640 in lieu of rent of building during the period. Following codal formalities were overlooked and procedural requirements were not fulfilled while acquiring the building for rent:

- Scale of building for office was not assessed/ prepared.
- Rent was not assessed by Excise & Taxation Department for the year 2012-13.
- Non-availability certificate issued by C&W Department, was not acquired for the year 2012-13.
- Lease agreement executed between owner and Secretary Social Welfare for 2012-13 was not revised.

Weak supervisory controls resulted in irregular expenditure and expected loss to the government.

Audit pointed out the lapse in August 2013. The management replied that documents shall be produced. The building's rent is being paid @ 10% increase as that of previous financial year.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.13 and 06.12.13.

Audit recommends that the irregular expenditure be got regularized with the sanction of the Finance Department.

(PDP No. 2822- Secretary Social Welfare & Bait-ul-Maal Punjab Lahore-2011-13)

18.4.4 Irregular mode of payment-Rs. 2.02 millions

As per Rule 4.49 of Sub-Treasury Rules and Government of the Punjab, Finance Department Notification No. FD(FR)V-6/75(P), dated 20.06.2007 payment for Rs.100,000 and above are to be made through cheque/bank draft or pay order.

During audit of Secretary Social Welfare & Bait-ul-Maal Punjab, Lahore for the period 2011-2013, it was observed that payments exceeding Rs.100,000 had been made in cash instead of through cheque, bank draft or pay order in violation of the stated rule.

Audit pointed out the lapse in August 2013, the management replied that the vendor number will be got issued from office of the Accountant General for payment of cheques above Rs.100,000.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.13 and 06.12.13.

Audit recommends that the irregular mode of payment be got regularized with that sanction of Finance Department.

(PDP No. 2823- Secretary Social Welfare & Bait-ul-Maal Punjab Lahore-2011-13)

18.4.5 Irregular expenditure on purchase of stores-Rs.1.76 millions

As per Para 12 of PPRA rules, 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA website and may also be advertised in print media, if deemed necessary by the procuring agency. Moreover, prior concurrence of the austerity committee is required for purchase of furniture & fixture as per austerity / economy measure for the financial year 2009-10, circulated vide No.FD. (G-I)6-40/2009 dated 9th October,

2009. Furthermore, the officer in Category-II has power to sanction expenditure up to rupees one million on items specifically shown in the current budget estimates as per Sr. No. 2 (a) (iv) of Delegation of Financial Powers Rules 2006.

During audit of Superintendent, Mother & Children Home (Darul Falah), Rawalpindi for the period 2009-2013, it was observed that the department incurred expenditure of Rs. 1.758 millions on purchases which was held irregular due to following reasons:

- Tender was not advertised on PPRA website.
- Approval of austerity committee regarding purchase of furniture for Rs.1,186,445 could not be produced.
- Sanction for purchase of furniture beyond rupees one million was not obtained from competent authority.

Audit was of the view that non-observance of government rules resulted in irregular expenditure of Rs. 1.758 millions.

Audit pointed out the lapse in September 2013. The management replied that expenditure was made in accordance with rules.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.13 and 06.12.13.

Audit recommends that irregular expenditure be got regularized with the sanction of Finance Department besides strengthening internal controls to avoid such lapses in future.

(PDP No. 3676- Mother & Children Home (Dar-ul-Falah), Rawalpindi – 1975-2013)

Internal Control Weakness

18.4.6 Un-due retention of government receipts-Rs. 19.16 millions

According to Rule 4.7(1) of PFR Vol-I, it is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to Government, which have to be brought in account, are correctly and promptly assessed, realized and credited to Government account.

During audit of Women Development & Welfare Center (Qasra-E-Behood) Lahore for the period 2011-13, it was observed that the department collected government receipts on accounts of admission/tuition fee and lease money amounting Rs. 19,160,200 but the same was not deposited into the government treasury.

Audit was of the view that due to non-observance of government instructions regarding deposit of receipts, the government was deprived of the revenue.

When pointed out in September 2013, the management replied that advice will be taken from higher authorities.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.13 and 06.12.13.

Audit recommends that amount of receipts be deposited into government treasury immediately besides fixing responsibility for retention of receipts in violation of government instructions.

(PDP No.4229 &4230-Women Development & Welfare Center (Qasra-E-Behood) Lahore -2011-2013)

Recovery and overpayments

18.4.7 Non recovery of loss-Rs. 2.08 millions

According to Rule 4.1 of PFR Vol-I, the departmental authorities should see that all sums due to government are correctly assessed and regularly received and check against the demands and that they are paid to government treasury accordingly. Moreover, as per Rule 2.33 ibid, every government servant should realise fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part.

During audit of Director General Social Welfare & Bait-ul Maal Punjab Lahore for the period 2011-2013, it was observed that an amount of Rs. 2,083,030 was imposed as a penalty for embezzlement in the purchases. However, the penalty was not recovered from the concerned.

Audit was of the view that due to weak internal controls the loss of Rs. 2,083,030 sustained by the government was not recovered.

Audit pointed out the lapse in August 2013. The management replied that the case was under process in the court of law.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 24.10.2013, 19.11.13 and 06.12.13.

Audit recommends recovery of the stated amount and fixing of responsibility.

(PDP No. 2978-Director General Social Welfare & Bait-ul-Maal Punjab Lahore -2011-13)

CHAPTER 19

YOUTH AFFAIRS, SPORTS, ARCHAEOLOGY AND TOURISM DEPARTMENT

19.1 Introduction

In October 2011 new Department comprising Youth Affairs, Sports, Archaeology, Department of Tourist Services & Tourism was created.

Up till 2003 sports was the subject of Education Department. In September 2003 Sports Department was established. In February 2011 Sports Department was disbanded and all the responsibilities, assets, liabilities and functions were transferred to Higher Education Department. On 14th October 2012 Sports became the subject of a new Department Youth Affairs, Sports, Archaeology & Tourism. The functions includes:

- Top help build healthy and tolerant society through promotion of sports.
- To conserve / preserve the cultural heritage of Punjab and develop it to have healthy share in the economic growth of Punjab and Pakistan.
- To develop and promote tourism in Pakistan to attract tourists to our historical & cultural heritage, provide entertainment and recreation facilities to the people, and
- To spread benefits of tourism among the public for employment creation and poverty reduction with ultimate aim of contributing to our national economic growth.

19.2 Comments on Budget & Accounts (Variance Analysis)*

Introduction

The Appropriation Accounts for the year 2012-13 of Information, Culture & Youth Affairs Department prepared indicate capital expenditure on various specified services vis-à-vis those authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during financial year 2012-13 against the total of four grants/appropriations was as follows:

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
1	2	3	4	5	6(5-4)
PC21010	207.845	761.413	969.258	944.942	(24.316)
PC21014	65.759	11.750	77.509	72.626	(4.883)
PC22023	1,092.345	36.722	1,129.067	1,033.226	(95.841)
PC22036	1,288.379	97.507	1,385.886	638.168	(747.718)
Total	2,654.328	907.392	3,561.720	2,688.961	(872.758)

Overview of Expenditure

The total budget of Information, Culture & Youth Affairs Department for the year ended 30 June, 2013 was Rs. 3,561.720 millions. Out of this, amount the actual expenditure was Rs. 2,688.960 millions.

The breakup of current and development expenditure is given as follows:

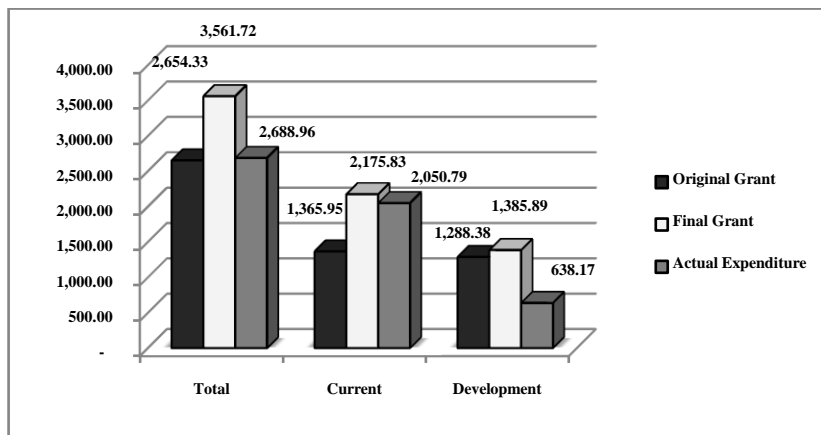
(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	1,365,949,000	2,050,794,150	684,845,150	50.14
Development	1,288,379,000	638,167,429	(650,211,571)	(50.47)
Total	2,654,328,000	2,688,961,579	34,633,579	1.30

During the year, due to supplementary grants and surrenders, this composition changed. Variance of Final Grant and Actual Expenditure is given below:

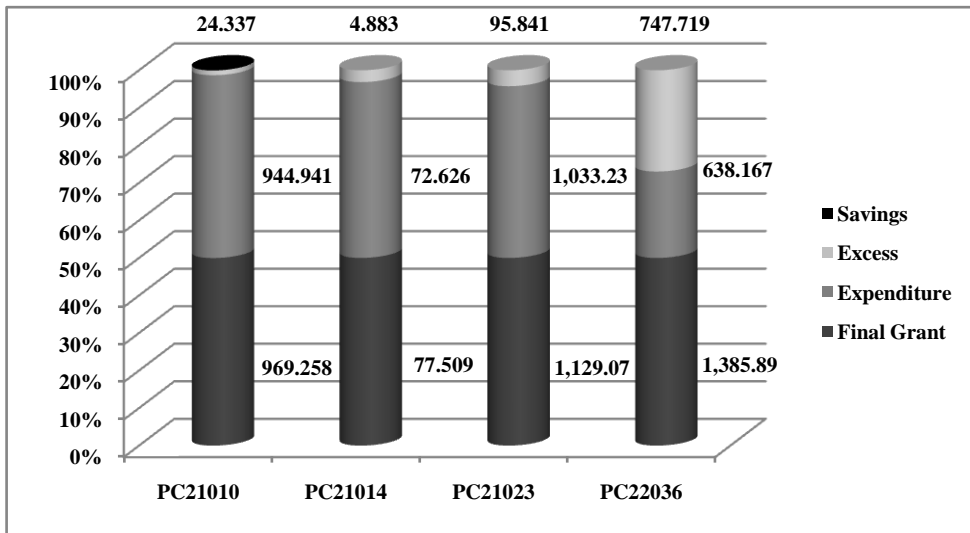
(Amount in Rupees)

Grant Type	Final Grant	Actual Expenditure	Excess/ (Savings)	Variance %
1	2	3	4	5
Current	2,175,834,000	2,050,794,150	(125,039,850)	(5.75)
Development	1,385,886,000	638,167,429	(747,718,571)	(53.96)
Total	3,561,720,000	2,688,961,579	(872,758,421)	(24.50)



Anticipated savings not surrendered

According to rules laid down in Chapter 14 of Punjab Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, savings amounting to Rs. 872.758 millions at the close of the year 2012-13 under grants PC21010, PC21014, PC21023 & PC22036 had not surrendered well in time.



*As Youth Affairs was previously under the administrative control of Information and Culture Department therefore variance analysis of Information and Culture Department is presented here.

19.3 Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1.	1996-97	5	3	2	67
2.	1999-00	21	07	14	33
3.	2000-01	91	56	35	62
4.	2001-02	18	3	15	17
5.	2006-07	22	14	08	64
Total		157	83	74	53

The compliance with PAC Directives in Youth Affairs Department is not very encouraging. The department needs to improve it.

*As Youth Affairs was previously under the administrative control of Information and Culture Department therefore the compliance status of PAC Directives of Information and Culture Department is presented here.

19.4 AUDIT PARAS

Non-production of record

19.4.1 Non production of record-Rs. 39.01 millions

As per section 14 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information. Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules.

During audit of Youth Affair, Sports, Archeology & Tourism Department for the financial year 2011-12, it was observed that an expenditure of Rs. 39,014,773 was incurred on POL, Transport and Punjab Olympic Association but auditable record/ vouched accounts were not produced to audit for scrutiny. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
1	Director General, Directorate of Sports, Lahore.	2011-12	2652	Vouched account from Punjab Olympic Association	30,000,000
2	Secretary Youth Affair, Sports, Archeology & Tourism Deptt.	2011-12	4354	Vouched account of Transport purchase	8,440,000
3	Secretary Youth Affair, Sports, Archeology & Tourism Deptt.	2011-12	4353	Log Books of vehicles	574,773
Total					39,014,773

Audit was of the view that due to non production of record, audit could not verify the authenticity of the accounts and validity of expenditure.

When pointed out during January and April 2013, the management at Sr. No. 1 replied that Punjab Olympic Association had been asked to provide vouched account. The managements at Sr. No. 2 & 3 noted the observations.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 17.09.2013, 09.12.13 and 13.12.13.

The department needs to produce record and take disciplinary action against the delinquents.

Irregularity & Non-compliance

19.4.2 Irregular investment of funds without competitive rates- Rs. 85.00 millions

In accordance with Governor's Secretariat letter no. GS (UNIV)1-21/2008-639 dated: 20.05.2009, the mark up rates offered by Bank of Punjab may be compared with the five major scheduled banks and the case be referred to Finance Department for its advice.

During audit of Director General Archeology, Lahore, it was noticed that an amount of Rs 85,000,000 was invested into the Bank of Punjab but rates of mark up from other banks were not obtained before investment.

Audit was of the view that due to lack of healthy competition the department was deprived of substantial profit on investment.

When pointed out in January 2013. The management replied that investment was made after obtaining rates from banks but no documentary evidence was shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 17.09.2013 and 09.12.2013.

Audit recommends to get the matter regularized from Finance Department.

(PDP No. 2677-Director General Archeology, Lahore -2011-12)

19.4.3 Irregular award of contract without advertisement-Rs. 16.12 millions

As per Rule 19(a) of the Punjab Delegation of Financial Powers Rules 2006, the Administrative Department and Officers in Category-I are fully competent to sanction leases of land pertaining to Government buildings, auctioning of service outlet/ canteen, lease of fruit trees subject to leases being openly auctioned for a period not exceeding one year at a time.

During audit of Director General Archeology, Lahore for the year 2011-12, it was noticed that lease of various contracts i.e. car parking, photography, toilets and booking counter were awarded to different contractors for the year 2010-11 but after expiry of specified period of one year, the contracts were extended and awarded to same contractors for the next financial year without re-advertisement during 2011-12. The management added a marginal increase in the lease money for the period beyond one year. The condition of extension was irregularly included in the contractual deed which was contrary to the above provision.

Audit was of the view that the extension in contract in contravention of the rules resulted in loss to the government.

When pointed out in January 2013, the management replied that the extension in contract was provided for in the agreement. The reply was

not accepted as the provision in contract was contrary to the Punjab Delegation of Financial Powers Rules.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 17.09.2013 and 09.12.2013.

Audit recommends inquiry of the matter for fixing the responsibility besides strengthening internal controls to avoid such lapses in future.

(PDP No. 2676-Director General Archeology, Lahore -2011-12)

19.4.4 Irregular / unauthorized expenditure-Rs. 471,148

As per Delegation of Financial Power Rules 2006, as amended up to date, the following authorities of secretariat are authorized to sanction expenditure:

- | | |
|-------------------------|----------------------|
| 1. Secretary | Category I officer |
| 2. Additional Secretary | Category II officer |
| 3. Deputy Secretary | Category III officer |

During audit of Secretary Youth Affairs, Archaeology, Sports & Tourism Department Lahore, it was observed that an amount of Rs. 471,148 was incurred on repair of Furniture and purchase of stationery, with the sanction of Section Officer.

Audit was of the view that officer was not competent to sanction the expenditure which was held irregular.

When pointed out the irregularity in April 2013, the management did not submit any reply.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the

finalization of this report despite reminders issued on 09.12.13 and 13.12.13.

Audit recommends that irregularity be got condoned from the Finance Department.

(PDP No. 4350 & 4351-Secretary Youth Affair, Archeology, Sport & Tourism, Lahore -2011-12)

Recovery and overpayments

19.4.5 Irregular payment of pay and allowances-Rs. 289,161

As per Rule 9 of the Revised Leave Rules 1981, pay and allowances are not admissible to the officers/officials during extra ordinary leave. Moreover, according to Rule 2.31 of PFR vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held personally responsible for any over charges, frauds and misappropriations.

During audit of Director General Sports, Punjab Lahore for the period 2011-12, it was revealed that officials remained absent from duty and their services were terminated afterwards, but they were paid pay and allowances amounting to Rs. 289,161 during the absence period irregularly.

Audit was of the view that weak financial controls resulted in irregular payment.

When pointed out in January 2013, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor DAC meeting was convened till the finalization of this report despite reminders issued on 12.09.2013 and 09.12.2013.

Audit recommends to recover the irregular pay and allowances from concerned officials besides strengthening financial controls to avoid such lapses in future.

(PDP No. 2651-Director General Sports, Lahore -2011-12)

Annexure-1**MEFDAC**

Sr. No	Name of Formation	Period of audit	PDP No.	Caption of Para	Amount (Rs.)
AGRICULTURE DEPARTMENT					
1	D.G Agricultural Fields, Lahore	2011-12	2662	Non-achievement of targets	87,245,894
2	Director, Oilseeds Research Institute, Faisalabad	2011-13	3684	Non-achievement of targets	1,023,328
3	Directorate of Agriculture (E&M) Punjab, Lahore	2011-12	2619	Expenditure exceeding budget allocation	939,335
4	Secretary, Government of the Punjab, Agriculture Department, Lahore	2012-13	3221	Non deduction of House rent allowance and 5% house rent Charges	25,320
5	Directorate of Agriculture (E&M) Punjab, Lahore	2011-12	2620	Irregular expenditure on Printing without obtaining NOC from the Government Press	789,781
6	Directorate Punjab Institute of Agriculture Marketing Punjab, Lahore	2008-13	3224	Irregular payment to resource persons	265,900
7	University of Arid Agriculture, Rawalpindi	2011-13	3761	Irregular payment of conveyance allowance	40,000
8	University of Arid Agriculture, Rawalpindi	2011-13	3774	Irregular purchase from non active & suspended contractors	44,746
9	University of Arid Agriculture, Rawalpindi	2011-13	3764	Non recovery of excess use of allotted vehicles	23,826
10	University of Arid Agriculture, Rawalpindi	2011-13	3771	Irregular expenditure on repair of furniture	227,000
11	University of Agriculture, Faisalabad	2012-13	4156	Wasteful expenditure on the installation of tube well	250,000
12	Agriculture Engineer, Multan Division, Multan	2012-13	3006	Non clearance of pending booking	144,700
13	Director General, Ayub Agriculture Research Institute, Faisalabad	2012-13	3227	Misuse of funds on the occasion of metro bus inauguration	99,166

AUQAF AND RELIGIOUS AFFAIRS DEPARTMENT					
1	Secretary Auqaf & Religious Affairs, Lahore	2011-12	2622	Irregular/doubtful withdrawal on account of repair of vehicle	117,702
2	Secretary Auqaf & Religious Affairs, Lahore	2011-12	2623	Expenditure exceeding budget allocation	161,287
3	Secretary Auqaf & Religious Affairs, Lahore	2011-12	2621	Loss to Government due to non recovery from Ex-Caretaker	83,004
FINANCE DEPARTMENT					
1	Secretary Finance, Government of the Punjab, Lahore	2012-13	4090	Irregular/unjustified payment of allowances	119,000
2	Secretary Finance, Government of the Punjab, Lahore	2012-13	4063	Irregular transfer of land and release of loan to Lahore transport corporation	12.993 billion
3	Secretary Finance, Government of the Punjab, Lahore	2012-13	4068	loss due to non recovery of net hydel profit	29 billion
4	Secretary Finance, Government of the Punjab, Lahore	2012-13	4065	Less receipt from federal government	1,000 millions
5	Secretary Finance, Government of the Punjab, Lahore	2012-13	4075	Release of loan without considering the pay back ability of Irra	429.225 millions
6	Secretary Finance, Government of the Punjab, Lahore	2012-13	4079	Unauthorized release to Punjab information technology board for Arfa software technology parks.	2116.398 millions
7	Secretary Finance, Government of the Punjab, Lahore	2012-13	4082	Unauthorized release of funds and expenditure for un-approved schemes	629.192 millions
8	Secretary Finance, Government of the Punjab, Lahore	2012-13	4084	Outstanding recovery of loan against bank of Punjab	4.90 billion
9	Secretary Finance, Government of the Punjab, Lahore	2012-13	4087	Irregular/unjustified payment of special pay	266,000
10	Secretary Finance, Government of the Punjab, Lahore	2012-13	4088	Less deduction of income tax on salaries	205,326

FOOD DEPARTMENT					
1	District Food Controller, Jhang	2012-13	2972	Non reconciliation of receipt figure	1,313,591,716
2	Directorate of Food, Lahore	2012-13	3749	Non preparation of Financial Statements	-
3	Secretary Food Government of Punjab, Lahore	2012-13	2759	Irregular payment of pay & allowances	357,009
4	Directorate of Food, Lahore	2012-13	3746	Non verification of deposits	354,800
5	Directorate of Food, Lahore	2012-13	3742	Unauthorized payment due to purchase of goods from incorrect head of accounts	751,447
6	District Food Controller, Layyah	2012-13	3013	Difference in amount on account of sale of wheat	69,487,520
7	District Food Controller, Gujrat	2012-13	2763	Irregular drawl of pay & allowances due to shifting of headquarter	8,787,360
8	District Food Controller, Sheikhpura	2012-13	3201	Irregular drawl of pay & allowances due to shifting of headquarter	7,649,184
9	District Food Controller, Sialkot	2012-13	2764	Irregular drawl of pay & allowances due to shifting of headquarter	880,728
10	District Food Controller, Faisalabad	2012-13	3212	Irregular drawl of pay & allowances due to shifting of headquarter	764,910
11	District Food Controller, Multan	2012-13	2951	Irregular payment of transportation without issuance of work order	18,806,772
12	District Food Controller, Sahiwal	2012-13	2779	Non-declassification and auction of unserviceable items	1,176,143
13	Directorate of Food Punjab, Lahore	2012-13	3738	Outstanding general subsidy from Finance Department	55,3234,781
14	District Food Controller, Layyah	2012-13	3215	Non disposal of wheat stock of previous wheat schemes	1,125,640
15	Directorate of Food Punjab, Lahore	2012-13	3741	Doubtful expenditure on repairs of vehicles	1,125,640
16	Directorate of Food Punjab, Lahore	2012-13	3743	Irregular payment to survey of Pakistan without sanction order	786,500

17	Directorate of Food Punjab, Lahore	2012-13	3745	Non disposal of condemned vehicles	400,000
18	Directorate of Food Punjab, Lahore	2012-13	3744	Irregular expenditure due to violation of tendering process	110,048
19	Directorate of Food Punjab, Lahore	2012-13	3739	Non preparation of Proforma Accounts	-
20	District Food Controller, Multan	2012-13	2952	Non-declassification and auction of unserviceable items	22,291
21	District Food Controller, Kasur	2012-13	2947	Irregular auction of unserviceable stock	921,376
FORESTRY, WILDLIFE AND FISHERIES DEPARTMENT					
1.	DFO, Chicha Watni Forest Division	2012-13	3436	Whereabouts of funds under 100 acres main felling not known	1, 490, 000
2.	DFO, Muzaffargarh	2012-13	3463	Unjustified expenditure on ploughing and leveling	70,870
3.	DFO, Jhang	2011-12	2285	Unjustified expenditure on ploughing and leveling	67,500
4.	Directorate of Fisheries Research & Training Institute, Lahore	2010-12	2041	Non-maintenance of record/vouched accounts	13.376 millions
5.	Dy. Director Fisheries(H) Bahawalpur	2012-13	2039	Irregular purchase of pellet machine	1,885,000
6.	District Wildlife Officer, Kasur	2011-12	2305	Payment of GP fund without obtaining actual payee receipts	171,657
7.	District Wildlife Officer, R Y Khan	2003-12	2293	Less deduction of benevolent fund	61,829
8.	Deputy Director Wildlife Safari Zoo, Lahore	2009-14	2314	Irregular expenditure through misclassification	24,170
9.	Divisional Forest Officer, D G Khan	2011-12	2261	Irregular drawl of TA claims recovery thereof	22,282
10.	DFO, Bahawalpur	2012-13	3442	Unjustified lifting of timber by private persons / contractor without work order and auction process.	-
11.	DFO, Bahawalpur	2012-13	3440	Recovery on sale of potted plants on less rates	17,400
12.	Divisional Forest Officer, Bhakkar	2009-12	2045	Non deposit of receipt	320,600

13.	Divisional Forest Officer, Gujranwala	2011-12	2288	Unlawful purchase of peter engine value	87,980
14.	Director General, Fisheries Punjab Lahore	2011-12	2038	Irregular payment of pending liability of previous year out of current budget	242,640
15.	Deputy Director, Fisheries, Lahore	2010-12	2040	Irregular payment of pending liability of previous year out of current budget	27,873
16.	Divisional Forest Officer, Bahawalpur	2011-12	2331	Irregular mode of payments	352,961
17.	Director Fisheries (HM) Punjab, Lahore	2010-12	2247	Irregular payment of pay and allowances to the officials posted at a place other than headquarter-Rs.	273,000
18.	Divisional Forest Officer, Attock	2008-12	2282	Non accountal of recovery	244,420
19.	Divisional Forest Officer, Khushab	2011-12	2280	Pilferage of seed / P. Bags	115,035
20.	Divisional Forest Officer, Jhang	2011-12	2284	Doubtful expenditure on restocking of plants	72,508
21.	Secretary Forestry, Wildlife and Fisheries, Lahore	2011-12	2278	Doubtful expenditure on repair of building	477,500
22.	DFO Rajanpur	2012-13	3325	Loss to government due to excess charging of rate on account of flow irrigation	114,800
33.	Divisional Forest Officer, Jhang	2011-12	2251	Loss due to expiry of stumps/seed	343,725
34.	Deputy Director, Fisheries Fish Hatchery Chhenawan, Gujranwala	2002-12	2702	Irregular advance payment	52,800
35.	AD Wildlife Jallo Park, Lahore	2009-12	2452	Irregular payment of pending liability of previous year out of current budget	712,451
36.	Director Fisheries (HM) Punjab, Lahore	2010-12	2246	Irregular payment of pending liability of previous year out of current budget	128,566
37.	District Wildlife Officer, Muzaffargarh	2003-12	2307	Expenditure exceeding budget allocation	7,011,732
38.	District Wildlife Officer, Bahawalnagar	2003-12	2248	Expenditure exceeding budget allocation	5,326,050
39.	Deputy Director Fisheries Fish Hatchery Chhenawan, Gujranwala	2002-12	2701	Expenditure exceeding budget allocation	3,248,551

40.	DD Fisheries, Bahawalpur	2003-12	2454	Expenditure exceeding budget allocation	1,192,711
41.	Divisional Forest Officer, R. Y. Khan	2003-12	2343	Expenditure on POL and repair without sanctioned strength of vehicles	1,044,312
42.	Director Fisheries (Ext.) Punjab, Lahore	2011-12	2296	Expenditure on POL and repair without sanctioned strength of vehicles	448,470
43.	Deputy Director Wildlife Safari Zoo Lahore	2009-12	2312	Unauthorized expenditure beyond competency	3,406,498
44.	Divisional Forest Officer, R Y Khan	2012-13	3173	Non deduction/collection of income tax from contractors	39,319
45.	Divisional Forest Officer, Faisalabad	2011-12	2258	Non deduction/collection of income tax from contractors	92,926
46.	Divisional Forest Officer, Rajanpur	2011-12	2340	Non deduction/collection of income tax from contractors	59,236
47.	Divisional Forest Officer, Bhakkar	2009-12	2042	Unauthorized expenditure beyond competency	398,750
48.	Divisional Forest Officer, Attock	2008-12	2250	Loss due to expiry of stumps/seed	87,200
49.	DFO, Bahawalpur	2012-13	3441	Loss to government due to non disposal of potted plants-Rs.328,767	328,767
50.	Divisional Forest Officer, Lahore/Sheikhupura Division, Lahore	2012-13	2898	Loss to government due to failure/less planting	202,500
51.	Divisional Forest Officer, Rawalpindi	2012-13	3682	Non collection of government dues	51,291
52.	Divisional Forest Officer, Chicha watni	2012-13	3434	Non recovery of outstanding government dues pending against contractors	33,024
HEALTH DEPARTMENT					
1.	Mayo Hospital Lahore	2012-13	3636	Unlawful payment of HRA	24,696
2.	Sh.Zayed Hospital R.Y.Khan	2011-12	2503	Unauthorized/uneconomi cal purchase of items through Quotations	11,592,145
3.	BVC/QMC B/Pur	2011-12	2499	Irregular payment of 5% margin on LC	12,159,324

4.	BVC/QMC B/Pur	2011-12	2571	Drug testing of medicines not conducted	12,405,000
5.	Sh.Zayed Hospital R.Y.Khan	2011-12	2575	Drug testing of medicines not conducted	5,219,000
6.	Sh.Zayed Hospital R.Y.Khan	2011-12	2576	Irregular purchase of equipments	1,400,592
7.	BVC/QMC B/Pur	2011-12	2495	Loss to Govt. hospital dues to award of canteen contract at lower rates	443,050
8.	BVC/QMC B/Pur	2011-12	2501	Loss to the Govt due to non-repairing/non-functioning of Angiography	
9.	PI of Mental Health Lhr	2011-12	2565	Non-forfeiture of security	100,000
10.	BVC/QMC B/Pur	2011-12	2568	Irregular expenditure on account of repair of machinery & equipment	2,561,958
11.	BVC/QMC B/Pur	2011-12	2569	Irregular Bulk purchase of medicines	64,509,786
12.	BVC/QMC B/Pur	2011-12	2570	Substandard purchase of Nelton Catheter	102,700
13.	BVC/QMC B/Pur	2011-12	2572	Irregular purchase on purchases made on rate contract	
14.	Sh.Zayed Hospital R.Y.Khan	2011-12	2573	Irregular reward of contract of canteen	675,000
15.	Sh.Zayed Hospital R.Y.Khan	2011-12	2574	Irregular expenditure on purchases made on rate contract	50,460,917
16.	Sh.Zayed Hospital R.Y.Khan	2011-12	2577	Irregular expenditure on account of repair of machinery & equipment	1,734,118
17.	Sh.Zayed Hospital R.Y.Khan	2011-12	2578	Irregular Bulk purchase of medicines	5,377,771
18.	Medical Centre Governor House Lhr	2010-12	2594	Misappropriation of amount draw from the Treasury	35,738
19.	Nawaz Sharif Medical College Gujrat	2011-12	2679	Irregular expenditure on purchase of Medical equipments from un-qualified persons	4,939,931
20.	Nawaz Sharif Medical College Gujrat	2011-12	2683	Irregular/unjustified payment of utility bills	408,081
21.	Nawaz Sharif Hospital Lahore	2012-13	2829	Irregular payment of Anesthesia Allowance	240,000
22.	Nawaz Sharif Hospital Lahore	2012-13	2830	Unauthorized sanction of expenditure on repair of ambulance beyond the prescribed limit	257,261

23.	DG Health Services Lahore	2012-13	2834	Doubtful expenditure on advertisement	2,633,891
24.	DG Health Services Lahore	2012-13	2835	Extra burden to public exchequer due to unauthorized use of Govt. vehicles	419,528
25.	DG Health Services Lahore	2012-13	2839	Irregular expenditure on repair and maintenance of office building	1,905,600
26.	Secretary Health Lahore	2012-13	2842	Unauthorized made of payment of salaries	2,708,761
27.	Secretary Health Lahore	2012-13	2844	Irregular implementation of Development Scheme	
28.	Secretary Health Lahore	2012-13	2845	Non accountal of POL due to non maintenance of log book	12,630,000
29.	Secretary Health Lahore	2012-13	2990	Post completion valuation of development project not provided	-
30.	Lady Aitchison Hospital Lahore	2012-13	2992	Loss to Govt. due to non auction of Pharmacy extended up to General store items	-
31.	MS Lady Willingdon Hospital	2012-13	3001	Irregular implementation of Development Scheme	49.00 million
32.	DG Health Services Lahore	2012-13	3108	Laps of funds due to non utilization of budget	240.816 million
33.	Institute of Public Health Lahore	2012-13	3110	Outstanding of tuition fee	325,000
34.	Lady Aitchison Hospital Lahore	2012-13	3266	Irregular expenditure on local purchase of medicine	1,332,357
35.	Lady Aitchison Hospital Lahore	2012-13	3267	Irregular expenditure on purchase of disposable syringes	1,412,500
36.	Lady Aitchison Hospital Lahore	2012-13	3268	Irregular purchase of Lab kits and chemical devices	1,096,745
37.	Lady Aitchison Hospital Lahore	2012-13	3269	Irregular and un-fructuous expenditure	4,857,184
38.	Shaikh Khalifa bin zayed Alnahyan Medical & Dental College Lahore	2012-13	4307	Irregular expenditure on advertisement	356,400
39.	Mayo Hospital Lahore	2012-13	3635	Non-recovery of 5 % house rent charges	22,800
40.	Mayo Hospital	2012-13	3637	Recovery on account of electrician charges from PIPO	26,949
41.	Mayo Hospital	2012-13	3639	Unjustified expenditure on account of Sui Gas	115,000

				Charges	
42.	Mayo Hospital	2012-13	3640	Irregular expenditure on purchase of medicine on rate contract	-
43.	Mayo Hospital	2012-13	3641	Recovery on account of less deduction of B.F	86,140
44.	Mayo Hospital	2012-13	3642	Irregular payment of co power factor penalty	2,375,637
45.	Lady Aitchison Hospital Lahore	2012-13	3643	Irregular purchase of conveyance allowance	540,000
46.	Lady Aitchison Hospital Lahore	2012-13	3644	Irregular change of nomenclature without authority	-
47.	Institute of Public Health Lahore	2012-13	3645	Irregular Opening of Bank Account	-
48.	Institute of Public Health Lahore	2012-13	3109	Unauthorized deposit of Govt receipt	12,918,841
49.	Institute of Public Health Lahore	2012-13	3112	Irregular usage of Gas from black supply	1,154,300
50.	Institute of Public Health Lahore	2012-13	3111	Irregular expenditure due to splitting & violation outstanding process	266,403
51.	DG Nursing Punjab Lahore	2012-13	4348	Irregular payment due to defective electricity meter	225,247
52.	Sheikh Zayed Hospital Lahore	2012-13	4326	Drug testing of medicines not carried out	-
53.	Sheikh Zayed Hospital Lahore	2012-13	4325	Irregular expenditure by split up the indent	414,125
54.	Sheikh Zayed Hospital Lahore	2012-13	4324	Unnecessary purchase of Toner	184,800
55.	Sheikh Zayed Hospital Lahore	2012-13	4323	Doubtful drawl/consumption of pol	107,442
56.	Sheikh Zayed Hospital Lahore	2012-13	4322	Irregular service & maintenance contract of C.T Scanner and Angiography machine	44000 \$
57.	Sheikh Zayed Hospital Lahore	2012-13	4320	Non refund of loan	3,000,000
58.	Sheikh Zayed Hospital Lahore	2012-13	4318	Irregular payment of Special pay	176,323
59.	Sheikh Zayed Hospital Lahore	2012-13	4316	Irregular receipt of user charges	-
60.	Sheikh Zayed Hospital Lahore	2012-13	4315	Irregular expenditure on purchase of photo state machine	2,750,000
61.	Sheikh Zayed Hospital Lahore	2012-13	4314	Irregular expenditure on printing of Prospectus	577,500
62.	Sheikh Zayed Hospital	2012-13	4313	Irregular expenditure	346,940

	Lahore				
63.	Sheikh Zayed Hospital Lahore	2012-13	4306	Irregular appointment of MCPS Student	529,467
64.	Sheikh Zayed Hospital Lahore	2012-13	4302	Unauthorized deposit retention of receipt	
65.	Institute of Public Health Lahore	2012-13	3646	Irregular payment of health professional allowance	260,000
66.	Mayo Hospital	2012-13	3780	Non achievement of targets due to non utilization of allocation development project	26,039,000
67.	Mayo Hospital	2012-13	3790	Irregular expenditure installation of HVAC system	36.00 million
68.	Mayo Hospital	2012-13	3791	undue retention of shares money	1,186,033
69.	FJMC Lahore	2012-13	3804	Non receipt back of transformer	10.00 million
70.	FJMC Lahore	2012-13	3805	Unauthorized expenditure without approval of rate analysis	2.641 million
71.	FJMC Lahore	2012-13	3812	Non receipt of foreign self finance fee	25,000 \$
72.	FJMC Lahore	2012-13	4179	Library Security not return	418,000
73.	Principal FJMC/Ganga Ram Hospital & Allied Institutions, Lahore	2012-13	3803	Unauthorized expenditure on pay and allowances to terminated staff	341,898
74.	PMC/Allied Institution F/Abad	2012-13	4193	Non transparent awards of canteens and shops	62.015 million
75.	PMC/Allied Institution F/Abad	2012-13	4194	Non transparent awards of contract of Medical store	19.131 million
76.	Lady Willingdon Hospital, Lahore	2012-13	2997	Non deduction of income tax on perquisites	52,421
77.	PMC/Allied Institution F/Abad	2012-13	4196	Irregular expenditure due to non-submission of vouched account of advance	50,000
78.	Principal FJMC, Ganga Ram Hospital & Allied Institutions, Lahore	2012-13	3810	Loss in million due to collection of rent of property without any assessment.	-
79.	Punjab Medical College and its Allied Institutions, Faisalabad	2012-13	4200	Loss due to irregular payments of sewerage charges	904,540

80.	Service Hospital/Service Institute of Medical Science	2012-13	4268	Irregular expenditure on hiring of hostel buildings for student without rent assessment	3.172 million
81.	Service Hospital/Service Institute of Medical Science	2012-13	4271	Non recovery of outstanding fee from students	1,578 million
82.	QMC & Allied Institution, Bahawalpur	2012-13	4287	Non deposit of income into PLA	50,337
83.	QMC & Allied Institution B/Pur	2012-13	4280	Irregular payment of Anesthesia Allowance	590,000
84.	QMC & Allied Institution B/Pur	2012-13	4282	Non received of medicine/surgical/disposable in this stipulated period	10,384,889
85.	QMC & Allied Institution B/Pur	2012-13	4286	Non auction of Fixer	197,860
86.	QMC & Allied Institution B/Pur	2012-13	4293	Irregular payment of NPA	14,040,000
87.	Sh. Zayed Hospital R.Y.Khan	2011-12	2502	Unauthorized grant and non adjustment of advances	1,324,075
88.	FJMC Lahore	2012-13	3816	Unauthorized retention of receipts in Banks	26,711 million+Us\$16,830
89.	BVC/QMC B/Pur	2011-12	2650	Non utilization of Budget grants	227.877 million
90.	Secretary Health Lahore	2011-12	2566	Excess expenditure over & above the budget	6,113,973
91.	DG Health Services Lahore	2012-13	2837	undue retention of life saving medicine	11,406,250
92.	DG Health Services Lahore	2012-13	2832	High mortality rates of innocent children due to poor routine EPI	458.396 million
93.	DG Health Services Lahore	2012-13	2833	Non transparent disbursement of honorarium	10,009,000
94.	PMC/Allied Institution F/Abad	2012-13	4181	Irregular expenditure on pay of work charge employees	4.982 million
95.	Lady Aitchison Hospital Lahore	2012-13	2991	Loss to Govt. on accounts of cycle stand token fee	163,770
96.	Mayo Hospital	2012-13	3633	Loss due to non auction of wall mounted Antennas after March/2013	235,731
97.	PMC/Allied Institution F/Abad	2012-13	4197	Irregular expenditure on purchase of syringes	1.501 million

98.	FJMC Lahore	2012-13	3820	Loss due to purchase of medicine at higher rates	267,650
99.	Children Hospital Complex Multan	2012-13	4248	Loss to government due to non replacement of expired stock	8,095
100.	QMC & Allied Institution Bahawalpur	2012-13	4292	Non replacement of damaged equipment	323,950
101.	Mayo Hospital Lahore	2012-13	3634	Loss to government due to irregular contract for automated teller machine without rent	120,000
HIGHER EDUCATION DEPARTMENT					
1.	Islamia University, Bahawalpur	2011-12	2182 (A)	Maintenance of scholarship cash book	17,287,670
2.	Islamia University, Bahawalpur	2011-12	2183	Non refund of unspent balance	3,417,303
3.	Islamia University, Bahawalpur	2011-12	2187	Non recovery of professional tax from contractor	545,000
4.	Islamia University, Bahawalpur	2011-12	2188	Irregular payment of Conveyance allowance inspite of using of Govt. Vehicles	198,400
5.	Islamia University, Bahawalpur	2011-12	2189	Non deduction of Income Tax	137,806
6.	Islamia University, Bahawalpur	2011-12	2191	Non adoption of PPRA rules	3,879,250
7.	Islamia University, Bahawalpur	2011-12	2192	Irregular expenditure on purchase	390,960
8.	Islamia University, Bahawalpur	2011-12	2193	Non Realization of rent of canteen	2,301,600
9.	Islamia University, Bahawalpur	2011-12	2194	Non deduction of Income Tax	45,080
10.	Islamia University, Bahawalpur	2011-12	2196	Non-recovery of renewal fee from contractors— Rs.125,000	125,000
11.	Islamia University, Bahawalpur	2011-12	2198	Non recovery of affiliation fee	1,890,000
12.	Islamia University, Bahawalpur	2011-12	2200	Excess payment of cost of 60 bar steel reinforcement for construction of hostel- Rs.3.332 million	3,331,900
13.	Islamia University, Bahawalpur	2011-12	2201	Non-payment of sales tax	17,973,768

14.	Islamia University, Bahawalpur	2011-12	2202	Non-preparation of the detailed estimate of constructions of student hostel	77,273,528
15.	Islamia University, Bahawalpur	2011-12	2204	Imposition of penalty due to non completion of construction work within agreed period	1,545,500
16.	Islamia University, Bahawalpur	2011-12	2205	Unauthorized expenditures from the income of agriculture farm	897,664
17.	Islamia University, Bahawalpur	2011-12	2206	Non disposal of 550 KG Lint and 1031 KG cotton seed valuing Rs.205,875 (550 KG x Rs.140 = Rs.77,000 + 1031 KG x Rs.125 = Rs.128,875)	205,875
18.	Islamia University, Bahawalpur	2011-12	2207	Non forfeited of security	100,000
19.	Islamia University, Bahawalpur	2011-12	2208	Non deduction of Income Tax	183,865
20.	Islamia University, Bahawalpur	2011-12	2210	Unauthorized opening of income accounts of agriculture farm	4,082,092,995
21.	Islamia University, Bahawalpur	2011-12	2211	Loss to University due to excess printing of prospectus Rs.164.700	164,700
22.	Islamia University, Bahawalpur	2011-12	2212	Non Adjustment of advances	3,463,900
23.	University of Sargodha	2011-12	2213	Irregular expenditure on purchase	60,541,954
24.	University of Sargodha	2011-12	2214	Non Adjustment of advances	13,251,682
25.	University of Sargodha	2011-12	2215	Irregular expenditure on purchase	7,258,100
26.	University of Sargodha	2011-12	2217	Irregular expenditure on printing of prospectus and other material	3,680,000
27.	University of Sargodha	2011-12	2218	Non Recovery of outstanding dues from the students	1,611,059
28.	University of Sargodha	2011-12	2220	Non Recovery of outstanding dues from the students	795,790
29.	University of Sargodha	2011-12	2221	Non Adjustment of advances	770,000
30.	University of Sargodha	2011-12	2222	Irregular expenditure on purchase	636,876

31.	University of Sargodha	2011-12	2224	Irregular expenditure on purchase	576,024
32.	University of Sargodha	2011-12	2225	Irregular expenditure on purchase	389,280
33.	University of Sargodha	2011-12	2226	Unauthorized payment of conveyance allowance during leave period	139,000
34.	University of Sargodha	2011-12	2230	Irregular appointments without advertisement	-
35.	University of Sargodha	2011-12	2231	Loss due to non investment of surplus fund	700 millions
36.	University of Sargodha	2011-12	2233	Excess withdrawal of POL than entitlement	314,805
37.	Fatima Jinnah Women Univeristy, Rawalpindi	2011-12	2236	Embezzlement due to non deposit of tuition & admission fee into government treasury- Rs.8.696 million	2,261,790
38.	UET, Lahore	2011-12	2238	Non Production of record	437,500
39.	University of Sargodha	2011-12	2244	Unauthorized allotment of principal designated residence and non recovery of penal rent @ 60% of basic pay	665,700
40.	Government College of Sciences, Lahore	2011-12	2344	Non maintenance of wheat production record and non recovery of sale proceed of wheat	792,055
41.	Government College of Sciences, Lahore	2010-12	2346	Doubtful record of income & Expenditure Statement	224,361
42.	Government College of Sciences, Lahore	2010-12	2347	Irregular expenditure on printing of prospectus and other material	10,429,722
43.	BISE, Bahawalpur	2010-12	2348	Non Adjustment of advances	4,331,110
44.	Kinnaired College for Women, Lahore	2011-12	2350	Non recovery of compensation of delay	1,613,076
45.	Directorate of Public Instructions (Colleges), Lahore	2011-12	2421	Non disposable of unserviceable govt. vehicle	1,500,000
46.	Government College (W) D-Type, Faisalabad	2005-12	2423	Over payment of 30% Social Security Benefit Allowance	56,145
47.	Government College (W) D-Type, Faisalabad	2005-12	2424	Misappropriation of official computer system- Rs.100,000	100,000

48.	Government College (W) Gulistan Colony, Faisalabad	2009-12	2426	Unauthorized payment of conveyance allowance during leave period	47,360
49.	PD Community Learning Centers, Sahiwal	2010-12	2428	Irregular expenditure beyond competency	1,027,715
50.	Government College for Women Samunday, Faisalabad	2011-12	2437	Unauthorized payment of conveyance allowance during leave period	59,890
51.	PD, Community Learning Centers, Sahiwal	2010-12	2438	Non- payment of sales tax	235,167
52.	College of Home Economics Gulberg, Lahore	2011-12	2445	Non Recovery of Utilities Charges from the contractors	1,471,439
53.	Laurance College Ghura Gali, Murree	2007-09 &	2460	Irregular expenditure out of fine fund, sports fund, film fund	703,670
		2011-12			
54.	Laurance College Ghura Gali, Murree	2007-09 &	2462	Non deduction of Income Tax	235,384
		2011-12			
55.	Laurance College Ghura Gali, Murree	2007-09 &	2463	Irregular hiring of daily paid labourers	2,733,580
		2011-12			
56.	Laurance College Ghura Gali, Murree	2007-09 &	2465	Non recovery of outstanding dues from the students	17,907,941
		2011-12			
57.	Laurance College Ghura Gali, Murree	2007-09 &	2466	irregular expenditure on construction of building	1,019,617
		2011-12			
58.	Government APWA College (W), Lahore	2011-12	2467	Non reconciliation of cash book	59,640
59.	Laurance College Ghura Gali, Murree	2007-09 &	2470	irregular expenditure on construction of building	1,714,046
		2011-12			
60.	Government Degree College for Women, Murree	2010-12	2517	Unauthorized payment of conveyance allowance during leave period	240,857
61.	Government Degree College for Women, Murree	2010-12	2518	Unauthorized payment of conveyance allowance during leave period	97,789
62.	Government Post Graduate College (W), Sahiwal	2006-12	2689	Over payment of 30% Social Security Benefit Allowance	159,839
63.	Government College (W), Jhang	2007-12	2690	Unauthorized payment of conveyance allowance during leave period	333,895
64.	Government College (W), Jhang	2007-12	2691	Over payment of 30% Social Security Benefit Allowance	146,739

65.	Government College (W), Jhang	2007-12	2692	Non deposit and non receipt of 5% Government share	449,480
66.	Government Post Graduate College (W), Vehari	2007-12	2693	Illegal occupation of boys hostel by COMSATS. Recovery of rent Rs.764,516	764,516
67.	Government Murray College, Sialkot	2011-12	2696	Non utilization of students fund	9,302,123
68.	Government Post Graduate College (W), Multan	2010-12	2698	Non deduction of Income Tax	437,842
69.	Government Post Graduate College of Sciences, Faisalabad	2007-12	2699	Non deduction of Income Tax	164,129
70.	Lawrence College Ghora Galli, Murree	2007-09 & 2011-12	2712	Non deduction of Income Tax	1,157,239
71.	Government Degree College Haslipur, Bahawalpur	2005-12	2715	Non deposit and non receipt of 5% Government share	162,709
72.	Government Post Graduate College (W), Multan	2010-12	2716	Non Production of record	487,464
73.	Government Sadiq Egerton College, Bahawalpur	2011-12	2717	Undue retention of Govt. Money	8,802,052
74.	Government Degree College (W), Satellite Town, Bahawalpur	2006-12	2806	Un-authorized purchase of college bus-Rs.2.950 million Recovery of Rs.322,505	2,949,786
75.	Government Degree College (W), Bahawalpur	2006-12	2810	Non Production of record	9,663,514
76.	Government College University, Lahore	2012-13	2813	Non recovery of outstanding books	183,297
77.	Government College University, Lahore	2012-13	2814	Non deposit of professional tax	140,000
78.	Government P.G Islamia College (W) Cooper Road, Lahore	2012-13	2910	Undue retention of Govt. Money	151,988
79.	Government College University, Lahore	2012-13	2913	Non Recovery of Utilities Charges from the contractors	336,000
80.	Government College University, Lahore	2012-13	2914	Irregular payment of Additional Charge allowance	259,000
81.	Government College University, Lahore	2012-13	3019	Irregular payment of allowances without approval of Chancellor	185,280

82.	Government MAO College, Lahore	2012-13	3189	Non Production of record	1,356,901
83.	Government College for Women Dina District Jhelum	2006-13	3191	Over payment of 30% Social Security Benefit Allowance	1,356,901
84.	Government College (W), Dina District, Jhelum	2006-13	3194	Non Recovery of Utilities Charges from the contractors	75,000
85.	Government College (W), Dina District, Jhelum	2006-13	3195	Non Recovery of Utilities Charges from the contractors	108,000
86.	Government College (W), Dina District, Jhelum	2006-13	3196	Unauthorized occupation of college residence, Non-deduction of House Rent Allowance Conveyance Allowance and Electricity Charges	226,358
87.	Government College (W), Dina District, Jhelum	2006-13	3197	Misclassification / unjustified expenditure	72,853
88.	Government College for women Gulberg, Lahore	2012-13	3257	loan not refunded	1,328,825
89.	Government College for boys Jhang	2008-12	3258	Over payment of 30% Social Security Benefit Allowance	312,070
90.	Kinnaird College for Women Lahore	2012-13	3259	Irregular appointment of teaching staff	3,273,495
91.	Kinnaird College for Women Lahore	2012-13	3260	Irregular appointment of teaching staff	2,388,977
92.	Government G.N. Degree College (W) Nankana Sahib	2006-12	3262	Loss of Government Rs. 425088 due to Non Occupation of Government Residence and Recovery of Rs. 91261	91,261
93.	Government College University, Faisalabad	2012-13	3270	Non recovery of compensation of delay	126,244
94.	Government College Shujabad, Multan	2006-12	3271	Non deduction of Income Tax	102,853
95.	Government College for women Tlalgang District, Chakwal	2006-12	3272	Non deduction of Income Tax	198,007
96.	Government College University, Faisalabad	2012-13	3273	Non recovery of affiliation fee	875,000
		2012-13	3274	Irregular deposit of room rent-Rs.4.491 million	4,490,566
97.	Government College University, Faisalabad	2012-13	3275	Non Recovery of Utilities Charges from the contractors	538,829

98.	Government College University, Faisalabad	2012-13	3276	Non Recovery of Utilities Charges from the contractors	330,836
99.	Government College University, Faisalabad	2012-13	3277	Non deduction of Income Tax	278,400
100.	Government College University, Faisalabad	2012-13	3278	Non Recovery of Utilities Charges from the contractors	217,272
101.	Government College University, Faisalabad	2012-13	3279	Unauthorized payment of conveyance allowance during leave period	839,680
102.	Government College University, Faisalabad	2012-13	3280	Non deposit of professional tax	127,000
103.	University of the Punjab, Lahore	2012-13	3328	Irregular Appointment of Assistant Treasurer	-
104.	University of the Punjab, Lahore	2012-13	3330	Non accountal of POL-Rs.111,508	111,508
105.	University of the Punjab, Lahore	2012-13	3331	Unauthorized grant of additional charge against the post of treasurer	-
106.	University of the Punjab, Lahore	2012-13	3334	Variation in computer payroll figures and accounts branch	919,089,381
107.	Govt College (W) Mustafabad, Lahore	2009-13	4244	Non deduction of Income Tax	209,518
108.	University of the Punjab, Lahore	2012-13	3337	Irregular provision of gas cylinder to the university residents	1,797,600
		2012-13	3338	Un-lawful payment of Computer Allowance	315,000
109.	University of the Punjab, Lahore	2012-13	3339	Un-lawful payment of house rent allowance	1,313,316
110.	University of the Punjab, Lahore	2012-13	3340	Non auction of Faisal Auditorium Cafeteria	-
111.	University of the Punjab, Lahore	2012-13	3341	Non-recovery of outstanding rent of commercial shops	1,076,377
112.	University of the Punjab, Lahore	2012-13	3344	Irregular expenditure on purchase	871,840
		2012-13	3345	Un-authorized/unlawful appointment without approval of syndicate	-
113.	University of the Punjab, Lahore	2012-13	3347	Concealment of procurement process	1,727,234
114.	Govt College Bhalwal Sargodha	2006-13	4243	Non production of record	590,170
115.	University of the Punjab, Lahore	2012-13	3349	Unauthorized use of POL facility by the Professors for their own vehicles	900,000

116.	GC(W) Mustafabad, Lahore	2009-13	4242	Undue retention of Govt. Money	445,400
117.	University of the Punjab, Lahore	2012-13	3352	Non-auction of ABL ATM, Recovery of outstanding rent- Rs.255,000	255,000
118.		2012-13	3354	Unauthorized payment of round trip grant- Rs.193,067	193,067
119.	University of the Punjab, Lahore	2012-13	3355	Loss due to less deduction of electricity charges from university residents	2,119,949
120.	University of the Punjab, Lahore	2012-13	3356	Loss due to less deduction of electricity charges from university residents	12,352,625
121.	University of the Punjab, Lahore	2012-13	3357	Loss due to less deduction of electricity charges from university residents	21,558,539
122.	University of the Punjab, Lahore	2012-13	3358	Non Adjustment of advances	432,300
		2012-13	3422	Non Adjustment of advances	117,450,211
123.	Government College University, Lahore	2012-13	3509	non recovery of university guests house	84,460
124.	Government College University, Lahore	2012-13	3510	Unauthorized payment of conveyance allowance during leave period	242,659
125.	University of the Punjab, Lahore	2012-13	3511	Non recovery of lease money of land from SUPRCO	1,629,537
126.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3512	Substandard supply of answer sheets and title sheets	33,857,927
127.	Government College for Women Township, Lahore	2011-13	3513	Over payment of 30% Social Security Benefit Allowance	1,163,840
128.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3515	Non deduction of Income Tax	354,000
129.	University of the Punjab, Lahore	2012-13	3516	Irregular payment of remuneration without approval of chancellor- Rs.43,200 (IER Department)	43,200
130.	University of the Punjab, Lahore	2012-13	3517	Unauthorized grant of additional charge against the post of treasurer	3,655.409 millions

131.	University of the Punjab, Lahore	2012-13	3518	Un-authorized payment to Administration out of self supporting programmes	24,462,480
132.	University of the Punjab, Lahore	2012-13	3519	Unauthorized use of POL facility by the Professors BS-21 for their own vehicles-Recovery	31,726,000
133.	University of the Punjab, Lahore	2012-13	3520	Irregular payment of consultancy fee to M/s NESPAK-	2,400,000
134.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3521	Non Adjustment of advances	25,075,155
135.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3522	Irregular supply of POL to private vehicles	2,728,633
		2012-13	3523	unjustified / irregular transfer of vehicles RIG 1052	-
136.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3524	Irregular hiring of services-Rs 7.082 million	7,082,435
		2012-13	3525	Un-authorized payment to Administration out of self supporting programmes	636,463
137.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3530	Irregular expenditure on purchase	49,197,509
138.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3531	Irregular booking of expenditure	25,075,155
139.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3532	Irregular expenditure on purchase	2,636,938
140.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3533	Irregular award of late sitting allowance/ Honorarium	20,409,722
		2012-13	3534	Non Adjustment of advances	25,075,155
141.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3536	Un-justified out sourcing of Inter result-Rs.12.104 million	12,103,654
142.	Secretary Higher Education, Lahore	2012-13	3540	Non disbursement of salary of MIS staff	17,296,000
143.	University of the Punjab, Lahore	2012-13	3542	Irregular auction of unserviceable stores-Rs.5.100 million	5,100,000
144.	University of the Punjab, Lahore	2012-13	3543	Irregular purchase of sealing wax	561,720

145.	Government Lahore College for Women University	2012-13	3546	irregular expenditure on construction of building	2,367,903
146.	Government Islamia College Civil Lines, Lahore	2012-13	3551	Misclassification of expenditure	2,071,820
147.	Government Lahore College for Women University	2012-13	3552	irregular expenditure on construction of building	1,119,405
		2012-13	3553	irregular expenditure on construction of building	251,305
148.	Government Degree College for Women, Gujranwala City	2006-13	3554	Non deduction of Income Tax	895,940
149.	Government Degree College for Women, Gujranwala City	2006-13	3555	Non deduction of Income Tax	1380000+69000
150.	Kinnard College for Women, Lahore	2012-13	3556	Non-imposition of recovery on account of late delivery	585,585
151.	Government Lahore College for Women University	2012-13	3557	Revision of the Service Statutes 2008	-
152.	Government Lahore College for Women University	2012-13	3558	Irregular appointments without advertisement	-
153.	Government Lawrence College Gora Gali Murree	2011-13	3559	Unjustified payment to contractor with-out completion of work	850,000
154.	Government Home Economics College Gulberg, Lahore	2012-13	3561	Irregular expenditure due to non provision in PC-I	4,252,878
155.	Government Home Economics College Gulberg, Lahore	2011-13	3564	Non-payment of sales tax	3,136,682
156.	Government Lawrence College Gora Gali Murree	2011-13	3566	Non Recovery of outstanding dues from the students	15,442,144
157.	Government Degree College for Women, Gujranwala City	2006-13	3567	Non deposit and non receipt of 5% Government share	-
158.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3570	Illegal payment of remuneration to Board Members-Rs. 174,734	174,734
159.	Government College University, Lahore	2012-13	3571	Loss to university due to theft of electricity from residential quarters	1,512,000
160.	Government Shalimar College Baghbanpura, Lahore	2012-13	3574	Over payment of 30% Social Security Benefit Allowance	160,856

161.	Government Post Graduate College for Women, Chandni Chowk District, Sargodha	2011-13	3575	Unauthorized occupation of college hostel, non deduction of House Rent, Conveyance allowance and electricity charges recovery thereof- Rs.222,786	222,786
162.	Government Post Graduate College for Women, Chandni Chowk District, Sargodha	2011-13	3576	Irregular drawl of salaries during summer vacation paid to the contingent paid staff out of College Mess Fund, recovery thereof-Rs.365,400	365,400
163.	Government Post Graduate College for Women, Chandni Chowk District, Sargodha	2011-13	3577	Unauthorized payment of conveyance allowance during leave period	137,440
164.	Government College for Women, Block 23/A, Sargodha	2006-13	3578	Irregular expenditure on purchase	265,600
165.	Government Shalimar College Baghbanpura, Lahore	2012-13	3580	Non deduction of Income Tax	59,346
166.	Government Lahore College for Women University	2012-13	3598	Non recovery of compensation of delay	814,221
167.	Government College for Women, Ahmadpur District Bahawalpur	2012-13	3601	Unauthorized payment of conveyance allowance during leave period	65,343
168.	Government Islamia College Civil Lines, Lahore	2012-13	3602	Over payment of 30% Social Security Benefit Allowance	188,145
169.	University of Sargodha	2012-13	3651	irregular expenditure on construction of building	44,373,000
170.	University of Sargodha	2012-13	3652	irregular expenditure on construction of building	285,718,000
171.	University of Sargodha	2012-13	3653	irregular expenditure on construction of building	37,432,000
172.	University of Sargodha	2012-13	3654	Irregular expenditure on purchase	4,715,171
173.	University of Sargodha	2012-13	3655	Irregular expenditure on purchase	4,240,000
174.	University of Sargodha	2012-13	3656	Irregular expenditure on purchase	6,060,000
		2012-13	3657	Irregular expenditure on printing of prospectus and other material	6,886,600
175.	University of Sargodha	2012-13	3658	Non Recovery of outstanding dues from the students	3,854,000

176.	University of Sargodha	2012-13	3659	Non maintenance of wheat production record and non recovery of sale proceed of wheat	1,788,180
177.	University of Sargodha	2012-13	3660	Overpayment due to award of higher pay package	1,195,994
178.	University of Sargodha	2012-13	3661	Unauthorized payment of conveyance allowance during leave period	1,112,646
179.	University of Sargodha	2012-13	3662	Un-Lawful payment of Conveyance Allowance	1,354,920
180.	Queen Marry College, Lahore	2012-13	3663	Non deduction of Income Tax	235,156
181.	Queen Marry College, Lahore	2012-13	3664	Over payment of 30% Social Security Benefit Allowance	720,000
182.	Queen Marry College, Lahore	2012-13	3665	Irregular expenditure beyond competency	914,180
183.	Queen Marry College, Lahore	2012-13	3666	Irregular expenditure beyond competency	1,502,360
		2006-13	3667	Over payment of 30% Social Security Benefit Allowance	83,460
184.	Government College for Women Madina Town, Faisalabad	2012-13	3668	Non recovery of pay and allowances	647,619
185.	Government College for Women Madina Town, Faisalabad	2012-13	3669	Non deduction of Income Tax	470,838
186.	Government College for Women Madina Town, Faisalabad	2012-13	3670	non recovery of loan	1,128,647
187.	Government College for Women Madina Town, Faisalabad	2012-13	3671	Unauthorized payment of conveyance allowance during leave period	211,936
188.	Government College for Women Madina Town, Faisalabad	2012-13	3672	non closing of funds accounts	1,800,604
189.	Government College for Women Madina Town, Faisalabad	2012-13	3673	Non receipt of store items	227,294
190.	Board of Intermediate & Secondary Education, Rawalpindi	2012-13	3674	Irregular payment to PBCC	753,101
191.	Government College for Women Madina Town, Faisalabad	2012-13	3675	unjustified cash withdrawal / cash payment	3,310,100
192.	GC(B) Model Town, Lahore	2012-13	4046	Non deduction of Income Tax	143,928

193.	GC(B) Model Town, Lahore	2012-13	4047	Non recovery of SSB	96,000
194.	GC(B) Model Town, Lahore	2012-13	4048	Excess drawl of mobility allowance	28,500
195.	GC(B) Model Town, Lahore	2012-13	4049	Excess drawl of PHD Allowance	20,000
196.	Government Degree College (W), Kahuta	2012-13	4050	Excess payment to contract teaching interns (CTI)	828,999
197.	GC (B) Township. Lahore	2012-13	4056	Over payment of 30% Social Security Benefit Allowance	172,800
198.	Govt. Murry College Sialkot	2012-13	4058	Non adjustment of loan	481,877
199.	GDC (W) Kahuta	2009-13	4059	Undue retention of Govt. Money	565,093
200.	GCS Wahdat Road, Lahore	2012-13	4060	Unauthorized payment of conveyance allowance during leave period	138,360
201.	GCS Wahdat Road, Lahore	2012-13	4061	Undue retention of Govt. Money	38,133,312
202.	GCS Wahdat Road, Lahore	2012-13	4062	Undue retention of Govt. Money	691,500
203.	GSC Wahdat Road, Lahore	2012-13	4204	Non deduction of Income Tax	151,200
204.	GDC P Colony Gujranwala	2012-13	4205	Unauthorized payment of conveyance allowance during leave period	738,600
205.	GC(W) S Town, Gujranwala	2012-13	4206	Undue retention of Govt. Money	14,135,336
206.	GC(W) S Town, Gujranwala	2012-13	4207	Undue retention of Govt. Money	2,724,689
207.	GPGC(W) S Town, Gujranwala	2012-13	4208	Non deduction of Income Tax	125,000
208.	GC(W) Talagang, Chakwal	2006-13	4209	Over payment of 30% Social Security Benefit Allowance	211,100
209.	GC(B) Sumundari, Faisalabad	2012-13	4210	Over payment of 30% Social Security Benefit Allowance	96,000
210.	GC(B) Sumundari, Faisalabad	2007-13	4211	Non auction of timber of millions of rupees	-
211.	Director Education (Colleges) Lahore	2012-13	4212	Irregular payment of Conveyance allowance inspite of using of Govt. Vehicles	59,520
212.	Govt. Murray College, Sialkot	2012-13	4213	Unauthorized payment of conveyance allowance during leave period	425,904

213.	Govt. Lawrance College Murree	2012-13	4232	Loss to department of Rs.15.271 million due to investment of College Receipt at lower profit rate	15.271 millions
214.	Govt College Bhalwal Sargodha	2012-13	4233	Misappropriation of income of canteen	699,280
215.	Govt College Bhalwal Sargodha	2006-13	4234	Non-utilization of college hostel loss to government	22,870,000
216.	Govt College Bhalwal Sargodha	2006-13	4235	Misappropriation of Library Security	57,300
217.	Govt Degree College Murree Road, Rawalpindi	2005-12	4236	Non auction of canteen through advertised tender inquiry, extension was given without increasing the rates of canteen rent Recovery of Rs. 764,214	764,214
218.	GC(B) Railway Road, Lahore	2012-13	4237	Non deduction of Income Tax	66,000
219.	GPGC (W) Samanabad, Lahore	2012-13	4238	Undue retention of Govt. Money	11,063,017
220.	Govt College (B) Jhang	2008-12	4239	Non deduction of Income Tax	205,761
221.	Govt. PG College (W) Samanabad, Lahore	2012-13	4240	Non deduction of Income Tax	251,104
222.	GC(B) Jhang	2008-12	4241	Non deposit and non receipt of 5% Government share	537,043
223.	Government Islamia College Civil line Lahore	2011-12	2713	Irregular expenditure on purchase of durable goods	343,450
224.	University of Sargodha	2011-12	2228 & 2229	Unauthorized grant of personal scale without approval of Chancellor	-
225.	University of the Punjab, Lahore	2012-13	3537 & 3332	Un-authorized posting of acting Treasurer	-
226.	University of the Punjab	2012-13	3342	Non-recovery of rent	2.72 millions
227.	University of the Punjab, Lahore	2012-13	3343	Un-lawful deduction of withholding tax from the University	658,000
228.	Government Jinah Islamia College, Sialkot	2006-11	2242	Non recovery of rent of canteen from the contractors	478,170
229.	University of the Punjab, Lahore	2012-13	3359 & 3360	Loss due to late credit of Principal and interest amount	1.494 millions

HOME DEPARTMENT					
1.	Central Jail, Lahore	2012-13	3229	Irregular withdrawal of pay & allowances due to shifting of headquarter	3,816,257
2.	SP Battalion Commander No. 5 PC, Lahore	2012-13	3246	Irregular withdrawal of pay & allowances due to shifting of headquarter	3,615,448
3.	SP CTD, Multan	2012-13	3973	Irregular withdrawal of pay & allowances due to shifting of headquarter	1,402,836
4.	DPO, Sahiwal	2012-13	4042	Bogus expenditure on purchase of stationery articles and printing without having GST invoices of Rs.123246 and non deduction of income tax Rs.26960	150,206
5.	Additional I.G. Traffic Punjab, Lahore	2012-13	3921	Irregular expenditure of purchases of printing and publication	3,537,970
6.	Chief Traffic Officer, Faisalabad	2012-13	2631	Irregular expenditure on printing work beyond competency	498,104
7.	DIG Investigation Lahore	2011-12	4173	Likely misappropriation of Rs. 523,400 and non-submission of road certificates-Rs. 3.229 millions	3.229 millions
8.	Central Jail, Rawalpindi	2012-13	3374	Loss due to non disposal of Jail factory manufactured articles	2,865,030
9.	Central Jail, Bahawalpur	2012-13	3370	Loss due to non disposal of Jail factory manufactured articles	2,208,778
10.	Central Jail, Multan	2012-13	3417	Loss due to non disposal of Jail factory manufactured articles	591,647
11.	District Police Officer, R Y Khan	2012-13	3395	Irregular payment of pending liability of previous year out of current budget	22,211,424
12.	District Police Officer, Bahawalpur	2012-13	3410	Irregular payment of pending liability of previous year out of current budget	976,664
13.	District Police Officer, R Y Khan	2012-13	3400	Irregular payment of pending liability of previous year out of current budget	405,384

14.	Superintendent District Jail, Muzaffargarh	2011-12	3236	Non auction of Dry Standing Trees and timber of Fallan Trees	650,000
15.	Superintendent of Police Traffic Region, Sargodha	2012-13	3866	POL not entered in log books	95,914
16.	Women Jail Multan	2011-13	4038	Irregular use of medicines and drugs	309,201
17.	Superintendent of Police Traffic Region, Rawalpindi	2012-13	3860	Defective maintenance of initial accounts/doubtful collection/remittances of police traffic fine	33,092,650
18.	Police College, Sihala Rawalpindi	2012-13	3933	Irregular payment of lecture fee	614,000
19.	City Police Officer, Faisalabad	2012-13	3059	Non Surrendering of saving of Budget Grant	866,360,571
20.	City Police Officer Faisalabad	2012-13	3058	Excess expenditure over and above the budget allocation	84,373,491
21.	Superintendent District Jail Muzaffargarh	2011-12	3235	Irregular expenditure incurred through Annual Rate Contract Executed Without Approval of Competent Authority	1.910 millions
22.	District Police Officer, Rajanpur	2011-13	2634	Record not maintained of imprest money	550,000
23.	Superintendent District Jail, Faisalabad	2012-13	2648	Unjustified/unauthorized diet charges spent on prisoners beyond approved cost	12,454,554
24.	SSP PHP, Faisalabad	2012-13	3046	Codal formalities not fulfilled for purchases	4,444,946
25.	DPO, Sahiwal	2012-13	3245	Irregular payment of utility charges	110,454
26.	Police Training College Chung, Lahore	2012-13	2752	Unauthorized use of vehicle, recovery	109,615
27.	Director-General Forensic Science Agency, Lahore	2011-12	2862	Misappropriation / financial corruption through bogus forensic examination reports	4.800 millions
28.	Commandant Elite Police Training School, Lahore	2011-12	2419	Suspicious drawl	125,625
29.	Director-General Forensic Science Agency, Lahore	2011-12	2868	Illegal appointment of an over age Manager (Narcotics, Toxicology & Trace Chemistry) clarification/ investigation thereof	-

30.	Director-General Forensic Science Agency, Lahore	2011-12	2892	Heavy expenditure incurred on emoluments on irregular appointment of DG(FSA)	15,496,164
31.	Police Training School, Sargodha	2011-12	3233	Likely misappropriation on account of utility charges	199,816
32.	Superintendent District Jail, Attock	2011-12	2412	Irregular purchase from unapproved contractors	986,309
33.	Superintendent Jail, Chakwal	2011-12	2411	Irregular purchase from unapproved contractors	287,290
34.	Director-General Forensic Science Agency, Lahore	2011-12	2880	Likely misappropriation of funds due to non accountal of furniture items	379,995
35.	D.P.O. Vehari	2012-13	3073	Non return of weapons	352,800
36.	Director-General Forensic Science Agency, Lahore	2011-12	2877	Likely misappropriation of weapons/ammunition	234,980
37.	Central Police Officer, Rawalpindi	2012-13	3936	Suspected misappropriation of store articles	199,167
38.	Central Jail, Multan	2012-13	3419	Unauthorized payment of ration allowance	12,000
39.	Women Jail, Multan	2011-13	4037	Irregular payment of ration allowance	36,000
40.	Central Jail, Multan	2012-13	3418	Overpayment of pay and allowance	36,040
41.	District Police Officer, Toba Take Singh	2012-13	2852	Undisbursed pay and sale proceeds not deposited into treasury	80,025
42.	Central Jail, Lahore	2012-13	3155	Non recovery of electricity charges	138,200
43.	Central Jail, Rawalpindi	2012-13	3373	Non recovery of electricity charges	322,600
44.	District Jail, Kasur	2012-13	3885	Non recovery of electricity charges	31,680
45.	EPTS, Lahore	2011-12	2414	Overpayment on purchase of training material	284,720
46.	District Police Officer, Bahawalpur	2012-13	3414	Non recovery of overseas calls	229,152
47.	DPO, Rajanpur	2012-13	2633	Unauthorized payment of TA/DA	199,602

48.	Superintendent of Police Traffic Region, Sargodha	2012-13	3865	Unjustified payment of TA on transfer	151,125
49.	Additional IGP, CTD, Lahore	2012-13	3138	Overpayment of ration allowance	113,492
50.	CPO, Multan	2012-13	4165	Non disposal of used mobil oil	828,000
51.	DPO, Rajanpur	2012-13	2637	Non disposal of used mobil oil	209,670
52.	Police Training College Chung, Lahore	2012-13	2751	Loss due to non auction and less recovery of rent	520,000
53.	Director-General Forensic Science Agency, Lahore	2011-12	2861	Expenditure on DNA kits having short shelf life	5.74 millions
INFORMATION AND CULTURE DEPARTMENT					
1.	Rawalpindi Arts Council, Rawalpindi	2008-13	4227	Irregular realization of admission and tuition fee	6,403,700
2.	Dera Ghazi Khan Arts Council, Dera Ghazi Khan	2008-13	4216	Unjustified transfer of funds	200,000
3.	Director General Public Relations, Punjab, Lahore	2011-12	3033	Undue favour for publicity campaigns	36.486 millions
4.	Director General Public Relations, Punjab, Lahore	2011-12	3039	Loss due to theft of vehicle	500,000
5.	Director General Public Relations, Punjab, Lahore	2011-12	2900	Irregular withdrawal of conveyance allowance	386,880
LIVESTOCK AND DAIRY DEVELOPMENT DEPARTMENT					
1.	Dir. Barani LPRI, Kherimurat, Distt: Attock	2012-13	4147	Maintenance of vehicles without drivers	1,063,905
2.	Dir. Barani LPRI, Kherimurat, Distt: Attock	2012-13	4152	Maintenance of vehicles without drivers	1,562,994

3.	Supd. Livestock Farm Jugatpeer, BahawalPur	2011-12	2478	Non surrender of savings within stipulated period	4,533,195
4.	GPF DG Khan	2000-13	4106	Non surrender of savings within stipulated period	2,872,552
5.	Superintendent LES Khushab	2012-13	3479	Non surrender of savings within stipulated period	2,165,725
6.	GPF Bahawalpur	2000-13	4125	Non surrender of savings within stipulated period	1,801,115
7.	LSTC Bahadurnagar Okara	2011-13	4095	Non surrender of savings within stipulated period	1,286,750
8.	D.Dir. SHDD, Sialkot	2003-12	2485	Non surrender of savings within stipulated period	1,058,239
9.	A.D SHDD, Gujranwala	2002-12	2487	Non surrender of savings within stipulated period	701,046
10.	Veterinary Officer GPF Bahawalnagar	2002-13	3608	Non surrender of savings within stipulated period	451,470
11.	Dir. SHDD, Gujranwala	2005-12	2484	Non surrender of savings within stipulated period	346,869
12.	Dir. Barani LPRI, Kherimurat, Distt: Attock	2012-13	4150	Irregular excess expenditure than budget allocation	263,788
13.	Director LPRI Bahadurnagar, Okara	2011-13	4111	Irregular excess expenditure than budget allocation	734,687
14.	Secretary L&DD, Punjab, Lahore	2012-13	3129	Irregular excess expenditure than budget allocation	989,268
15.	Superintendent LES Khushab	2012-13	3475	Irregular excess expenditure than budget allocation	386,946
16.	Development Barani Areas, Rawalpindi	2008-12	2471	Irregular excess expenditure than budget allocation	777,863
17.	Dir. SHDD, Gujranwala	2005-12	2490	Irregular excess expenditure than budget allocation	294,171
18.	A.D SHDD, Gujranwala	2002-12	2488	Irregular excess expenditure than budget allocation	617,252
19.	D.G (Res) L&DD, Punjab, Lahore	2012-13	3132	Less deduction of income tax without including perquisites	80,886
20.	Superintendent Livestock Farm Jagaitpeer, District Bahawalpur	2011-12	2482	Purchase of air filter, diesel filter and seed estimated without immediate requirement	170,000
21.	Director Livestock & Dairy Development Barani Areas Rawalpindi	2008-12	2473	Irregular purchase of drugs & medicines	3,523,156

22.	Superintendent LES Qadirabad, Distt. Sahiwal	2012-13	3484	Irregular purchase of fertilizer of Rs. 1.697 millions at high rates. Recovery of Rs. 277,175	1.697 millions
23.	Buffalo Research Institute, Pattoki District Kasur	2008-13	3495	Miss-classified expenditure	676,534
24.	Superintendent LES Khizerabad, Sargodha	2012-13	4128	Loss of government due to non Realization Sale Proceed of Milk	134,322
25.	UVAS, Lahore	2012-13	3502	Recovery of Rs. 9.343 millions on account of irregular sale proceeds of fodder	9.343 millions
26.	UVAS, Lahore	2012-13	3613	Irregular drawl of house rent allowance @ 45% instead of 30% recovery	1.267 millions
27.	LES Qadirabad, Sahiwal	2012-13	3488	Irregular purchase of concentrates	818,116
28.	Buffalo Research Institute, Pattoki District Kasur	2008-13	3451	Irregular and ambiguous expenditure on purchase of liquid nitrogen gas	745,577
29.	Government Poultry Farm, Sargodha.	2012-13	4140	Loss due to mortality of animals	102,200
30.	UVAS Lahore	2012-13	4109	Irregular purchase of furniture	493,174
31.	Veterinary Research Institute, Lahore	2012-13	3629	Non deduction of late delivery charges	245,179
32.	UVAS, Lahore	2012-13	3504	Irregular withdrawal of dean allowance	144,000
LAW AND PARLIAMENTARY AFFAIRS DEPARTMENT					
1.	Secretary Law and Parliamentary Affairs Department	2012-13	4052	Non refund of income tax on payment of fee	150,000
2.	Secretary Law & Parliamentary Affairs Department	2012-13	4053	Irregular purchase of generator	1.278 millions
3.	District Attorney, Multan	2007-13	4054	Overpayment of allowances	157,836

MINES AND MINERALS DEPARTMENT					
1.	Director, Punjab School of Mines Katas, District chakwal	2006-12	2531	Irregular payment of hostel electricity bill	136,372
2.	Director, Punjab School of Mines Katas, District chakwal	2006-12	2530	Irregular disbursement of stipend and scholarships	115,000
3.	Director, Punjab School of Mines Katas, District chakwal	2006-12	-	Duplicate drawl on account of electricity bill	84,000
4.	Assistant Director Mines & Minerals, Saikot	-	3107	Lapse of budget /non surrendering of saving	988,371
5.	Deputy Director Mines & Minerals Sargodha	2006-13	4333	Non completion of office and residential building	32.753 millions
6.	Secretary Mines & Minerals Sargodha	2011-13	2596	Non adjustment of TA/DA advance and drawl with out obtaining of approval of austerity committee for foreign visit	244,540
7.	Assistant Director Mines & Minerals Sahiwal	1995-13	4347	Non Obtaining of Actual Payee Receipts (APR) for Payment	119,397
8.	Secretary Mines & Minerals Sargodha	2011-13	2596	Unauthorized Expenditure On Salary due to excess drawl of posts then SANCTION/budget allocation	486,291
9.	AD (M&M) Chakwak	2007-13	4335	Non reconciliation of expenditure statement	4,335,147
10.	AD (M&M) Attock	2007-13	3117	Non reconciliation of expenditure statement	5,042,389
11.	AD (M&M) Sahiwal	1995-13	4346	Non reconciliation of expenditure statement	12,057,080
12.	Secretary, Mines & Minerals, Punjab Lahore	2007-13	2592	Irregular expenditure on POL	200,027
13.	Deputy Director, Mines & Minerals Rawalpindi	2007-13	4341	Over payments of salaries	171,266
14.	Director General Mines & Minerals Punjab Lahore	2011-13	3116	Non deduction of conveyance allowance	81,000

POPULATION WELFARE DEPARTMENT					
1.	District Population Welfare Officer, Sheikhpura	2009-12	2785	Expenditure exceeding budget allocations	88,115,906
2.	DPWO, DG Khan	2008-12	3450	Expenditure exceeding budget allocations	21,931,304
3.	DPWO, Muzaffargarh	2008-12	2527	Expenditure exceeding budget allocations	13,905,992
4.	District Population Welfare Officer, Lodhran	2007-12	2794	Expenditure exceeding budget allocations	11,333,895
5.	RHSA Nishter Hospital, Multan	2009-12	2551	Expenditure exceeding budget allocations	3,765,854
6.	RHSA Children Hospital, Multan	2009-12	2521	Expenditure exceeding budget allocations	1,871,242
7.	RHSA Center Allied Hospital, Faisalabad	2005-12	3026	Expenditure exceeding budget allocations	1,726,346
8.	RHSA General Hospital, Lahore	2007-12	2525	Expenditure exceeding budget allocations	1,648,032
9.	RHSA, Center Gangram Hospital, Lahore	2007-12	2800	Expenditure exceeding budget allocations	1,192,813
10.	RHSA, Military Hospital, Rawalpindi	2002-12	2904	Expenditure exceeding budget allocations	1,119,000
11.	RHSA Benazir Hospital, Rawalpindi	2003-12	2547	Expenditure exceeding budget allocations	1,038,000
12.	RHSA, Center Fatima Memorial Hospital, Lahore	2007-12	2790	Expenditure exceeding budget allocations	763,844
13.	RHSA Civil Hospital, Muzaffargarh	2001-12	2560	Expenditure exceeding budget allocations	747,835
14.	RHSA, Jinnah Hospital, Lahore	2007-12	2558	Expenditure exceeding budget allocations	735,267
15.	RHSA Holy Family Hospital, Rawalpindi	2003-12	2523	Expenditure exceeding budget allocations	220,110
16.	District Population Welfare Officer, Lodhran	2007-12	2792	Non surrender of savings within stipulated period	12,124,033
17.	RHSA Holy Family Hospital, Rawalpindi	2003-12	2522	Non surrender of savings within stipulated period	10,216,827
18.	RHSA Benazir Hospital, Rawalpindi	2003-12	2546	Non surrender of savings within stipulated period	7,305,000
19.	District Population Welfare Officer, Sheikhpura	2009-12	2783	Non surrender of savings within stipulated period	7,220,997
20.	DPWO, DG Khan	2008-12	3449	Non surrender of savings within stipulated period	44,408,274

21.	RHSA, Jinnah Hospital, Lahore	2007-12	2557	Non surrender of savings within stipulated period	3,275,849
22.	RHSA, Military Hospital, Rawalpindi	2002-12	2903	Non surrender of savings within stipulated period	3,135,000
23.	RHSA, Cemter Fatima Memorial Hospital, Lahore	2007-12	2789	Non surrender of savings within stipulated period	1,813,956
24.	RHSA General Hospital, Lahore	2007-12	2563	Non surrender of savings within stipulated period	1,763,054
25.	District Population Welfare Officer, Muzaffargarh	2008-12	2554	Non surrender of savings within stipulated period	1,373,095
26.	RHSA Nishter Hospital, Multan	2009-12	2550	Non surrender of savings within stipulated period	280,672
27.	District Population Welfare Officer, Muzaffargarh	2008-12	2528	Non reconciliation of expenditure with Accountant General Punjab	-
28.	District Population Welfare Officer, Lodhran	2007-12	2797	Unauthorized mode of payments	5,287,236
29.	RHSA Benazir Hospital, Rawalpindi	2003-12	2519	Unauthorized mode of payments	1,593,112
30.	District Population Welfare Officer, Sahiwal	2008-12	3024	Unauthorized mode of payments	704,898
31.	RHSA Benazir Hospital, Rawalpindi	2003-12	2544	Irregular opening of bank account at NBP	9,324,000
32.	DPWO, Muzaffargarh	2008-12	2556	Irregular opening of bank account at NBP	4,301,600
33.	RHSA General Hospital, Lahore	2007-12	2526	Doubtful /likely misappropriation of recording transaction of IRC payments without copies of cheque	3,377,012
34.	RHSA Center Fatima Memorial Shadman Hospital, Lahore	200 7-12	3028	Doubtful /likely misappropriation of recording transaction of IRC payments without copies of cheque	768,364
35.	RHSA, Benazir Hospital, Rawalpindi	2003-12	2545	Loss due to non-availing of discount on medicines	134,150
36.	RHSA, Benazir Hospital, Rawalpindi	2003-12	2548	Un-authorized expenditure	141,940
37.	DPWO, Sahiwal	2008-12	3023	Non-disbursement of amounts drawn	11,799,757
38.	RHSA, Benazir Hospital, Rawalpindi	2003-12	2520	Irregular/doubtfull payment of medicine	2,079,000
39.	RHSA, Benazir Hospital, Rawalpindi	2003-12	3030	Doubtful/likely misappropriation in payment of IRC	152,114

SCHOOL EDUCATION DEPARTMENT					
1.	Cadet College, Choa Saidu Shah, Chakwal	2012-13	3581	Shortage of furniture articles	4,282,422
2.	Secretary School Education Department	2012-13	3264	Non production of log books	3,285,243
3.	Cadet College, Choa Saidu Shah, Chakwal	2012-13	3582	Purchase of furniture articles at higher rates	333,000
4.	Cadet College Choa Saidu Shah, Chakwal	2012-13	3583	Irregular purchases without advertisement	7,794,746
5.	Director Public Instructions (EE) Punjab, Lahore	2008-12	2429	Irregular payment of conveyance allowance	165,874
6.	Director Public Instructions (EE) Punjab, Lahore	2008-12	2430	Unauthorized withdrawal of pay & allowances during EOL	134,314
SERVICES AND GENERAL ADMINISTRATION DEPARTMENT					
1.	ACS, S&GAD	2012-13	3081	Irregular payment of overtime allowance	490,000
2.	ACS, S&GAD	2012-13	3087	Irregular expenditure on POL for buses plying for pick and drop facility	14,498,200
3.	ACS, S&GAD	2012-13	3100	Less deduction of income tax on Cash reward and Honorarium	609,768
4.	ACS, S&GAD	2012-13	3103	Irregular payment of late payment surcharge on Sui-gas and Electricity bills	1,526,208
5.	ACS, S&GAD	2012-13	3104	Excess expenditure over and above the budget allocation	3,424,648
6.	Chief Pilot, Aviation Flight (RW), S&GAD	2007-12	4177	Misclassification of expenditure	550,371
7.	Chief Pilot, Aviation Flight (RW), S&GAD	2007-12	4169	Irregular expenditure on purchase of uniform	217,194
8.	Chief Pilot, Aviation Flight (RW), S&GAD	2007-12	4171	Irregular expenditure on repair of vehicles	652,268
9.	ACS, S&GAD	2012-13	3095	Misclassification of expenditure under the head A-09601 Purchase of machinery	721,333

10.	Chief Pilot, Aviation Flight (RW), S&GAD	2007-12	4168	Irregular reimbursement of electricity charges	131,073
SOCIAL WELFARE & BAIT-UL-MAAL DEPARTMENT					
1.	Director General Social Welfare & Bait-ul-Maal Punjab Lahore	2011-13	3124	Misclassification of expenditure	803,000
2.	Superintendent Home for Disable Person (Nashaman) Lahore	2011-13	3171	Doubtful/ irregular expenditure	67,734
3.	Women Dev. & Welfare Center (Qasra-E-Behbood) Lahore.	2011-13	4231	Misuse of government vehicles	1,077,000
4.	Mother & children Home (Dar-ul-Falah) Lahore.	2011-13	3170	Misuse of government vehicles	845,000
5.	Mother & children Home (Dar-ul-Falah) Rawalpindi.	1975-13	3677	Un-utilized budget grants	1,129,162
6.	Mother & children Home (Dar-ul-Falah) Rawalpindi.	1975-13	3679	Un-utilized budget grants	854,000
7.	Director General Social Welfare & Bait-ul-Maal Punjab Lahore	2011-13	2980	Un-utilized budget grants	14,307,946
8.	Director General Social Welfare & Bait-ul-Maal Punjab Lahore	2011-13	2979	Un-utilized budget grants	2,586,000
9.	Superintendent Shelter Home (Dar-ul-Aman), Lahore	2011-13	3126	Un-utilized budget grants	1,460,230
10.	Superintendent Home for Disable Person (Nashaman) Lahore	2011-13	3123	Un-authenticated expenditure on POL	111,230
11.	Women Development & Welfare Center(Qasra-E-Behbood) Lahore	2011-13	3680	Non verification/reconciliation of expenditure	3.705 million
YOUTH AFFAIRS, ARCHEOLOGY, SPORTS & TOURISM DEPARTMENT					
1.	Secretary Youth Affair, Archaeology, Sport & Tourism, Lahore	2011-12	4349	Doubtful receipt and expenditure as cash book not signed by DDO	2,973,660
2.	Director General Archaeology, Lahore	2011-12	2675	Non raising of claim of parking fee after expiry of contract against contractor	320,289
3.	Secretary Youth Affair, Archeology, Sport & Tourism, Lahore	2011-12	4352	Irregular withdrawal of conveyance allowance	130,080

Annexure-2 Audit Impact Summary

Change in Rules/Systems/Procedure	Audit Impact
On the instance of audit, the Government of the Punjab has constituted a committee to bring the system of commodity financing in line with PPRA Act and Rules for procurement of wheat.	Competitive bidding to fetch most economically favourable rates of interest and other terms and conditions.

Annexure-3

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars of tax	Amount (Rs.)
1	District Food Controller, Jhang	2012-13	2969	Non deduction of Income tax on service charges paid to mill owners	1,130,860
2	District Food Controller, Muzaffargarh	2012-13	3717	Non deduction of Income tax on service charges paid to mill owners	1,037,137
3	District Food Controller, Vehari	2012-13	2974	Less/non deduction of income tax	837,568
4	District Food Controller, Rahim Yar Khan	2012-13	2928	Non deduction of Income tax on service charges paid to mill owners	593,646
5	District Food Controller, Bahawalpur	2012-13	2934	Non deduction of Income tax on service charges paid to mill owners	561,076
6	District Food Controller, Lodhran	2012-13	3207	Non deduction of Income tax on service charges paid to mill owners	464,636
7	District Food Controller, Bahawalnagar	2012-13	3697	Non deduction of Income tax on service charges paid to mill owners	361,783
8	District Food Controller, Rajanpur	2012-13	3727	Non deduction of Income tax on service charges paid to mill owners	388,496
9	Secretary Food Government of the Punjab, Lahore	2012-13	2760	Less deduction of income tax on pay & allowances	257,398
10	Directorate of Food Punjab, Lahore	2012-13	3748	Less deduction of income tax on pay & allowances	150,717

11	District Food Controller, Multan	2012-13	2953	Non deduction of income tax on auction value	130,779
12	District Food Controller, Kasur	2012-13	2939	Non deduction of income tax on auction value	46,069
Total					5,960,165

Annexure-4

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Sialkot	2012-13	3192	60,432,842
2	Divisional Forest Officer, Sahiwal	2012-13	3821	53,044,759
3	Divisional Forest Officer, Mianwali	2011-12	2266	56,107,585
4	Divisional Forest Officer, Gujrat	2012-13	2820	49,934,094
5	Divisional Forest Officer, R. Y. Khan	2011-12	2271	27,727,698
6	Divisional Forest Officer, Okara	2011-12	2330	36,004,177
7	Divisional Forest Officer, Okara	2012-13	3313	26,931,066
8	Divisional Forest Officer, Bahawalnagar	2012-13	3193	28,474,359
9	Divisional Forest Officer, Khushab	2012-13	3828	9,340,091
10	Divisional Forest Officer, R Y Khan	2012-13	3180	11,088,311
11	Divisional Forest Officer, khushab	2011-12	2320	5,715,781
12	Divisional Forest Officer, Jehlum	2012-13	3119	2,201,389
13	Divisional Forest Officer, Lahore/ Sheikhpura Division, Lahore	2012-13	2895	3,089,146
14	Divisional Forest Officer, Muzaffargarh	2012-13	3458	277,493
15	Divisional Forest Officer, Rawalpindi (north)	2012-13	2983	1,635,742
16	Divisional Forest Officer, Attock	2012-13	3306	1,706,420
17	Divisional Forest Officer, Multan	2011-12	2268	1,726,060
18	Secretary, Forestry Wildlife & Fisheries	2011-12	2322	1,574,200
19	Divisional Forest Officer, Sargodha	2009-11	2334	1,528,414
20	Divisional Forest Officer, Rajanpur	2012-13	3428	1,340,513
21	Divisional Forest Officer, Murree	2011-12	2328	1,146,325
22	Divisional Forest Officer, Muzaffargarh	2012-13	3453	869,145
23	Divisional Forest Officer, Rajanpur	2011-12	2339	747,367
24	Divisional Forest Officer, Murree	2012-13	3309	672,760
25	Divisional Forest Officer, Lahore/ Sheikhpura Division, Lahore	2012-13	2896	714,597
26	Divisional Forest Officer, Attock	2008-12	2327	290,731
27	Divisional Forest Officer, Sargodha	2009-11	2337	279,560
28	Divisional Forest Officer, Chakwal	2012-13	3307	199,147
29	Divisional Forest Officer, Chicha watni	2012-13	3439	67,740
30	Divisional Forest Officer, Bhakkar	2009-12	2043	11,416,563
Total				396,284,075

Annexure-5

Sr. No.	Name of Formation	Period of Audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Bahawalpur	2012-13	3445	23,850,500
2	Divisional Forest Officer, R. Y. Khan	2011-12	2342	17,796,755
3	Divisional Forest Officer, R. Y. Khan	2012-13	3174	11,954,227
4	Divisional Forest Officer, Jhang.	2009-12	2044	6,205,530
5	Divisional Forest Officer, Khushab	2012-13	3830	4,189,524
6	Divisional Forest Officer, Bahawal Nagar	2012-13	3186	4,056,740
7	Divisional Forest Officer, Bhakkar.	2012-13	3824	3,630,750
8	Divisional Forest Officer, Attock	2012-13	3305	2,829,948
9	Divisional Forest Officer, Khushab	2011-12	2321	1,857,670
10	Divisional Forest Officer, R. Y. Khan	2012-13	3187	1,804,580
11	Divisional Forest Officer, Sargodha	2009-11	2336	804,940
12	Divisional Forest Officer, Bahawalpur	2012-13	3443	740,315
13	Divisional Forest Officer, Layyah	2012-13	3323	674,760
14	Divisional Forest Officer, Muzaffargarh	2012-13	3461	605,150
15	Divisional Forest Officer, Lahore / Sheikhpura Division, Lahore.	2012-13	2897	507,620
16	Divisional Forest Officer, Okara	2012-13	3316	136,300
17	Divisional Forest Officer, Attock	2008-12	2283	99,000
Total				81,744,309

Annexure-6

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Multan	2011-12	2267	9,419,200
2	Divisional Forest Officer, R. Y. Khan	2012-13	3120	6,508,000
3	Divisional Forest Officer, Murree	2011-12	2329	6,071,500
4	Divisional Forest Officer, R Y Khan	2011-12	2272	4,844,320
5	Divisional Forest Officer, Lahore/Sheikhupura Forest Division, Lahore	2012-13	3122	2,113,626
6	Divisional Forest Officer, Bahawalpur	2011-12	2264	2,058,000
7	Divisional Forest Officer, Bhakkar	2009-12	2263	1,548,135
8	Divisional Forest Officer, Khushab	2011-12	2323	1,215,496
9	Divisional Forest Officer, Okara	2012-13	3314	1,142,565
10	Divisional Forest Officer, Rajanpur	2011-12	2290	1,006,706
11	Divisional Forest Officer, khushab	2011-12	2277	756,600
12	Divisional Forest Officer, Lahore/Sheikhupura Forest Division, Lahore	2012-13	3834	753,063
13	Divisional Forest Officer, Attock	2008-12	2326	520,972
14	Divisional Forest Officer, Muzaffargarh	2012-13	3454	241,079
15	Divisional Forest Officer, Bhakkar	2012-13	3827	215,100
16	Divisional Forest Officer, Sargodha	2009-11	2338	225,000
17	Divisional Forest Officer, Lahore/Sheikhupura Forest Division, Lahore	2012-13	3121	121,352
Total				38,760,714

Annexure-7

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Divisional Forest Officer, Bhakkar	2009-12	2341	23,007,820
2	Divisional Forest Officer, R. Y. Khan	2011-12	2273	2,018,052
3	Divisional Forest Officer, Sargodha	2009-11	2332	1,618,415
4	Divisional Forest Officer, Sahiwal	2011-12	2262	776,670
5	Divisional Forest Officer, Sargodha	2009-11	2333	1,528,715
6	Divisional Forest Officer, R Y Khan	2012-13	3177	1,350,028
7	Secretary Forestry Wildlife & Fisheries	2011-12	2324	1,214,665
8	Divisional Forest Officer, Sargodha	2009-11	2335	993,570
9	Divisional Forest Officer, Muzaffargarh	2012-13	3455	365,710
10	Divisional Forest Officer, Layyah	2009-11	2256	836,490
11	Divisional Forest Officer, Attock	2008-12	2281	740,755
12	Divisional Forest Officer, R Y Khan	2012-13	3178	641,235
13	Divisional Forest Officer, Khushab	2012-13	3829	79,000
14	Divisional Forest Officer, Multan	2011-12	2269	411,020
15	Divisional Forest Officer, Bahawalnagar	2012-13	3312	65,200
16	Divisional Forest Officer, Jhang	2011-12	2252	234,620
17	Divisional Forest Officer, Okara	2012-13	3315	167,990
18	Divisional Forest Officer, Lahore/Sheikhupura Division, Lahore	2012-13	3172	78,540
19	Divisional Forest Officer, Rajan Pur	2012-13	3182	53,080
20	Divisional Forest Officer, Bhakkar	2012-13	3823	2,407,280
Total				38,588,855

Annexure-8

Sr. No.	Name of formation	Period of audit	PDP No.	Nature	Amount (Rs.)
1	Shaikh Zayed Hospital & Allied Institutions, Lahore	2012-13	4296	Non deduction of income tax from stipend of FCPS/MCPS	8,067,770
2	Shaikh Zayed Hospital & Allied Institutions, Lahore	2012-13	4301	Less deduction of income tax	3,608,676
3	Shaikh Zayed Hospital & Allied Institutions, Lahore	2012-13	4300	Non deduction of income tax on perquisites	2,825,352
4	Punjab Medical College and Allied Institutions, Faisalabad	2012-13	4189	Non deduction of income tax on auction value	1,473,929
5	Principal PGMI/LGH & Nursing School, Lahore	2011-12	2540	Non/less deduction of income tax on salary	694,680
6	Secretary Health Government of Punjab, Lahore	2012-13	2840	Non deduction of income tax on perquisites	1,586,347
7	Punjab Medical College and Allied Institutions, Faisalabad	2012-13	4188	Non deduction of income tax from stipend of PG Trainers	106,200
8	Principal FJMC, Ganga Ram Hospital & Allied Institutions, Lahore	2012-13	3792	Non deduction of income tax from stipend of PG Trainers	1,464,000
9	Principal Services Hospital/Sims, Lahore	2012-13	4256	Non deduction of income tax from stipend of PG Trainers	1,256,519

10	Punjab Dental College, Lahore	2012-13	2993	Non deduction of income tax from stipend of FCPS/MCPS	925,624
11	Nawaz Sharif Medical College, Gujrat	2011-12	2682	Non deduction of income tax on imported goods without value addition	632,238
12	Principal Services Hospital/Sims, Lahore	2012-13	4267	Non deduction of income tax on auction value	593,750
13	Principal FJMC, Ganga Ram Hospital & Allied Institutions, Lahore	2012-13	3793	Non deduction of income tax on SEMS allowance	295,249
14	Punjab Dental College, Lahore	2012-13	2994	Non deduction of income tax from stipend of House Surgeons	339,866
15	Principal PGMI/LGH & Nursing School, Lahore	2011-12	2536	Less deduction of income tax on distribution of share money	193,323
16	Principal PGMI/LGH & Nursing School, Lahore	2011-12	2535	Non deduction of income tax on auction value	129,420
17	Lady Willingdon Hospital, Lahore	2012-13	3000	Non/less deduction of income tax on salary	78,341
Total					24,271,284

Annexure-9

Sr. No.	Name of formation	Period of audit	PDP No.	Description	Amount (Rs.)
1	Shaikh Zayed Hospital & Allied Institutions Lahore	2012-13	4299	Less deduction of benevolent fund	5,272,336
2	Shaikh Zayed Hospital & Allied Institutions Lahore	2012-13	4303	Less deduction of Group Insurance	1,662,752
3	Nawaz Sharif Medical College, Gujrat	2011-12	2681	Unlawful payment of House Rent Allowance	1,504,044
4	Institute of Public Health, Lahore	2012-13	3647	Recovery of teaching allowance	988,000
5	Institute of Public Health, Lahore	2012-13	3114	Health risk Allowance	702,000
6	Bahawal Victoria Hospital, Quaid-e-Azam Medical College and Nursing School, Bahawal pur.	2011-12	2500	Non-recovery of stipend from students	457,037
7	Secretary Health Government of Punjab	2012-13	2843	Unlawful payment of CA	420,000
8	Principal FJMC, Ganga Ram Hospital & Allied Institutions, Lahore	2012-13	3794	Un-authorized payment of CA	208,611
9	Children Hospital complex, Multan	2012-13	4250	Unlawful drawl of Adhoc Allowance 2010	389,150
10	Principal FJMC, Ganga Ram Hospital & Allied Institutions, Lahore	2012-13	3785	Non-deduction of HRA and Sui Gas Charges	139,092

11	Government Nawaz Sharif Hospital, Lahore	2012-13	2826	Overpayment of Pay & Allowances	216,000
12	Institute of Public Health, Lahore	2012-13	3113	Overpayment of Pay & Allowances	215,972
13	Principal FJMC, Ganga Ram Hospital & Allied Institutions, Lahore	2012-13	3787	Payment of CA and Special Incentive during LFP	106,323
14	Punjab Medical College and Allied Institutions, Faisalabad	2012-13	4190	Non-recovery of stipend from student nurses	193,424
15	Principal PGMI/LGH and Nursing School Lahore	2011-12	2534	Non-recovery of 5 % house rent charges	81,810
16	Children Hospital, Lahore	2011-12	2581	Unlawful payment of pay & allowances	56,563
17	Nawaz Sharif Medical College, Gujrat	2011-12	2685	Unlawful payment of Special Incentive	93,500
18	Nawaz Sharif Medical College, Gujrat	2011-12	2686	Social Security Benefit	81,314
Total					12,787,928

Annexure-10

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	City Police Officer, Gujranwala	2012-13	3996	287,755,071
2	SSP PC Battalion No. 3, Multan	2009-11	2509	245,659,371
3	SP Battalion Commander No. 5 PC, Lahore	2012-13	3247	190,714,013
4	District Police Officer, Bahawalpur	2012-13	3409	93,242,590
5	District Police Officer, Bahawalnagar	2012-13	3405	90,340,016
6	Central Jail, Rawalpindi	2012-13	3377	67,948,634
7	District Police Officer, R Y Khan	2012-13	3401	65,462,488
8	SP PHP, Bahawalpur	2012-13	4043	27,105,029
9	Battalion Commander Battalion No. 4 PC, Faisalabad	2012-13	3979	26,854,176
10	District Police Officer, Attock	2012-13	3387	26,715,286
11	Battalion No. 6 PC, Farooqabad	2012-13	2724	18,485,094
12	CTO, Gujranwala	2012-13	3367	14,397,516
13	SP Traffic Region, Faisalabad	2012-13	3947	9,818,672
14	District Police Officer, Chiniot	2012-13	2857	8,065,036
15	Central Jail, Bahawalpur	2012-13	3371	5,639,723
16	Police Training College Chung, Lahore	2012-13	2753	5,185,380
17	District Police Officer, Sialkot	2012-13	2741	3,390,451
18	SP PHP Gujranwala	2012-13	3965	3,741,437
19	District Police Officer, Khanewal	2012-13	2731	1,702,543
20	Chief Traffic Officer, Rawalpindi	2012-13	3894	426,531
21	Police Training School, Sargodha	2012-13	3897	264,408
Total				1,192,913,465

Annexure-11

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Superintendent District Jail, Faisalabad	2012-13	2646	23,300,214
2.	District Police Officer, Gujrat	2012-13	3049	16,416,951
3.	Police Training College Chung, Lahore	2012-13	2744	12,241,185
4.	SP Motor Transport Punjab, Lahore	2012-13	3903	6,410,904
5.	Central Jail, Rawalpindi	2012-13	3378	6,339,665
6.	Commandant Elite Police Training School, LHR	2011-12	2417	5,778,761
7.	Police College Sihala, Rawalpindi	2012-13	3929	5,393,308
8.	City Police Officer, Faisalabad	2012-13	3060	4,831,597
9.	City Police Officer, Faisalabad	2012-13	3064	2,965,106
10.	Police College, Sihala Rawalpindi	2012-13	3930	2,898,800
11.	District Police Officer, Bahawalpur	2012-13	3412	2,822,439
12.	CPO, Gujranwala	2012-13	4003	2,369,490
13.	CPO, Gujranwala	2012-13	4006	2,350,836
14.	District Police Officer, Bahawalpur	2012-13	3411	1,961,615
15.	Central Jail, Rawalpindi	2012-13	3375	1,954,184
16.	CPO, Gujranwala	2012-13	4001	1,942,536
17.	SSP PHP, Faisalabad	2012-13	3042	1,758,547
18.	Battalion Commander Battalion No. 1 PC, Farooqabad	2012-13	3975	1,640,474
19.	District Police Officer, M B Din	2012-13	3915	1,590,000
20.	District Police Officer, D G Khan	2012-13	3849	1,456,162
21.	Commandant Elite Police Training School, LHR	2011-12	2420	1,377,976
22.	District Police Officer, R Y Khan	2012-13	3398	1,325,319
23.	District Police Officer, Vehari	2012-13	4041	1,318,436
24.	City Traffic Officer, Faisalabad	2012-13	2632	1,222,200
25.	SSP PHP, Lahore	2012-13	3390	1,219,462
26.	District Police Officer, M B Din	2012-13	3919	1,253,176
27.	SP PHP, Gujranwala	2012-13	3970	1,132,676
28.	District Police Officer, Sahiwal	2012-13	3240	1,100,726
29.	CTO, Gujranwala	2012-13	3366	1,093,533
30.	District Police Officer, Gujrat	2012-13	3159	1,079,435
31.	District Police Officer, R Y Khan	2012-13	3399	1,077,188
32.	District Police Officer, Attock	2012-13	3386	969,412
33.	CTO, Gujranwala	2012-13	3365	959,582
34.	SP PHP, Sargodha	2012-13	3956	938,020

35.	District Police Officer, Attock	2012-13	3385	926,358
36.	District Police Officer, Bahawalnagar	2012-13	3402	904,800
37.	SP Battalion Commander No. 1 PC, Lahore	2012-13	3986	857,488
38.	Additional I G Traffic Punjab, Lahore	2012-13	3923	826,846
39.	District Police Officer, M B Din	2012-13	3914	738,000
40.	City Police Officer, Faisalabad	2012-13	3069	773,400
41.	CPO, Gujranwala	2012-13	4002	731,670
42.	District Police Officer, Lodhran	2012-13	4036	727,888
43.	SP Motor Transport Punjab, Lahore	2012-13	3906	722,100
44.	SP Motor Transport Punjab, Lahore	2012-13	3904	668,080
45.	SP PHP, Gujranwala	2012-13	3971	663,065
46.	District Police Officer, Gujrat	2012-13	3051	641,062
47.	District Police Officer, Lodhran	2012-13	3836	599,442
48.	CTO, Gujranwala	2012-13	3363	599,266
49.	District Police Officer, Okara	2012-13	3843	572,910
50.	CTO, Gujranwala	2012-13	3364	565,934
51.	SP Battalion Commander No. 2 PC, Rawalpindi	2012-13	3252	525,480
52.	SSP PHP, Lahore	2012-13	3391	454,060
53.	District Police Officer,, Vehari	2012-13	3071	447,934
54.	Additional IG Elite Police Force, Lahore	2012-13	3150	399,640
55.	SP Battalion Commander No. 5 PC, Lahore	2012-13	3248	372,225
56.	District Police Officer, Pakpattan	2012-13	4031	351,661
57.	District Jail, Sheikhpura	2011-12	2371	344,748
58.	SP Traffic Region, Faisalabad	2012-13	3951	323,800
59.	District Police Officer, Bhakkar	2012-13	3875	141,000
60.	SSP PC Battalion No. 3, Multan	2009-12	2515	141,453
61.	SP Battalion Commander No. 5 PC, Lahore	2012-13	3249	110,446
Total				137,620,671

Annexure-12

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	City Police Officer, Rawalpindi	2012-13	3939	28,055,470
2	District Police Officer, Narowal	2011-12	2367	12,006,658
3	City Police Officer, Gujranwala	2012-13	4005	11,360,200
4	City Police Officer, Faisalabad	2012-13	3062	10,677,100
5	District Police Officer, D G Khan	2012-13	3847	7,081,200
6	SP PHP, Sargodha	2012-13	3954	7,047,080
7	SP PHP, Bahawalpur	2012-13	4045	5,477,430
8	SP PHP, Gujranwalal	2012-13	3967	3,390,596
9	District Police Officer, M B Din	2012-13	3920	3,136,500
10	District Police Officer, Attock	2012-13	4011	2,741,700
11	District Police Officer, Vehari	2012-13	3161	2,344,200
12	District Police Officer, Bhakkar	2012-13	3877	2,287,553
13	District Police Officer, R Y Khan	2012-13	3397	2,047,000
14	SP Motor Transport Punjab, Lahore	2012-13	3902	1,966,112
15	District Police Officer, Layyah	2012-13	4018	1,888,845
16	District Police Officer, Rajanpur	2012-13	2636	1,809,972
17	SP Battalion Commander No. 1 PC, Lahore	2012-13	3924	1,659,530
18	CTO, Gujranwala	2012-13	3362	1,415,100
19	SSP PC Battalion 7, Lahore	2011-12	2362	1,200,467
20	District Police Officer, Pakpattan	2012-13	4027	1,148,000
21	SP PHP, Rawalpindi	2011-12	2396	1,029,243
22	District Police Officer, Lodhran	2012-13	3835	907,600
23	City Traffic Officer, Faisalabad	2012-13	2629	888,283
24	District Police Officer, Gujrat	2012-13	3052	879,500
25	SP. MT Punjab, Lahore	2011-12	2375	861,570
26	District Police Officer, Bahawalnagar	2012-13	3403	720,000
27	District Police Officer, Okara	2012-13	3841	673,800
28	Battalion Commander Battalion No. 4 PC, Faisalabad	2012-13	3977	604,170
29	SP Special Branch, Multan	2012-13	3983	438,480

30	Police Training College Chung, Lahore	2012-13	2754	427,500
31	SP Special Branch, D.G. Khan	2007-12	2394	411,114
32	IGP, CTD, Lahore	2012-13	3141	389,976
33	City Police Officer, Faisalabad	2012-13	3066	375,700
34	SP Battalion Commander No. 2 PC, Rawalpindi	2012-13	3254	366,130
35	District Police Officer, Sahiwal	2012-13	3243	356,698
36	Additional IG Traffic Punjab, Lahore	2012-13	3922	348,948
37	SP CTD, Multan	2012-13	3972	320,565
38	District Police Officer, Sialkot	2012-13	2742	245,776
39	District Police Officer, Chiniot	2012-13	2858	238,405
40	Superintendent of Police Traffic Region, Sargodha	2012-13	3870	214,380
41	SP Traffic Region, D.G. Khan	2011-12	2389	212,180
42	SSP Special Branch, Faisalabad	2011-12	2363	145,167
43	Additional IG PHP, Lahore	2012-13	3912	136,505
44	SP. Special Branch, Sheikhpura	2011-12	2356	131,882
45	District Police Officer, Toba Take Singh	2012-13	2851	108,796
46	Police Training School, Rawalpindi	2011-12	2400	104,076
Total				120,277,157

Annexure-13

Sr. No.	Name of formation	Period of audit	PDP No.	Items	Amount (Rs.)
1	SP MT Punjab, Lahore	2011-12	2401	Burn of Vehicles and Motorcycles	15,050,000
2	SP Motor Transport Punjab, Lahore	2012-13	3901	Theft of Vehicles and motorcycles	5,450,000
3	SP. MT Punjab, Lahore	2011-12	2357	due to accident damage of vehicles	4,500,000
4	SP. MT Punjab, Lahore	2011-12	2358	Theft of Vehicles, motorcycles & ambulance	3,153,275
5	Elite Police Training School, Lahore	2011-12	2398	Due to accident damage of two vehicles	3,000,000
6	SP PHP, Gujranwala	2012-13	3969	Theft of Ammunition	600,000
7	District Police Officer, Attock	2012-13	3384	Due to accident damage a Prison Van	500,000
8	District Police Officer,, Vehari	2012-13	3072	Theft of one Breta Pistol and one SMG Rifle	440,000
9	City Police Officer, Faisalabad	2012-13	3065	Burn of four Motorcycles	400,000
10	City Police Officer, Rawalpindi	2012-13	3937	Theft of Revolvers	344,000
11	SSP PHP, Lahore	2012-13	3392	Due to accident damage a Vehicle	298,652
12	SP Special Branch, D.G. Khan	2007-12	2395	Theft of Motorcycles	225,000
13	District Police Officer, Gujrat	2012-13	3053	due to accident damage of vehicle	200,000
14	Additional Inspector General Elite Police Force, Lahore	2012-13	3152	Theft of two motorcycles	110,000
15	Police Training College Chung, Lahore	2012-13	2746	Theft of Rifle G-3	100,000
16	CPO, Multan	2012-13	4167	Theft of motorcycles	85,000
17	SSP Special Branch, Faisalabad	2011-12	2364	Theft of motor cycles	70,000
Total					34,525,927

Annexure-14

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Police Officer, Okara	2012-13	3842	2,243,776
2	District Police Officer, Bhakkar	2012-13	3873	1,892,695
3	District Police Officer, Jhelum	2012-13	3883	2,379,040
4	City Police Officer, Rawalpindi	2012-13	3943	8,094,536
5	City Police Officer, Gujranwala	2012-13	3997	3,904,440
6	District Police Officer, Layyah	2012-13	4017	4,282,000
7	SSP PC Battalion 7, Lahore	2011-12	2361	36,686,352
8	District Police Officer, Gujrat	2012-13	3047	31,371,966
9	City Police Officer, Faisalabad	2012-13	3057	16,614,156
10	District Police Officer, Sahiwal	2012-13	3239	4,730,100
11	District Police Officer, Bahawalpur	2012-13	3406	3,505,498
12	District Police Officer, Narowal	2011-12	2365	3,124,440
13	District Police Officer, Attock	2012-13	3379	2,175,530
14	District Police Officer, Khanewal	2011-12	2728	2,075,568
15	District Police Officer, Toba Take Singh	2012-13	2847	2,027,295
16	District Police Officer, Chiniot	2012-13	2853	1,832,590
17	District Police Officer, Sialkot	2012-13	2736	1,496,713
18	City Police Officer, Multan	2012-13	3157	1,313,860
19	District Police Officer, Rajanpur	2012-13	2641	474,200
Total				130,224,755

Annexure-15

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Central Jail, Rawalpindi	2012-13	3376	5,010,000
2	Central Jail, Faisalabad	2011-12	2377	3,625,000
3	City Police Officer, Gujranwala	2012-13	3998	3,424,704
4	District Jail, Sargodha	2012-13	3958	3,070,000
5	Superintendent District Jail, Faisalabad	2012-13	2645	3,000,000
6	Central Jail, Bahawalpur	2012-13	3368	1,992,000
7	District Jail, Jhang	2012-13	3888	1,800,000
8	Police Training College Chung, Lahore	2012-13	2748	1,624,800
9	District Jail, Shahpur	2012-13	3913	1,530,000
10	District Jail, Shahpur	2011-12	2373	1,450,000
11	District Jail, Kasur	2011-12	2385	1,035,000
12	Police Training College, Chung Lahore	2012-13	2747	876,680
13	District Jail, T.T. Singh	2011-12	2370	675,000
14	District Jail, Gujrat	2011-12	2506	580,735
15	Superintendent District Jail, Muzaffargarh	2011-12	3237	455,000
16	Superintendent Central Jail, Mianwali	2012-13	3857	410,100
17	District Jail, Attock	2012-13	3887	303,786
Total				30,862,805

Annexure-16

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Police College Sihala Rawalpindi	2012-13	3928	10,575,144
2	SSP Police Training Institute, Multan	2011-12	2391	6,769,836
3	Police Training School, Sargodha	2011-12	3231	6,616,080
4	District Police Officer, D G Khan	2012-13	3848	1,897,464
5	District Police Officer, Pakpattan	2012-13	4026	1,332,792
6	District Police Officer, Sahiwal	2012-13	3242	586,470
7	District Police Officer, Lodhran	2012-13	3837	553,254
8	City Police Officer, Multan	2012-13	3158	385,089
9	District Police Officer, Okara	2012-13	3846	342,540
10	District Police Officer, Vehari	2012-13	3074	290,640
11	District Police Officer, Bhakkar	2012-13	3872	220,056
12	District Jail, Sargodha	2012-13	3957	152,000
13	District Police Officer, Khanewal	2011-12	2354	130,788
14	District Police Officer, Narowal	2011-12	2368	130,068
15	District Police Officer, Jhelum	2012-13	3882	120,408
16	District Jail, Shahpur	2011-12	2374	108,000
Total				30,210,629

Annexure-17

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	SP PHP , D G Khan	2012-13	4013	1,480,160
2	District Police Officer, Pakpattan	2012-13	4028	1,048,636
3	District Police Officer, Vehari	2012-13	3076	1,014,535
4	District Police Officer, R Y Khan	2012-13	3393	961,075
5	District Police Officer, Layyah	2012-13	4020	935,983
6	SSP PHP, Lahore	2012-13	3388	842,480
7	Police Training College Chung, Lahore	2012-13	2749	787,696
8	City Police Officer, Gujranwala	2012-13	3993	698,896
9	District Police Officer, R Y Khan	2012-13	3394	620,527
10	District Police Officer, Sahiwal	2012-13	3241	604,680
11	Elite Police Training School, Lahore	2011-12	2397	577,541
12	SSP Telecommunication, Lahore	2012-13	3147	153,600
13	District Police Officer, Okara	2012-13	3844	553,680
14	District Police Officer, Chiniot	2012-13	2855	516,220
15	District Police Officer, Vehari	2012-13	3070	468,430
16	SSP PC Battalion No. 3, Multan	2009-12	2512	445,350
17	District Police Officer, Pakpattan	2012-13	4029	429,340
18	DPO, Narowal	2011-12	2366	425,437
19	City Police Officer, Gujranwala	2012-13	3994	425,271
20	District Police Officer, M B Din	2012-13	3916	413,960
21	City Police Officer, Rawalpindi	2012-13	3941	413,745
22	District Police Officer, Okara	2012-13	3845	405,959
23	City Traffic Officer, Faisalabad	2012-13	2626	67,200
24	City Traffic Officer, Faisalabad	2012-13	3068	349,460
25	Battalion Commander Battalion No. 4 PC Faisalabad	2012-13	3978	340,355
26	District Police Officer, D G Khan	2012-13	3850	323,400
27	SP Traffic, Gujranwala	2012-13	4355	317,486
28	District Police Officer, D G Khan	2012-13	3851	298,745
29	SSP PC Battalion 4, Faisalabad	2011-12	2359	290,160
30	SP Traffic, Gujranwala	2012-13	4023	277,586
31	District Police Officer, Chiniot	2012-13	2854	266,760

32	City Traffic Officer, Faisalabad	2012-13	2628	62,480
33	District Police Officer, Bahawalpur	2012-13	3407	241,480
34	SP Special Branch, D.G. Khan	2007-12	2393	234,558
35	District Police Officer, Bahawalpur	2012-13	3408	225,380
36	Additional IGP, CTD, Lahore	2012-13	3139	212,128
37	District Police Officer, Attock	2012-13	3380	207,480
38	District Police Officer, Attock	2012-13	3381	204,990
39	SSP PHP, Faisalabad	2012-13	3043	201,500
40	CTO, Gujranwala	2012-13	3361	199,071
41	Superintendent of Police Traffic Region, Rawalpindi	2012-13	3862	192,473
42	District Police Officer, Sialkot	2012-13	2738	184,120
43	SP Traffic Region, D.G. Khan	2011-12	2388	183,547
44	District Police Officer, Layyah	2012-13	4019	181,157
45	District Police Officer, Khanewal	2011-12	2729	181,100
46	SSP PC Battalion No. 3, Multan	2009-12	2514	170,578
47	District Police Officer, Gujrat	2012-13	3160	167,960
48	District Police Officer, Vehari	2012-13	3075	167,100
49	DPO, Khanewal	2011-12	2352	165,300
50	District Police Officer, Khanewal	2011-12	2730	164,120
51	Superintendent of Police Traffic Region, Sargodha	2012-13	3869	148,620
52	District Police Officer, Rajanpur	2012-13	2638	147,600
53	District Police Officer, Rajanpur	2012-13	2639	146,320
54	SP Motor Transport Punjab, Lahore	2012-13	3900	144,520
55	District Police Officer, Lodhran	2012-13	3840	142,600
56	SP PHP, Bahawalpur	2012-13	4044	142,400
57	Commandant Punjab Constabulary, Farooqabad	2012-13	2734	137,975
58	SSP PC Battalion 4, Faisalabad	2011-12	2360	132,625
59	Regional Office CTD/CID, Faisalabad	2008-12	3148	131,700
60	Commandant Punjab Constabulary, Farooqabad	2012-13	2735	127,228
61	SP Commandant PC-4 Battalian, Faisalabad	2012-13	3976	126,541

62	SSP PHP, Lahore	2012-13	3389	124,000
63	District Police Officer, Jhelum	2012-13	3881	122,730
64	District Police Officer, Sahiwal	2012-13	3244	122,360
65	Chief Traffic Officer, Rawalpindi	2012-13	3892	121,980
66	Chief Traffic Officer, Rawalpindi	2012-13	3891	117,600
67	City Traffic Officer, Faisalabad	2012-13	2630	117,600
68	District Police Officer, Sialkot	2012-13	2737	116,600
69	SP Traffic Region, Sahiwal	2012-13	3910	114,200
70	District Police Officer, Bhakkar	2012-13	3874	109,123
71	Police Training School, Farooqabad	2012-13	2727	105,700
72	District Police Officer, Bhakkar	2012-13	3876	104,180
73	SP Battalion Commander No. 1 PC, Lahore	2012-13	3927	103,350
74	Police College, Sihala Rawalpindi	2012-13	3932	102,740
75	Elite Police Training School, Lahore	2011-12	2399	101,730
76	District Police Officer, Toba Take Singh	2012-13	2849	101,120
77	SP Traffic Region, Sahiwal	2012-13	3909	98,600
78	Police Training School, Rawalpindi	2012-13	3886	93,780
79	SP Traffic Region, Faisalabad	2012-13	3950	91,100
80	SP Traffic Region, Faisalabad	2012-13	3949	89,280
81	SP PHP , D G Khan	2012-13	4012	81,900
82	SP Special Branch, Multan	2012-13	3981	76,300
83	Police Training School, Sargodha	2012-13	3895	74,240
84	SSP Police Training Institute, Multan	2011-12	2392	69,380
85	SP Special Branch, Multan	2012-13	3982	68,710
86	DPO, Khanewal	2011-12	2353	60,000
87	Police Training School, Sargodha	2012-13	3896	44,920
88	District Police Officer, Toba Take Singh	2012-13	2848	42,500
89	Sp. Special Branch, Sheikhpura	2011-12	2355	31,900
90	Police Training School, Rawalpindi	2012-13	3889	31,720
91	SP PHP, Rawalpindi	2011-12	2504	19,200
Total				24,487,547

Annexure-18

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Police Officer, Gujrat	2012-13	3051	641,062
2	SSP PC Battalion-4, Faisalabad	2011-12	2404	607,094
3	CPO, Rawalpindi	2012-13	3940	495,248
4	Battalion Commander Battalion No. 1 PC, Faisalabad	2012-13	3964	385,113
5	Director General Forensic Science Agency, Lahore	2011-12	2876	308,008
6	District Police Officer, M B Din	2012-13	4010	302,916
7	SP Battalion Commander No. 1 PC, Lahore	2012-13	3926	251,160
8	CPO, Rawalpindi	2012-13	3944	247,000
9	District Police Officer, Gujrat	2012-13	3054	186,664
10	District Police Officer, Lodhran	2012-13	3839	185,471
11	District Police Officer, Jhelum	2012-13	3880	164,647
12	CTO, Rawalpindi	2011-12	2409	149,365
13	District Police Officer, D G Khan	2012-13	3852	134,140
14	SP Battalion Commander No. 5 PC, Lahore	2012-13	3250	129,632
15	SP PHP, Sargodha	2012-13	3952	126,700
16	City Traffic Officer, Rawalpindi	2012-13	3893	80,272
Total				4,394,492

Annexure-19

Sr. No.	Name of formation	Period of audit	PDP No.	Off road and Condemned Items	Amount (Rs.)
1	SP Motor Transport Punjab, Lahore	2012-13	3899	02 cars, 01 jeep and 14 pickups	6,400,000
2	SP MT Punjab, Lahore	2011-12	2402	77 vehicles and motorcycles	4,800,000
3	DPO B/Pur	2012-13	3413	13 pickups, 2 jeeps, 1 ambulance, 1 truck and 25 motorcycles	4,625,000
4	CPO F/Abad	2012-13	3061	04 buses, 02 Hino truck, 04 pickup and 93 motorcycles	4,000,000
5	DPO Rajanpur	2012-13	2635	Vehicles	3,600,000
6	SP Motor Transport Punjab, Lahore	2012-13	3898	4 Toyota Pickups, two jeeps and 1 Hino Bus	3,400,000
7	DOP R.Y.Khan	2012-13	3396	7 jeeps,1 bus, 1 truck and 16 Motorcycles	2,540,000
8	DPO Gujrat	2012-13	3050	01Hyundai Pickup, 01 Hino Truck and 06 motorcycles	2,390,000
9	DPO, T.T. Singh	2012-13	2850	05 Vehicles	2,000,000
10	DPO Sialkot	2012-13	2740	02 Vehicles and 37 motorcycles	1,270,000
11	SP PHP, D G Khan	2012-13	4015	04 Toyota Pickup	1,200,000
12	CPO, Gujranwala	2012-13	3999	01 Pickup and 15 motorcycles	1,025,000
13	SP Traffic Region, Faisalabad	2012-13	3946	03 vehicles and 01 motorcycle	925,000
14	DPO Attock	2012-13	3383	1 prison van, 1 jeep and 4 motorcycles	660,000
15	DPO Khanewal	2012-13	2732	01 Toyota Pickup and 04Motorcycles	340,000
16	DPO Chiniot	2012-13	2856	01 Truck	300,000
Total					39,475,000

Annexure-20

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of recovery	Amount (Rs.)
1	Director General (M&M) Punjab, Lahore	2011-13	2582	Non recovery on account of lease money & penalty from cement/chemical factories	391,727,000
2	Assistant Director (M&M), Sialkot	2007-13	3105	Non recovery on account of unauthorized excavation of sand	61,648,843
3	Deputy Director (M&M), Rawalpindi	2007-13	4340	Non recovery on account of unauthorized excavation/mining of sand and un-crushed stone	54,756,511
4	Director General (M&M) Punjab, Lahore	2011-13	2583	Non recovery on account of unauthorized excavation of sand and ordinary/lime stone	42,970,000
5	Assistant Director (M&M), Attock	2007-13	3115	Non recovery on account of unauthorized excavation of lime stone, decorative stone & un-crushed stone	28,318,786
6	Deputy Director (M&M), Sargodha	2007-13	4332	Non recovery on account of unauthorized mining beyond the granted period	27,635,632
7	Assistant Director (M&M), Chiniot	2007-13	4337	Non recovery on account of unauthorized excavation of sand	27,513,914
8	Deputy Director (M&M), Sargodha	2007-13	4330	Non recovery on account of unauthorized excavation/mining of sand and uncrushed stone	21,665,343
9	Director General (M&M) Punjab, Lahore	2011-13	2585	Non recovery on account of unauthorized excavation of sand	10,818,000

10	Deputy Director (M&M), Rawalpindi	2007-13	4339	Non recovery on account of unauthorized excavation/mining of sand and uncrushed stone	9,729,479
11	Assistant Director (M&M), Bhawalpur	2007-13	4334	Non recovery on account of unauthorized excavation/mining of sand and ghassar	7,243,690
12	Assistant Director (M&M), Chakwal	2007-13	3650	Non recovery on account of unauthorized excavation/mining of sand and uncrushed stone	6,304,160
13	Assistant Director (M&M), Mianwali	2007-13	3649	Non recovery on account of unauthorized excavation/mining of sand and uncrushed stone	4,672,382
14	Director General (M&M) Punjab Lahore	2007-13	2586	Non recovery on account of unauthorized excavation/mining of coal, brine, fire clay & marbel etc.	4,343,000
15	Director General (M&M) Punjab Lahore	2007-13	2587	Non recovery on account of unauthorized excavation/mining of lime stone	4,040,000
16	Deputy Director (M&M), Chakwal	2007-13	4343	Non-finalization of case of recovery of loss to government due to unauthorized excavation /mining	2,887,594
17	Assistant Director (M&M) Sahiwal	2007-13	4345	Non recovery on account of unauthorized excavation/mining of sand	2,560,909

18	Director General (M&M) Punjab Lahore	2011-13	2589	Non recovery on account of unauthorized excavation/mining after expiry of lease period	2,165,664
19	Director General (M&M) Punjab Lahore	2007-13	2588	Non recovery of outstanding dead rent and penalty from Pakistan Railways	1,619,328
Total					712,620,235